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# **Section VI**

## **Special Reports**

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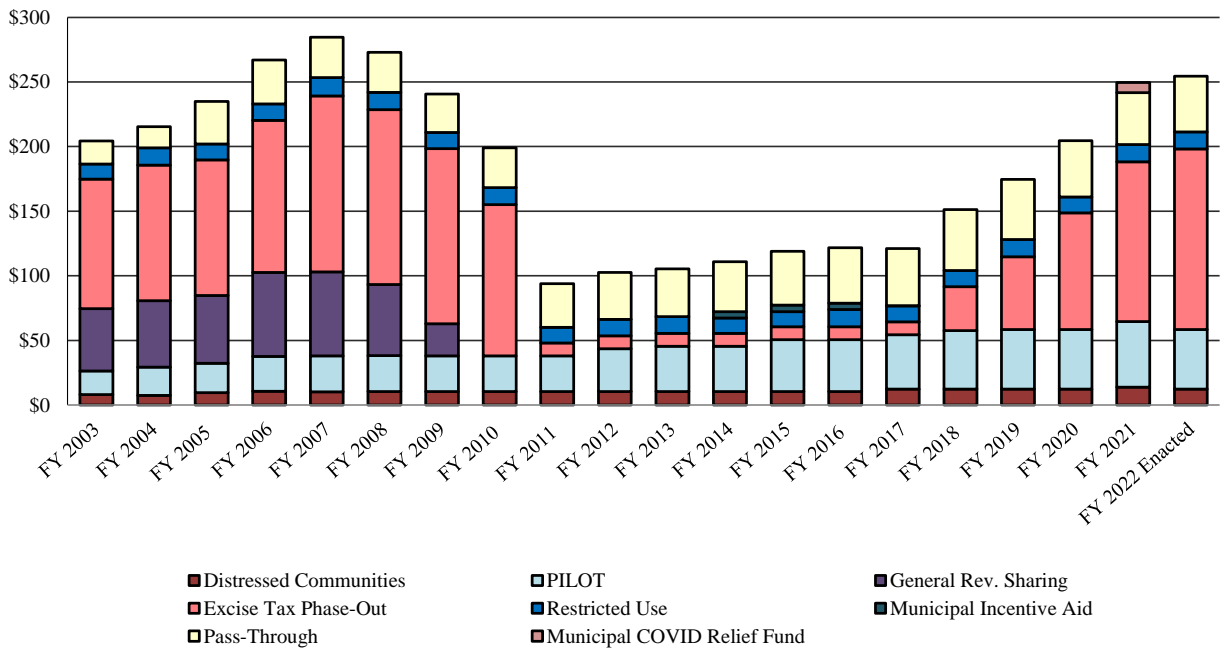


# State Aid to Local Governments

## Introduction

The Assembly provided state aid to cities and towns totaling \$209.2 million for FY 2021 and \$211.3 million for FY 2022. Funding for general aid programs in FY 2021 includes \$196.0 million, which is \$0.1 million less than enacted. Funding for general aid programs in FY 2022 totals \$198.1 million, \$2.1 million more than enacted; both years are consistent with the Governor’s recommended level. For restricted use programs, the budget includes \$13.3 million for FY 2021, and \$13.2 million for FY 2022, \$0.1 million and \$0.2 million less than enacted, respectively. Local communities also receive revenues from other local taxes, which the state collects and passes through to the communities. This includes \$40.6 million for FY 2021 and \$43.6 million for FY 2022, which is \$1.5 million and \$0.9 million more than the enacted assumption. The FY 2022 budget also includes \$132.0 million from American Rescue Plan Act federal funds to pass-through to local governments, an equal amount is anticipated for FY 2023.

The following graph shows historical funding data in millions and includes the allocation by program from FY 2003 through the FY 2022 enacted amount.



The major changes included in local aid are discussed on the following pages, followed by tables that show distribution of general aid and restricted aid programs by community. Though not a state aid program, there are also tables for the public service corporations’ tax collections, a local levy collected at the state level for efficiency purposes and returned to local governments. It should be noted that the FY 2022 allocations for the Motor Vehicle Excise Tax Phase-Out will be impacted by data updates which will change distributions to each community.

**General.** The Assembly provided \$196.0 million for FY 2021 and \$198.1 million for FY 2022 for general state aid programs to local governments.

Fiscal Year	2005	2010	2015	2020	2021 Enacted	2021 Final	2022 Gov. Rec.	2022 Enacted	Chg. To Enacted
<b>General Aid</b>									
Distressed Communities	\$ 9.5	\$ 10.4	\$ 10.4	\$ 12.4	\$ 13.8	\$ 13.8	\$ 12.4	\$ 12.4	\$ (1.4)
PILOT	22.7	27.6	40.1	46.1	50.7	50.7	46.1	46.1	(4.6)
Excise Tax Phase-Out	105.0	117.2	10.0	90.3	123.8	123.7	139.7	139.7	15.9
Municipal COVID Relief Fund	-	-	-	-	7.8	7.8	-	-	(7.8)
<b>Subtotal</b>	<b>\$ 189.7</b>	<b>\$ 155.1</b>	<b>\$ 65.5</b>	<b>\$ 148.7</b>	<b>\$ 196.0</b>	<b>\$ 196.0</b>	<b>\$ 198.1</b>	<b>\$ 198.1</b>	<b>\$ 2.1</b>
<b>Restricted Use Aid</b>									
Library Resource Aid	\$ 8.1	\$ 8.8	\$ 8.8	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6	\$ -
Library Const. Aid	2.5	2.6	2.3	1.9	2.7	2.7	2.1	2.1	(0.6)
Prop. Val. Reimb.	0.6	1.6	0.7	0.6	1.1	1.0	1.5	1.5	0.4
<b>Subtotal</b>	<b>\$ 12.3</b>	<b>\$ 13.0</b>	<b>\$ 11.9</b>	<b>\$ 12.2</b>	<b>\$ 13.4</b>	<b>\$ 13.3</b>	<b>\$ 13.2</b>	<b>\$ 13.2</b>	<b>\$ (0.2)</b>
<b>Total Appropriated Aid</b>	<b>\$ 202.0</b>	<b>\$ 168.2</b>	<b>\$ 77.4</b>	<b>\$ 160.9</b>	<b>\$ 209.4</b>	<b>\$ 209.2</b>	<b>\$ 211.3</b>	<b>\$ 211.3</b>	<b>\$ 1.9</b>
<b>Other Aid - Pass-Through</b>									
Public Service Corp.	\$ 14.6	\$ 10.2	\$ 14.3	\$ 13.2	\$ 13.2	\$ 13.2	\$ 13.2	\$ 12.6	\$ (0.6)
Meals and Beverage Tax	17.8	19.0	23.9	\$ 26.2	24.8	24.3	26.3	27.2	2.5
Local Hotel Tax	0.6	1.7	3.4	4.3	4.2	3.2	3.8	3.8	(0.4)
<b>Total - Other Aid</b>	<b>\$ 33.1</b>	<b>\$ 30.9</b>	<b>\$ 41.6</b>	<b>\$ 43.6</b>	<b>\$ 42.1</b>	<b>\$ 40.6</b>	<b>\$ 43.3</b>	<b>\$ 43.6</b>	<b>\$ 1.5</b>

\$ in millions

- **Distressed Communities Relief Fund.** The Assembly provided \$12.4 million for the Distressed Communities Relief Fund for FY 2022. Communities' aid distribution is based on updated qualifying tax levies and reflects a total of seven funded communities; there is a redistribution of funding among qualifying communities based on that total. The FY 2021 enacted level of \$13.8 million includes \$11.3 million from one-time COVID Relief federal funds distributed pursuant to the Payment in Lieu of Taxes program formula. This provided \$1.4 million more than recent prior years' appropriations.

- **Payment in Lieu of Taxes Program.** The Assembly provided \$46.1 million for FY 2022 for the Payment in Lieu of Taxes program that reimburses municipalities for property taxes that would have been due on real property exempted from taxation by state law, including property owned by private nonprofit higher educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility, or correctional facility. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. If the appropriation is less than the necessary amount, the reimbursements are ratably reduced. The allocation is consistent with the FY 2020 level of spending, which represents a 26.6 percent reimbursement rate.

The FY 2021 budget provided \$50.7 million of which \$31.5 million is from one-time COVID Relief federal funds distributed pursuant to the Payment in Lieu of Taxes program formula. The FY 2022 funding level is \$1.8 million less than full funding based on updated data, and reflects a 26.0 percent reimbursement.

- **Motor Vehicle Excise Tax Phase-Out.** The Assembly fully funds the Motor Vehicle Excise Tax Phase-Out program at \$139.7 million for FY 2022. This reflects an additional \$29.1 million to fund the next increment to reimburse communities for changes in the phase-out formula. For FY 2022, the rate cap decreases by \$5 to \$30 per \$1,000 assessed, the percentage of value assessed decreases 5.0 percent to 75.0 percent, and the minimum exemption increases by \$1,000 to \$5,000. Under current law, cars older than 15 years old are exempt and the tax is eliminated as of FY 2024. The FY 2021 budget included estimated expenses of \$123.8 million, \$11.2 million more than provided for by statute primarily to reflect the use of \$86.0 million of one-time COVID Relief federal funds distributed to communities through the phase out tax formula. The revised amount provided for FY 2021 is \$0.1 million less than enacted from general revenues based on updated data, including changes to the community allocations assumed in the enacted budget.

- ***Municipal COVID Relief Fund.*** The FY 2021 final budget includes \$136.5 million from Coronavirus Relief federal funds and distributes those funds to communities based on four formulas, consistent with the enacted budget. The proviso language provides that the Department of Revenue may require cities and towns to submit all appropriate and necessary documentation to show that the use of funds provided complies with all applicable federal laws and regulations under Section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136. The distribution formulas include the aforementioned funding amounts in the Distressed Communities Relief Fund, Payment in Lieu of Taxes, and Motor Vehicle Excise Tax Phase-Out, distributed based on those formulas. There is an additional \$7.8 million distributed on a per capita basis. This one-time funding is not included for FY 2022.
- ***Library Resource Sharing Aid.*** The Assembly provided the enacted amount of \$9.6 million for library aid. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The funding level represents a 21.8 percent reimbursement; the FY 2021 budget represents 21.7 percent.
- ***Library Construction Aid.*** The Assembly provided \$2.1 million to fully fund library construction aid requirements, this is \$0.6 million less than provided for FY 2021. The state reimburses libraries up to half of the total costs for eligible projects on an installment basis, for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.
- ***Property Revaluation Reimbursement.*** The Assembly provided \$1.0 million for FY 2021 and \$1.5 million for FY 2022 to reimburse communities conducting property valuation updates. This is \$0.1 million less than the Governor's FY 2021 revised recommendation. Expenditures fluctuate annually and were revised based on reported expenditures.
- ***Oversight Reimbursement.*** The Budget contains no funding for oversight reimbursement for communities no longer under state Fiscal Stability Act oversight. No communities are eligible.
- ***Public Service Corporation Tax.*** The Budget assumes the state will collect and distribute property taxes in the amount of \$13.2 million for FY 2021 and \$12.6 million for FY 2022 from public service corporations on behalf of municipalities and pass that back to them.
- ***Meals and Beverage Tax.*** The FY 2022 budget assumes the state will collect and distribute an estimated \$24.3 million and \$27.2 million from local meals and beverage taxes for FY 2021 and FY 2022, respectively. This reflects the June 2021 update to the Office of Revenue Analysis forecast presented in the Governor's recommendation.
- ***Local Hotel Tax.*** The FY 2022 budget assumes the state will collect and distribute an estimated \$3.2 million and \$3.8 million for FY 2021 and FY 2022, respectively, from the 1.0 percent local hotel tax. This reflects the June 2021 update to the Office of Revenue Analysis forecast presented in the Governor's recommendation.

### **State Aid**

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

*Restricted use* aid includes payments made to a municipality for a specific purpose or payments to non-governmental entities providing a public service, including library aid. The largest source of restricted aid

is education aid, not included here. This information is shown separately in the Education Aid report in this publication.

*Pass-through aid* in the form of the Public Service Corporation, 1.0 percent local Meals and Beverage tax, and 1.0 percent hotel tax are listed as state aid. These funds are not paid from state sources. For efficiency of collections, the Division of Taxation collects these local levies at the state level and returns the collections back to the local governments.

### General State Aid

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

Rankings	Central Falls	Cranston	North Providence	Pawtucket	Providence	West Warwick	Woonsocket
FY 2019							
Levy/Full Value	2	7	4	8	3	6	1
Per Capita Income 2016	1	7	11	4	3	5	2
Personal Income/Full Value	1	10	3	4	15	6	2
Full Value Per Capita	1	7	6	3	4	5	2
Qualifying Rankings	4	3	3	4	3	4	4
FY 2020							
Levy/Full Value	3	5	6	8	2	4	1
Per Capita Income 2017	1	7	9	3	4	5	2
Personal Income/Full Value	1	9	4	3	11	6	2
Full Value Per Capita	1	7	6	3	4	5	2
Qualifying Rankings	4	3	3	4	3	4	4
FY 2021							
Levy/Full Value	4	5	7	6	3	2	1
Per Capita Income 2018	1	7	9	4	3	5	2
Personal Income/Full Value	1	6	4	3	17	5	2
Full Value Per Capita	1	6	7	3	5	4	2
Qualifying Rankings	4	4	3	4	3	4	4
FY 2022							
Levy/Full Value	4	7	5	6	2	1	3
Per Capita Income 2019	1	7	8	4	3	5	2
Personal Income/Full Value	1	13	5	3	14	4	2
Full Value Per Capita	1	8	6	3	5	4	2
Qualifying Rankings	4	3	4	4	3	4	4

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

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

The 2012 Assembly adopted legislation allowing municipalities to receive their full distressed aid payments in August. Payments had been made twice a year in August and March.

Historically, a majority of the funds, \$9.6 million, was distributed on a weighted allocation and legislation was included in past budgets to allow \$0.8 million previously linked to lottery revenues to be shared equally among the communities. Since FY 2014, all of the funds are distributed on a weighted basis. The program had been level funded at \$10.4 million from FY 2008 until the 2016 Assembly increased funding to \$12.4 million.

The 2016 Assembly enacted legislation requiring that all communities qualifying as distressed participate in the Division of Taxation's refund offset program to collect taxes owed. Current law provides that if the Assembly appropriates more than the enacted level for the program, distressed communities will receive shares, even if they are receiving a transition payment.

The Assembly provided \$12.4 million from general revenues for the Distressed Communities Relief program for FY 2022, consistent with prior appropriated amounts. Communities' aid distribution is based on updated qualifying tax levies. The FY 2021 budget provided \$1.4 million more than the prior appropriation to reflect an enhanced level of support provided to municipalities using one-time COVID Relief federal funds.

Most funds are distributed based on the ratio of an eligible municipality's tax levy to the total tax levy of all eligible municipalities. However, when a new community qualifies, that community receives 50.0 percent of current law requirements the first year it qualifies. The remaining 50.0 percent is distributed to the other distressed communities proportionately. When a community falls out of the program, it receives a one-time transition payment of 50.0 percent of the prior year requirement exclusive of any reduction for first year qualification. No community is in transition for FY 2022.

**Payment in Lieu of Taxes (PILOT).** This program reimburses cities and towns for property taxes, which would have been due on real property owned by private nonprofit higher educational institutions or nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The state typically makes one payment to communities in July of each year.

If the appropriation is less than the necessary amount, the reimbursements are ratably reduced. The Assembly provided \$46.1 million for FY 2022, which is \$1.8 million less than full funding based on updated data, and reflects a reimbursement rate of 26.0 percent. The FY 2022 allocation is consistent with the FY 2020 level of spending, which represented a 26.6 percent reimbursement rate. The FY 2021 Budget provides \$50.7 million and exceeds the 27.0 percent reimbursement rate under statute to reflect the inclusion of one-time COVID Relief federal funds distributed pursuant to the statutory formula.

**Motor Vehicle Excise Tax Phase-Out.** The 1998 General Assembly enacted legislation to eliminate the motor vehicles excise tax over a period of seven years. The exemption is a reduction in the assessed value subject to taxation. Cities and towns are paid by the state for the lost taxes due to the exemptions and local vehicle tax rates were frozen to the FY 1998 level.

The state typically makes quarterly payments to the communities in the months of August, November, February and May. For FY 2021, the delay in budget passage subjected local aid payments to monthly allocations under the Budget Officer's authority. Upon enactment, the budget required disbursement of \$35.0 million within ten days, and certification of allowable local expenses under the CARES Act. The Division of Municipal Finance disbursed \$58.0 million within ten days to provide the funding that would have been due under the regular payment system and provided additional support due to the coronavirus pandemic. Final local aid payments totaling \$78.6 million were made in February 2021, after certification of expenses.

The 2010 Assembly provided \$117.2 million to fund the program at 88.0 percent of the amount that would have been due in FY 2010. It also enacted legislation that mandates a \$500 exemption for which the state will reimburse municipalities an amount subject to appropriation for FY 2011 and thereafter. It had been funded at \$10.0 million until FY 2018. Municipalities could provide an additional exemption which was not subject to reimbursement. The Assembly removed the prohibition on taxing the difference when the value of a vehicle is higher than assessed in the prior fiscal year, and allowed motor vehicle rates and ratios of assessment to be less than earlier levels, which were frozen. The Assembly also restored fire districts' authority to levy a motor vehicles excise tax and excluded them from reimbursements.

The 2017 Assembly enacted legislation to restart the phase-out. Over time, the law incrementally reduces the maximum tax rate levied and percentage of assessed value, while increasing the minimum exemption. The legislation also exempts cars older than 15 years from taxation, a change from the prior 25 years.

The Assembly fully funded the Motor Vehicle Excise Tax Phase-Out program at \$139.7 million for FY 2022. This reflects an additional \$29.1 million to fund the next increment to reimburse communities for changes in the phase-out formula. For FY 2022, the rate cap decreases by \$5 to \$30 per \$1,000 assessed, the percentage of value assessed decreases 5.0 percent to 75.0 percent, and the minimum exemption increases by \$1,000 to \$5,000. Under current law, the tax is eliminated as of FY 2024. The FY 2021 budget included estimated expenses of \$123.8 million, \$11.2 million more than provided by statute primarily to reflect the use of \$86.0 million of one-time COVID Relief federal funds distributed to communities through the phase out tax formula. For FY 2021, the final appropriation is \$0.1 million less than enacted from general revenues based on updated data which changes the allocation between communities compared to the enacted estimate.

**Municipal Incentive Aid.** The Municipal Incentive Aid program, which encouraged sustainable funding of retirement plans and reduction of unfunded liabilities was conceived as a three-year program. FY 2016 was the third and final year. For FY 2016, Johnston did not meet the funding requirements for eligibility and its payment was reappropriated to FY 2017. The final FY 2017 budget included the reappropriated FY 2016 Johnston aid but as Johnston remained ineligible, its share was redistributed amongst the other communities in May 2017.

Aid was distributed on the basis of the most recent estimate of population of each municipality as a share of the total state population, as reported by the Bureau of the Census in the year the payment is made. Program payments were made in March of each year. If a municipality was not eligible to receive aid, its share may have been reappropriated to the following fiscal year. To receive the prior and current years' share of aid, the municipality had to meet the funding requirements for both years.

**Municipal COVID Relief Fund.** The 2020 Assembly provided an enhanced level of local aid support for FY 2021 from the state's one-time allocation of \$1,250.0 million from the Coronavirus Relief Fund, provided under the CARES Act. The Budget includes proviso language for cities and towns to comply with all applicable federal laws and regulations under Section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136, subject to Department of Revenue oversight. For FY 2021, the final appropriation includes the enacted amount of \$136.5 million from Coronavirus Relief federal funds, using the enacted distribution methodology based on four formulas. This includes the aforementioned amounts in the Distressed Communities Relief Fund, Payment in Lieu of Taxes, and Motor Vehicle Excise Tax Phase-Out, distributed based on those formulas. There is an additional \$7.8 million distributed on a per capita basis. This one-time funding is not included in the budget for FY 2022.

**General Revenue Sharing.** Beginning in FY 1994, a portion of total state tax revenues from the second prior fiscal year have been earmarked as state aid to cities and towns and distributed based on per capita income and local tax burdens for public purposes. The FY 1999 budget began increasing the percentage of shared revenues as a mechanism for reimbursing municipalities for lost local revenues from the ten-year



phase-out of the inventory tax. Legislation in 2005 and 2006 dedicated a portion of video lottery net terminal income, up to \$10.0 million, to the program for non-distressed communities. The 2009 Assembly adopted the Governor's recommendation to subject the program to appropriation. It has not been funded since FY 2009.

### **Restricted Use State Aid**

**Library Resource Sharing Aid.** Current law requires the state to support local libraries via grants-in-aid at a level equivalent to 25.0 percent of the amount appropriated and expended from local tax revenues in the second prior fiscal year by the municipalities in which the libraries are located.

Aid remained relatively stable from FY 1991 through FY 1997. For FY 1998, the General Assembly appropriated an additional \$1.0 million to begin increasing funding to meet the 25.0 percent program requirement by FY 2000. The state is also required to fund 100 percent of the administrative and operating costs of the Rhode Island Library Network. It should be noted that the 25.0 percent requirement also applies to institutional libraries; however, that funding is not shown in this report as local aid.

The 2003 Assembly amended the statute to include Providence Public Library endowment funding as part of the local effort; the annual amount of endowment funds that may be included is capped at 6.0 percent of the three-year average market value of the endowment, calculated at the end of the calendar year. The 2004 Assembly further amended the laws to extend this allowance to all libraries.

For FY 2009, the Assembly enacted legislation to reduce the maintenance of effort requirement for municipalities to library services funding of at least 80.0 percent of the previous fiscal year. The 2009 Assembly enacted legislation to continue allowing communities to meet the 80.0 percent maintenance of effort for libraries to qualify for state library aid.

The chief library officer annually determines each municipality's compliance with the maintenance of effort requirement by comparing appropriation and expenditure amounts as reported by the libraries or the municipalities. In the event that a municipality has failed to meet the maintenance of effort requirement, the chief library officer will notify the municipality that it is not eligible for a state grant-in-aid. A municipality that is deemed ineligible may request a waiver from the requirement by submitting a letter to the chief library officer.

Included in this aid program is the library resources services grant, which is provided to the Providence Public Library to serve as the state's reference resource center. The program is intended to provide high-quality reference services to libraries and their patrons, including research area-specific databases, librarian-assisted research, and some tutoring services. It had historically been funded at \$1.0 million per year. The 2016 Assembly concurred with the Governor's recommendation to reduce the statewide library resource reference grant to \$0.7 million.

For FY 2022, the Assembly provided \$9.6 million for library aid, consistent with FY 2021. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The funding level represents a 21.8 percent reimbursement; the FY 2021 budget represents 21.7 percent.

**Library Construction Aid.** State law establishes a library construction aid program, administered by the Office of Library and Information Services, which provides the authority to make grants-in-aid to a municipality or a free public library for construction of or capital improvements to any free public library to provide better services to the public.

The state grants-in-aid are limited to a maximum of 50.0 percent of total eligible costs, as determined by the Office of Library and Information Services. The grants are paid on an installment basis for a period of

up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of a project. During the repayment period, the state share may include the costs of interest on the state share of the project costs if the municipality or free public library was required to borrow the state's share of the project costs.

Reimbursable costs also include any cost of borrowing for the state share during the construction period. Examples of costs ineligible for state funds include fundraising or public relations costs incurred by the municipality or the free library. In a case where the library is a component of local government, payments are made to the municipality. Payments are made directly to free public libraries.

Library construction aid is considered indirect aid. Payments are not necessarily made to a local government; some are made directly to free public libraries, and therefore cannot be considered traditional local aid. Additionally, funds are targeted for specific use and are not for general support of the local government or free library budget.

The 2011 Assembly adopted legislation to impose a three-year moratorium on the acceptance of applications for library construction aid projects through July 1, 2014. The Assembly provided \$2.1 million for FY 2022 based on expected reimbursements, \$0.6 million less than the enacted amount.

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

The amount of the incentive is based on a point system, which is related to the individual's level of educational attainment. The state payments go directly to the municipalities which, in turn, make payments to the participants in the program. Governor Carcieri proposed to eliminate the program for FY 2009; the 2008 Assembly maintained it in the general laws, but no funding has been provided since. Municipalities are still required to reimburse police officers for eligible expenses incurred in earning credits associated with the program.

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

The amount of the incentive is based on a point system, which is related to the individual's level of educational attainment. The state payments go directly to the municipalities which, in turn, make payments to the participants in the program. Governor Carcieri proposed to eliminate the program for FY 2009; the 2008 Assembly maintained it in the general laws, but no funding has been provided since. Current law does not require that municipalities reimburse firefighters for eligible expenses; however, some municipalities do so voluntarily.

**Property Revaluation Reimbursement.** Section 44-5-11.6 of the Rhode Island General Laws requires that municipalities update property valuations using statistical techniques every third and sixth year after a full revaluation. The statute also requires that the state reimburse municipalities for 100 percent of the cost of the first update, not to exceed \$20 per parcel. Reimbursements for subsequent updates are 80.0 percent for the second statistical update and 60.0 percent for the third and all subsequent updates. A distressed community will receive 80.0 percent reimbursement for the second and all subsequent updates. The reimbursement is made upon receipt of bills for completion of the revaluation.

The Assembly provided \$1.0 million for FY 2021 and \$1.5 million for FY 2022 to reimburse communities conducting property valuation updates. This is \$0.1 million less than the Governor’s FY 2021 revised recommendation. Expenditures fluctuate annually and were revised based on reported expenditures. The state does not reimburse non-distressed municipalities for complete revaluations, only for updates. Expenditures fluctuate annually, the following table includes actual expenditures since FY 2011, and the appropriated amounts for FY 2021 and FY 2022.

<b>Fiscal Year</b>	<b>Expenditures</b>	<b>Fiscal Year</b>	<b>Expenditures</b>
2011	\$ 718,306	2017	\$ 446,302
2012	\$ 905,250	2018	\$ 732,812
2013	\$ 889,640	2019	\$ 1,023,245
2014	\$ 436,537	2020	\$ 585,632
2015	\$ 681,508	2021*	\$ 1,003,108
2016	\$ 1,300,849	2022*	\$ 1,503,677

*\*FY 2021 Final and FY 2022 Enacted*

**Oversight Reimbursement.** Rhode Island General Law, Sections 45-9-10 and 45-9-10.1 require that the state reimburse 50.0 percent of the cost of an official to act as a financial advisor to municipalities no longer subject to state Fiscal Stability Act oversight. No funding is provided for FY 2021 as the final eligible community exited oversight on March 20, 2020.

### **Pass-Through Revenues**

**Public Service Corporation Tax.** The Budget assumes the state will collect and distribute \$13.2 million for FY 2021 and \$12.6 million for FY 2022 of property taxes from public service corporations on behalf of municipalities and pass that back to them; this is \$0.6 million less than enacted to reflect actual expenditures. The 2009 Assembly adopted Governor Carcieri’s recommendation to require the tax rate applied to the tangible personal property of public service corporations not be less than the prior year. Annual tax collections had dropped from \$16.6 million in FY 2004 to \$10.2 million in FY 2010. The statute allows for the use of up to 0.75 percent for administrative expenses; these funds are deposited as general revenues.

The tangible personal property of telegraph, cable, and telecommunications corporations and express corporations used exclusively in conducting business for the corporation is exempt from local taxation under current law; however, it is subject to taxation by the state. Tangible personal property includes lines, cables, ducts, pipes, machines and machinery, and equipment.

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

### **Other Local Revenues**

**Meals and Beverage Tax.** The 2003 Assembly enacted a one percent additional tax on gross receipts from sale of food and beverages sold in or from eating and drinking establishments effective August 1, 2003.

Meals are defined as food sold ready for immediate consumption, regardless of when or where consumed. Eating establishments include all entities preparing these foods, including caterers. The Division of Taxation collects the tax and distributes it to the city or town where the meals and beverages were delivered. Collections for the last five fiscal years are shown in the following table.

<b>Fiscal Year</b>	<b>Total Collections</b>
2020	\$26,153,929
2019	\$28,297,063
2018	\$28,896,727
2017	\$26,337,072
2016	\$25,683,737

While not a direct appropriation, the Budget assumes the state will collect and distribute an estimated \$24.3 million and \$27.2 million from local meals and beverage taxes for FY 2021 and FY 2022, respectively. This reflects the June 2021 update to the Office of Revenue Analysis forecast presented in the Governor's recommendation.

**Hotel Tax.** The 2004 Assembly enacted a one percent additional tax on occupancy charges, effective January 1, 2005. The tax is paid by anyone receiving monetary charge for occupancy of any space furnished in a structure with a minimum of one room that is kept, used, maintained, advertised as or held out to the public to be a space where living quarters are supplied for pay to transient use. The Division of Taxation collects the tax for all except the City of Newport and distributes it to the city or town where the occupancy occurred. An expansion of the types of lodging to which this tax applies has increased recent collections. Collections for the last five fiscal years are shown in the following table.

<b>Fiscal Year</b>	<b>Total Collections</b>
2020	\$ 4,299,317
2019	\$ 5,072,892
2018	\$ 5,070,279
2017	\$ 4,415,901
2016	\$ 4,057,884

While not a direct appropriation, the budget assumes the state will collect and distribute an estimated \$3.2 million and \$3.8 million for FY 2021 and FY 2022, respectively, from the 1.0 percent local hotel tax. This reflects the June 2021 update to the Office of Revenue Analysis forecast presented in the Governor's recommendation.

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

### **Federal Stimulus Local Aid**

On March 11, 2021, President Biden signed into law the American Rescue Plan Act, which provides \$360.0 billion to assist states and local governments to cover expenditures incurred from, and provide government services impacted by, coronavirus related revenue losses until December 31, 2024. From a state fiscal year perspective, this means funds will be available for use from FY 2021 through FY 2025. On May 10, 2021, the U.S. Department of the Treasury announced that the allocation to Rhode Island totals \$1.8 billion from three sources, the State Fiscal Recovery Fund, Local Fiscal Recovery Fund and Coronavirus Capital Projects Fund. The estimate assumes the state will receive \$1.1 billion from the recovery fund and \$112.7 million for capital expenses, and local governments will receive \$536.8 million; this is \$1.0 million more than previously estimated. The act provides that the capital funds and half of the state and local government

funds be disbursed within 60 days of certified attestation from the state regarding the use of funds, with the remainder not to be paid within one year of the first disbursement.

The Local Fiscal Recovery Fund provides for three distinct fund allocations: entitlement communities, non-entitlement communities, and counties. For local governments, this includes \$536.8 million, disbursed in two tranches not less than one year apart totaling \$268.4 million each. Entitlement communities will be provided \$136.5 million of each tranche directly; these communities include Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket. For those communities, only the county allocation will pass through the state budget. For the county government funds, the state is required to disburse those funds to each government within each county on a per capita basis with respect to the county population. The Local Fiscal Recovery Fund allocations anticipated are shown in the following table.

<b>Local Fiscal Recovery Fund</b>			
<b>Disbursement Type</b>	<b>Total</b>	<b>Year 1</b>	<b>Year 2</b>
<b>Entitlement</b>	<b>\$ 272,919,729</b>	<b>\$ 136,459,865</b>	<b>\$ 136,459,865</b>
<i>Cranston</i>	<i>26,770,457</i>	<i>13,385,229</i>	<i>13,385,229</i>
<i>East Providence</i>	<i>18,536,674</i>	<i>9,268,337</i>	<i>9,268,337</i>
<i>Pawtucket</i>	<i>44,262,279</i>	<i>22,131,140</i>	<i>22,131,140</i>
<i>Providence</i>	<i>131,373,965</i>	<i>65,686,983</i>	<i>65,686,983</i>
<i>Warwick</i>	<i>23,697,760</i>	<i>11,848,880</i>	<i>11,848,880</i>
<i>Woonsocket</i>	<i>28,278,594</i>	<i>14,139,297</i>	<i>14,139,297</i>
<b>Non-Entitlement</b>	<b>\$ 58,146,731</b>	<b>\$ 29,073,366</b>	<b>\$ 29,073,366</b>
<b>County</b>	<b>\$ 205,768,455</b>	<b>\$ 102,884,228</b>	<b>\$ 102,884,228</b>
<b>Grand Total</b>	<b>\$ 536,834,915</b>	<b>\$ 268,417,458</b>	<b>\$ 268,417,458</b>

Funds are intended to respond to the coronavirus pandemic and its negative economic impacts, and may be provided to households, small businesses, nonprofits, essential workers, or to impacted industries, including tourism, travel, and hospitality, or support infrastructure supports for water, sewer, or broadband systems. The FY 2022 enacted budget includes \$132.0 million of pass-through funding; this reflects the first tranche of allocations to non-entitlement communities, and the county allocation for all communities. The entitlement community funding is directly provided and does not pass through the state’s budget. The tranches are anticipated to be allocated in equal amounts; the second tranche is anticipated due in FY 2023. A table that shows the distribution of funding by community is available at the end of this report.



## **Distribution by Community**

## General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicles Excise Tax, and Municipal COVID

<i>City or Town</i>	<i>FY 2021 Enacted<sup>1</sup></i>	<i>FY 2021 Gov. Rev.*<sup>1</sup></i>	<i>FY 2021 Final*<sup>1</sup></i>	<i>Change to Enacted</i>
Barrington	\$ 3,052,093	\$ 3,112,946	\$ 3,112,946	\$ 60,853
Bristol	2,854,291	2,837,393	2,837,393	(16,899)
Burrillville	2,937,236	2,973,106	2,973,106	35,870
Central Falls	1,806,254	1,822,336	1,822,336	16,082
Charlestown	513,255	508,746	508,746	(4,508)
Coventry	3,125,321	3,101,508	3,101,508	(23,813)
Cranston	21,942,124	22,386,151	22,386,151	444,026
Cumberland	2,985,508	2,950,153	2,950,153	(35,355)
East Greenwich	1,623,605	1,716,933	1,716,933	93,327
East Providence	5,416,558	4,320,332	4,320,332	(1,096,226)
Exeter	974,193	922,004	922,004	(52,189)
Foster	868,614	888,660	888,660	20,046
Glocester	1,190,627	1,156,892	1,156,892	(33,735)
Hopkinton	865,564	874,508	874,508	8,944
Jamestown	202,063	206,308	206,308	4,245
Johnston	5,924,511	5,925,977	5,925,977	1,465
Lincoln	2,037,810	1,918,999	1,918,999	(118,811)
Little Compton	128,494	124,835	124,835	(3,659)
Middletown	771,679	709,065	709,065	(62,615)
Narragansett	583,861	599,237	599,237	15,376
Newport	2,500,313	2,580,804	2,580,804	80,491
New Shoreham	173,395	96,222	96,222	(77,174)
North Kingstown	1,778,036	1,592,025	1,592,025	(186,012)
North Providence	7,325,250	7,505,826	7,505,826	180,576
North Smithfield	2,327,673	2,316,324	2,316,324	(11,349)
Pawtucket	13,837,440	14,188,169	14,188,169	350,729
Portsmouth	1,039,907	998,382	998,382	(41,525)
Providence	70,128,785	71,350,138	71,350,138	1,221,352
Richmond	735,403	735,735	735,735	332
Scituate	575,126	582,466	582,466	7,340
Smithfield	4,078,581	4,019,551	4,019,551	(59,030)
South Kingstown	1,835,317	1,709,540	1,709,540	(125,777)
Tiverton	625,461	616,085	616,085	(9,376)
Warren	1,084,630	1,068,502	1,068,502	(16,128)
Warwick	12,219,045	11,433,633	11,433,633	(785,413)
Westerly	2,962,263	2,899,405	2,899,405	(62,858)
West Greenwich	794,740	614,244	614,244	(180,496)
West Warwick	3,737,157	3,881,306	3,881,306	144,149
Woonsocket	8,305,887	8,571,441	8,571,441	265,553
<b>Subtotal</b>	<b>\$ 195,868,073</b>	<b>\$ 195,815,883</b>	<b>\$ 195,815,883</b>	<b>\$ (52,189)</b>
MV Phase Out - Fire Districts	172,109	135,855	135,855	(36,254)
<b>Enhanced Total</b>	<b>\$ 196,040,182</b>	<b>\$ 195,951,738</b>	<b>\$ 195,951,738</b>	<b>\$ (88,443)</b>
FY 2021 CRF Enhancement	(25,000,000)	(25,000,000)	(25,000,000)	-
<b>Total</b>	<b>\$ 171,040,182</b>	<b>\$ 170,951,738</b>	<b>\$ 170,951,738</b>	<b>\$ (88,443)</b>

\*FY 2021 enacted MV figures reflect value of FY 2020 levy; the FY 2021 Final reflects updated data.

<sup>1</sup>Includes General Revenues and Covid Relief Federal Funds



## General Aid Total

**Includes Distressed Communities, PILOT, Motor Vehicles Excise Tax, and Municipal COVID**

<i>City or Town</i>	<i>FY 2021 Enacted<sup>1</sup></i>	<i>FY 2022 Gov. Rec.*</i>	<i>FY 2022 Enacted*</i>	<i>Change to FY 2021 Final</i>
Barrington	\$ 3,052,093	\$ 3,583,232	\$ 3,583,232	\$ 470,286
Bristol	2,854,291	2,802,010	2,802,010	(35,382)
Burrillville	2,937,236	3,303,116	3,303,116	330,009
Central Falls	1,806,254	1,753,187	1,753,187	(69,149)
Charlestown	513,255	516,867	516,867	8,120
Coventry	3,125,321	3,141,355	3,141,355	39,847
Cranston	21,942,124	22,205,059	22,205,059	(181,092)
Cumberland	2,985,508	3,073,980	3,073,980	123,827
East Greenwich	1,623,605	1,595,123	1,595,123	(121,810)
East Providence	5,416,558	5,860,240	5,860,240	1,539,907
Exeter	974,193	1,174,231	1,174,231	252,228
Foster	868,614	1,027,831	1,027,831	139,171
Glocester	1,190,627	1,205,509	1,205,509	48,617
Hopkinton	865,564	896,335	896,335	21,827
Jamestown	202,063	182,168	182,168	(24,140)
Johnston	5,924,511	6,502,131	6,502,131	576,154
Lincoln	2,037,810	2,395,450	2,395,450	476,451
Little Compton	128,494	105,149	105,149	(19,686)
Middletown	771,679	794,581	794,581	85,517
Narragansett	583,861	526,083	526,083	(73,154)
Newport	2,500,313	2,273,800	2,273,800	(307,004)
New Shoreham	173,395	94,711	94,711	(1,511)
North Kingstown	1,778,036	2,016,677	2,016,677	424,653
North Providence	7,325,250	7,685,492	7,685,492	179,667
North Smithfield	2,327,673	2,662,361	2,662,361	346,037
Pawtucket	13,837,440	13,765,615	13,765,615	(422,555)
Portsmouth	1,039,907	1,079,761	1,079,761	81,379
Providence	70,128,785	65,591,408	65,591,408	(5,758,729)
Richmond	735,403	756,231	756,231	20,496
Scituate	575,126	574,145	574,145	(8,320)
Smithfield	4,078,581	4,741,569	4,741,569	722,018
South Kingstown	1,835,317	1,868,077	1,868,077	158,537
Tiverton	625,461	526,855	526,855	(89,230)
Warren	1,084,630	1,106,897	1,106,897	38,395
Warwick	12,219,045	14,546,500	14,546,500	3,112,867
Westerly	2,962,263	3,129,315	3,129,315	229,910
West Greenwich	794,740	655,354	655,354	41,110
West Warwick	3,737,157	3,962,032	3,962,032	80,726
Woonsocket	8,305,887	8,278,763	8,278,763	(292,678)
<b>Subtotal</b>	<b>\$ 195,868,073</b>	<b>\$ 197,959,199</b>	<b>\$ 197,959,199</b>	<b>\$ 2,143,316</b>
MV Phase Out - Fire Districts	172,109	171,125	171,125	35,270
<b>Enhanced Total</b>	<b>\$ 196,040,182</b>	<b>\$ 198,130,324</b>	<b>\$ 198,130,324</b>	<b>\$ 2,178,586</b>
FY 2021 CRF Enhancement	(25,000,000)	-	-	25,000,000
<b>Total</b>	<b>\$ 171,040,182</b>	<b>\$ 198,130,324</b>	<b>\$ 198,130,324</b>	<b>\$ 27,178,586</b>

\*The FY 2022 reflects FY 2021 levy; distribution subject to revision based on updated data.

<sup>1</sup>Includes General Revenues and Covid Relief Federal Funds

### Distressed Communities Relief

<i>City or Town</i>	<i>FY 2021 Enacted <sup>1</sup></i>	<i>FY 2021 Gov. Rev. <sup>1</sup></i>	<i>FY 2021 Final <sup>1</sup></i>	<i>Change to Enacted</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	245,802	245,802	245,802	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	2,983,075	2,983,075	2,983,075	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,073,357	1,073,357	1,073,357	-
North Smithfield	-	-	-	-
Pawtucket	1,633,458	1,633,458	1,633,458	-
Portsmouth	-	-	-	-
Providence	6,006,484	6,006,484	6,006,484	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	1,028,973	1,028,973	1,028,973	-
Woonsocket	858,947	858,947	858,947	-
<b>Enhanced Total</b>	<b>\$ 13,830,095</b>	<b>\$ 13,830,095</b>	<b>\$ 13,830,095</b>	<b>\$ -</b>
FY 2021 CRF Enhancement	<i>(1,445,637)</i>	<i>(1,445,637)</i>	<i>(1,445,637)</i>	
<b>Total</b>	<b>\$ 12,384,458</b>	<b>\$ 12,384,458</b>	<b>\$ 12,384,458</b>	<b>\$ -</b>

<sup>1</sup>Includes General Revenues and Covid Relief Federal Funds

### Distressed Communities Relief

<i>City or Town</i>	<i>FY 2021 Enacted<sup>1</sup></i>	<i>FY 2022 Gov. Rec.</i>	<i>FY 2022 Enacted</i>	<i>Change to FY 2021 Final</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	245,802	220,713	220,713	(25,089)
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	2,983,075	2,685,555	2,685,555	(297,520)
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,073,357	987,908	987,908	(85,449)
North Smithfield	-	-	-	-
Pawtucket	1,633,458	1,490,485	1,490,485	(142,973)
Portsmouth	-	-	-	-
Providence	6,006,484	5,265,375	5,265,375	(741,109)
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	1,028,973	953,745	953,745	(75,228)
Woonsocket	858,947	780,677	780,677	(78,270)
<b>Enhanced Total</b>	<b>\$ 13,830,095</b>	<b>\$ 12,384,458</b>	<b>\$ 12,384,458</b>	<b>\$ (1,445,637)</b>
FY 2021 CRF Enhancement	<i>(1,445,637)</i>	-	-	-
<b>Total</b>	<b>\$ 12,384,458</b>	<b>\$ 12,384,458</b>	<b>\$ 12,384,458</b>	<b>\$ (1,445,637)</b>

<sup>1</sup>Includes General Revenues and Covid Relief Federal Funds

**Payment in Lieu of Taxes**

<i>City or Town</i>	<i>FY 2021 Enacted<sup>1</sup></i>	<i>FY 2021 Gov. Rev.<sup>1</sup></i>	<i>FY 2021 Final<sup>1</sup></i>	<i>Change to Enacted</i>
Barrington	\$ 18,185	\$ 18,185	\$ 18,185	\$ -
Bristol	1,408,834	1,408,834	1,408,834	-
Burrillville	109,259	109,259	109,259	-
Central Falls	-	-	-	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	5,297,860	5,297,860	5,297,860	-
Cumberland	-	-	-	-
East Greenwich	791,019	791,019	791,019	-
East Providence	279,679	279,679	279,679	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,771,032	1,771,032	1,771,032	-
New Shoreham	-	-	-	-
North Kingstown	1,195	1,195	1,195	-
North Providence	-	-	-	-
North Smithfield	-	-	-	-
Pawtucket	3,873	3,873	3,873	-
Portsmouth	-	-	-	-
Providence	37,489,776	37,489,776	37,489,776	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	952,391	952,391	952,391	-
South Kingstown	231,266	231,266	231,266	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,690,515	1,690,515	1,690,515	-
Westerly	178,683	178,683	178,683	-
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	480,393	480,393	480,393	-
<b>Enhanced Total</b>	<b>\$ 50,703,960</b>	<b>\$ 50,703,960</b>	<b>\$ 50,703,960</b>	<b>\$ -</b>
FY 2021 CRF Enhancement	(4,614,456)	(4,614,456)	(4,614,456)	-
<b>Total</b>	<b>\$ 46,089,504</b>	<b>\$ 46,089,504</b>	<b>\$ 46,089,504</b>	<b>\$ -</b>

<sup>1</sup>Includes General Revenues and Covid Relief Federal Funds

**Payment in Lieu of Taxes**

<i>City or Town</i>	<i>FY 2021 Enacted<sup>1</sup></i>	<i>FY 2022 Gov. Rec.</i>	<i>FY 2022 Enacted</i>	<i>Change to FY 2021 Final</i>
Barrington	\$ 18,185	\$ 17,094	\$ 17,094	\$ (1,091)
Bristol	1,408,834	1,327,172	1,327,172	(81,662)
Burrillville	109,259	98,835	98,835	(10,425)
Central Falls	-	-	-	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	5,297,860	4,778,876	4,778,876	(518,984)
Cumberland	-	-	-	-
East Greenwich	791,019	729,131	729,131	(61,888)
East Providence	279,679	260,127	260,127	(19,552)
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,771,032	1,601,050	1,601,050	(169,982)
New Shoreham	-	-	-	-
North Kingstown	1,195	1,080	1,080	(114)
North Providence	-	-	-	-
North Smithfield	-	-	-	-
Pawtucket	3,873	3,501	3,501	(372)
Portsmouth	-	-	-	-
Providence	37,489,776	34,027,865	34,027,865	(3,461,911)
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	952,391	860,981	860,981	(91,410)
South Kingstown	231,266	209,069	209,069	(22,197)
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,690,515	1,528,261	1,528,261	(162,254)
Westerly	178,683	185,126	185,126	6,444
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	480,393	461,334	461,334	(19,058)
<b>Enhanced Total</b>	<b>\$ 50,703,960</b>	<b>\$ 46,089,504</b>	<b>\$ 46,089,504</b>	<b>\$ (4,614,456)</b>
FY 2021 CRF Enhancement	(4,614,456)	-	-	4,614,456
<b>Total</b>	<b>\$ 46,089,504</b>	<b>\$ 46,089,504</b>	<b>\$ 46,089,504</b>	<b>\$ -</b>

<sup>1</sup>Includes General Revenues and Covid Relief Federal Funds

### Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2021 Enacted<sup>1</sup></i>	<i>FY 2021 Gov. Rev.*<sup>1</sup></i>	<i>FY 2021 Final<sup>1</sup></i>	<i>Change to Enacted</i>
Barrington	\$ 2,915,246	\$ 2,976,099	\$ 2,976,099	\$ 60,853
Bristol	1,282,376	1,265,477	1,265,477	(16,899)
Burrillville	2,707,298	2,743,168	2,743,168	35,870
Central Falls	1,418,289	1,434,371	1,434,371	16,082
Charlestown	456,190	451,682	451,682	(4,508)
Coventry	2,871,721	2,847,908	2,847,908	(23,813)
Cranston	13,065,635	13,509,661	13,509,661	444,026
Cumberland	2,731,343	2,695,988	2,695,988	(35,355)
East Greenwich	720,298	813,626	813,626	93,327
East Providence	4,788,852	3,692,626	3,692,626	(1,096,226)
Exeter	924,449	872,259	872,259	(52,189)
Foster	834,221	854,267	854,267	20,046
Glocester	1,116,825	1,083,089	1,083,089	(33,735)
Hopkinton	806,071	815,015	815,015	8,944
Jamestown	161,751	165,996	165,996	4,245
Johnston	5,710,079	5,711,545	5,711,545	1,465
Lincoln	1,879,056	1,760,245	1,760,245	(118,811)
Little Compton	102,785	99,126	99,126	(3,659)
Middletown	653,751	591,136	591,136	(62,615)
Narragansett	469,805	485,181	485,181	15,376
Newport	547,657	628,149	628,149	80,491
New Shoreham	167,330	90,156	90,156	(77,174)
North Kingstown	1,584,619	1,398,608	1,398,608	(186,012)
North Providence	6,013,814	6,194,389	6,194,389	180,576
North Smithfield	2,237,096	2,225,747	2,225,747	(11,349)
Pawtucket	11,673,796	12,024,525	12,024,525	350,729
Portsmouth	912,150	870,625	870,625	(41,525)
Providence	25,316,411	26,537,763	26,537,763	1,221,352
Richmond	679,468	679,800	679,800	332
Scituate	497,355	504,695	504,695	7,340
Smithfield	2,967,539	2,908,509	2,908,509	(59,030)
South Kingstown	1,378,616	1,252,839	1,252,839	(125,777)
Tiverton	509,454	500,078	500,078	(9,376)
Warren	1,007,703	991,575	991,575	(16,128)
Warwick	9,950,235	9,164,823	9,164,823	(785,413)
Westerly	2,617,639	2,554,781	2,554,781	(62,858)
West Greenwich	749,418	568,923	568,923	(180,496)
West Warwick	2,495,806	2,639,955	2,639,955	144,149
Woonsocket	6,661,869	6,927,422	6,927,422	265,553
<b>Subtotal</b>	<b>\$ 123,584,017</b>	<b>\$ 123,531,828</b>	<b>\$ 123,531,828</b>	<b>\$ (52,189)</b>
MV Phase Out - Fire Districts	172,109	135,855	135,855	(36,254)
<b>Enhanced Total</b>	<b>\$ 123,756,126</b>	<b>\$ 123,667,683</b>	<b>\$ 123,667,683</b>	<b>\$ (88,443)</b>
FY 2021 CRF Enhancement	(11,189,907)	(11,189,907)	(11,189,907)	-
<b>Total</b>	<b>\$ 112,566,219</b>	<b>\$ 112,477,776</b>	<b>\$ 112,477,776</b>	<b>\$ (88,443)</b>

\*FY 2021 enacted MV figures reflect value of FY 2020 levy; the FY 2021 Gov. Rev. reflects updated data.

<sup>1</sup>Includes General Revenues and Covid Relief Federal Funds

### Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2021 Enacted<sup>1</sup></i>	<i>FY 2022 Gov. Rec.*</i>	<i>FY 2022 Enacted*</i>	<i>Change to FY 2021 Final</i>
Barrington	\$ 2,915,246	\$ 3,566,139	\$ 3,566,139	\$ 590,039
Bristol	1,282,376	1,474,839	1,474,839	209,362
Burrillville	2,707,298	3,204,281	3,204,281	461,113
Central Falls	1,418,289	1,532,474	1,532,474	98,103
Charlestown	456,190	516,867	516,867	65,185
Coventry	2,871,721	3,141,355	3,141,355	293,447
Cranston	13,065,635	14,740,627	14,740,627	1,230,966
Cumberland	2,731,343	3,073,980	3,073,980	377,992
East Greenwich	720,298	865,992	865,992	52,366
East Providence	4,788,852	5,600,113	5,600,113	1,907,487
Exeter	924,449	1,174,231	1,174,231	301,972
Foster	834,221	1,027,831	1,027,831	173,564
Glocester	1,116,825	1,205,509	1,205,509	122,419
Hopkinton	806,071	896,335	896,335	81,320
Jamestown	161,751	182,168	182,168	16,172
Johnston	5,710,079	6,502,131	6,502,131	790,586
Lincoln	1,879,056	2,395,450	2,395,450	635,205
Little Compton	102,785	105,149	105,149	6,022
Middletown	653,751	794,581	794,581	203,445
Narragansett	469,805	526,083	526,083	40,902
Newport	547,657	672,750	672,750	44,601
New Shoreham	167,330	94,711	94,711	4,555
North Kingstown	1,584,619	2,015,597	2,015,597	616,989
North Providence	6,013,814	6,697,585	6,697,585	503,195
North Smithfield	2,237,096	2,662,361	2,662,361	436,614
Pawtucket	11,673,796	12,271,628	12,271,628	247,104
Portsmouth	912,150	1,079,761	1,079,761	209,136
Providence	25,316,411	26,298,168	26,298,168	(239,595)
Richmond	679,468	756,231	756,231	76,431
Scituate	497,355	574,145	574,145	69,450
Smithfield	2,967,539	3,880,588	3,880,588	972,079
South Kingstown	1,378,616	1,659,007	1,659,007	406,168
Tiverton	509,454	526,855	526,855	26,777
Warren	1,007,703	1,106,897	1,106,897	115,322
Warwick	9,950,235	13,018,239	13,018,239	3,853,416
Westerly	2,617,639	2,944,189	2,944,189	389,408
West Greenwich	749,418	655,354	655,354	86,431
West Warwick	2,495,806	3,008,286	3,008,286	368,332
Woonsocket	6,661,869	7,036,751	7,036,751	109,329
<b>Subtotal</b>	<b>\$ 123,584,017</b>	<b>\$ 139,485,237</b>	<b>\$ 139,485,237</b>	<b>\$ 15,953,409</b>
MV Phase Out - Fire Districts	172,109	171,125	171,125	35,270
<b>Enhanced Total</b>	<b>\$ 123,756,126</b>	<b>\$ 139,656,362</b>	<b>\$ 139,656,362</b>	<b>\$ 15,988,680</b>
FY 2021 CRF Enhancement	(11,189,907)	-	-	11,189,907
<b>Total</b>	<b>\$ 112,566,219</b>	<b>\$ 139,656,362</b>	<b>\$ 139,656,362</b>	<b>\$ 27,178,587</b>

\*The FY 2022 reflects FY 2021 levy; distribution subject to revision based on updated data.

<sup>1</sup>Includes General Revenues and Covid Relief Federal Funds

### Municipal COVID Relief Fund

<i>City or Town</i>	<i>FY 2021 Enacted</i>	<i>FY 2021 Gov. Rev.</i>	<i>FY 2021 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 118,662	\$ 118,662	\$ 118,662	\$ -
Bristol	163,081	163,081	163,081	-
Burrillville	120,679	120,679	120,679	-
Central Falls	142,163	142,163	142,163	-
Charlestown	57,065	57,065	57,065	-
Coventry	253,600	253,600	253,600	-
Cranston	595,554	595,554	595,554	-
Cumberland	254,164	254,164	254,164	-
East Greenwich	112,288	112,288	112,288	-
East Providence	348,028	348,028	348,028	-
Exeter	49,744	49,744	49,744	-
Foster	34,393	34,393	34,393	-
Glocester	73,802	73,802	73,802	-
Hopkinton	59,492	59,492	59,492	-
Jamestown	40,312	40,312	40,312	-
Johnston	214,432	214,432	214,432	-
Lincoln	158,754	158,754	158,754	-
Little Compton	25,708	25,708	25,708	-
Middletown	117,928	117,928	117,928	-
Narragansett	114,056	114,056	114,056	-
Newport	181,624	181,624	181,624	-
New Shoreham	6,066	6,066	6,066	-
North Kingstown	192,222	192,222	192,222	-
North Providence	238,079	238,079	238,079	-
North Smithfield	90,577	90,577	90,577	-
Pawtucket	526,314	526,314	526,314	-
Portsmouth	127,757	127,757	127,757	-
Providence	1,316,115	1,316,115	1,316,115	-
Richmond	55,935	55,935	55,935	-
Scituate	77,771	77,771	77,771	-
Smithfield	158,651	158,651	158,651	-
South Kingstown	225,434	225,434	225,434	-
Tiverton	116,007	116,007	116,007	-
Warren	76,927	76,927	76,927	-
Warwick	578,295	578,295	578,295	-
Westerly	165,942	165,942	165,942	-
West Greenwich	45,322	45,322	45,322	-
West Warwick	212,378	212,378	212,378	-
Woonsocket	304,679	304,679	304,679	-
<b>Total</b>	<b>\$ 7,750,000</b>	<b>\$ 7,750,000</b>	<b>\$ 7,750,000</b>	<b>\$ -</b>



### Municipal COVID Relief Fund

<i>City or Town</i>	<i>FY 2021 Enacted</i>	<i>FY 2022 Gov. Rec.</i>	<i>FY 2022 Enacted</i>	<i>Change to FY 2021 Final</i>
Barrington	\$ 118,662	\$ -	\$ -	\$ (118,662)
Bristol	163,081	-	-	(163,081)
Burrillville	120,679	-	-	(120,679)
Central Falls	142,163	-	-	(142,163)
Charlestown	57,065	-	-	(57,065)
Coventry	253,600	-	-	(253,600)
Cranston	595,554	-	-	(595,554)
Cumberland	254,164	-	-	(254,164)
East Greenwich	112,288	-	-	(112,288)
East Providence	348,028	-	-	(348,028)
Exeter	49,744	-	-	(49,744)
Foster	34,393	-	-	(34,393)
Glocester	73,802	-	-	(73,802)
Hopkinton	59,492	-	-	(59,492)
Jamestown	40,312	-	-	(40,312)
Johnston	214,432	-	-	(214,432)
Lincoln	158,754	-	-	(158,754)
Little Compton	25,708	-	-	(25,708)
Middletown	117,928	-	-	(117,928)
Narragansett	114,056	-	-	(114,056)
Newport	181,624	-	-	(181,624)
New Shoreham	6,066	-	-	(6,066)
North Kingstown	192,222	-	-	(192,222)
North Providence	238,079	-	-	(238,079)
North Smithfield	90,577	-	-	(90,577)
Pawtucket	526,314	-	-	(526,314)
Portsmouth	127,757	-	-	(127,757)
Providence	1,316,115	-	-	(1,316,115)
Richmond	55,935	-	-	(55,935)
Scituate	77,771	-	-	(77,771)
Smithfield	158,651	-	-	(158,651)
South Kingstown	225,434	-	-	(225,434)
Tiverton	116,007	-	-	(116,007)
Warren	76,927	-	-	(76,927)
Warwick	578,295	-	-	(578,295)
Westerly	165,942	-	-	(165,942)
West Greenwich	45,322	-	-	(45,322)
West Warwick	212,378	-	-	(212,378)
Woonsocket	304,679	-	-	(304,679)
<b>Total</b>	<b>\$ 7,750,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,750,000)</b>

## Library Aid

<i>City or Town</i>	<i>FY 2021 Enacted</i>	<i>FY 2021 Gov. Rev.</i>	<i>FY 2021 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 375,185	\$ 375,185	\$ 375,185	\$ -
Bristol	194,607	194,607	194,607	-
Burrillville	184,839	184,839	184,839	-
Central Falls	31,752	31,752	31,752	-
Charlestown	52,802	52,802	52,802	-
Coventry	229,468	229,468	229,468	-
Cranston	638,834	638,834	638,834	-
Cumberland	297,545	297,545	297,545	-
East Greenwich	132,534	132,534	132,534	-
East Providence	411,631	411,631	411,631	-
Exeter	53,203	53,203	53,203	-
Foster	33,861	33,861	33,861	-
Glocester	78,704	78,704	78,704	-
Hopkinton	35,851	35,851	35,851	-
Jamestown	108,139	108,139	108,139	-
Johnston	125,400	125,400	125,400	-
Lincoln	213,729	213,729	213,729	-
Little Compton	36,164	36,164	36,164	-
Middletown	142,580	142,580	142,580	-
Narragansett	177,025	177,025	177,025	-
Newport	402,053	402,053	402,053	-
New Shoreham	90,133	90,133	90,133	-
North Kingstown	297,608	297,608	297,608	-
North Providence	197,202	197,202	197,202	-
North Smithfield	79,629	79,629	79,629	-
Pawtucket	408,981	408,981	408,981	-
Portsmouth	116,092	116,092	116,092	-
Providence*	2,002,232	2,002,232	2,002,232	-
Richmond	24,736	24,736	24,736	-
Scituate	106,425	106,425	106,425	-
Smithfield	307,560	307,560	307,560	-
South Kingstown	231,439	231,439	231,439	-
Tiverton	122,762	122,762	122,762	-
Warren	60,853	60,853	60,853	-
Warwick	779,794	779,794	779,794	-
Westerly	307,643	307,643	307,643	-
West Greenwich	44,294	44,294	44,294	-
West Warwick	165,207	165,207	165,207	-
Woonsocket	200,967	200,967	200,967	-
	<b>\$ 9,499,463</b>	<b>\$ 9,499,463</b>	<b>\$ 9,499,463</b>	<b>\$ -</b>
Institutional Libraries	62,609	62,609	62,609	-
<b>Total</b>	<b>\$ 9,562,072</b>	<b>\$ 9,562,072</b>	<b>\$ 9,562,072</b>	<b>\$ -</b>

\*Includes the Statewide Reference Library Resource Grant.

## Library Aid

<i>City or Town</i>	<i>FY 2021 Enacted</i>	<i>FY 2022 Gov. Rec.</i>	<i>FY 2022 Enacted</i>	<i>Change to FY 2021 Final</i>
Barrington	\$ 375,185	\$ 365,527	\$ 365,527	\$ (9,658)
Bristol	194,607	190,810	190,810	(3,797)
Burrillville	184,839	186,270	186,270	1,431
Central Falls	31,752	31,902	31,902	150
Charlestown	52,802	53,533	53,533	730
Coventry	229,468	197,001	197,001	(32,467)
Cranston	638,834	664,578	664,578	25,744
Cumberland	297,545	308,514	308,514	10,969
East Greenwich	132,534	123,871	123,871	(8,663)
East Providence	411,631	447,125	447,125	35,493
Exeter	53,203	60,044	60,044	6,841
Foster	33,861	34,393	34,393	532
Glocester	78,704	81,660	81,660	2,956
Hopkinton	35,851	37,216	37,216	1,366
Jamestown	108,139	109,968	109,968	1,829
Johnston	125,400	126,270	126,270	870
Lincoln	213,729	217,473	217,473	3,744
Little Compton	36,164	37,355	37,355	1,191
Middletown	142,580	126,831	126,831	(15,749)
Narragansett	177,025	87,158	87,158	(89,867)
Newport	402,053	415,522	415,522	13,469
New Shoreham	90,133	91,679	91,679	1,545
North Kingstown	297,608	301,066	301,066	3,458
North Providence	197,202	201,533	201,533	4,331
North Smithfield	79,629	80,421	80,421	792
Pawtucket	408,981	421,641	421,641	12,660
Portsmouth	116,092	117,111	117,111	1,019
Providence*	2,002,232	2,020,796	2,020,796	18,564
Richmond	24,736	26,826	26,826	2,090
Scituate	106,425	109,928	109,928	3,504
Smithfield	307,560	317,166	317,166	9,606
South Kingstown	231,439	242,750	242,750	11,311
Tiverton	122,762	127,469	127,469	4,707
Warren	60,853	64,909	64,909	4,057
Warwick	779,794	736,708	736,708	(43,086)
Westerly	307,643	316,166	316,166	8,522
West Greenwich	44,294	48,116	48,116	3,822
West Warwick	165,207	171,836	171,836	6,630
Woonsocket	200,967	200,324	200,324	(642)
	<b>\$ 9,499,463</b>	<b>\$ 9,499,463</b>	<b>\$ 9,499,463</b>	<b>\$ -</b>
Institutional Libraries	62,609	62,609	62,609	-
<b>Total</b>	<b>\$ 9,562,072</b>	<b>\$ 9,562,072</b>	<b>\$ 9,562,072</b>	<b>\$ -</b>

\*Includes the Statewide Reference Library Resource Grant.

## Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2021 Enacted*</i>	<i>FY 2021 Gov. Rev.</i>	<i>FY 2021 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 201,493	\$ 201,493	\$ 201,493	\$ -
Bristol	276,918	276,918	276,918	-
Burrillville	204,918	204,918	204,918	-
Central Falls	241,398	241,398	241,398	-
Charlestown	96,898	96,898	96,898	-
Coventry	430,622	430,622	430,622	-
Cranston	1,011,274	1,011,274	1,011,274	-
Cumberland	431,581	431,581	431,581	-
East Greenwich	162,821	162,821	162,821	-
East Providence	590,964	590,964	590,964	-
Exeter	84,468	84,468	84,468	-
Foster	58,400	58,400	58,400	-
Glocester	125,319	125,319	125,319	-
Hopkinton	101,020	101,020	101,020	-
Jamestown	68,451	68,451	68,451	-
Johnston	364,114	364,114	364,114	-
Lincoln	269,570	269,570	269,570	-
Little Compton	43,654	43,654	43,654	-
Middletown	200,247	200,247	200,247	-
Narragansett	193,671	193,671	193,671	-
Newport	308,404	308,404	308,404	-
New Shoreham	10,300	10,300	10,300	-
North Kingstown	326,401	326,401	326,401	-
North Providence	404,268	404,268	404,268	-
North Smithfield	153,803	153,803	153,803	-
Pawtucket	893,702	893,702	893,702	-
Portsmouth	216,936	216,936	216,936	-
Providence	2,234,814	2,234,814	2,234,814	-
Richmond	94,980	94,980	94,980	-
Scituate	132,057	132,057	132,057	-
Smithfield	269,396	269,396	269,396	-
South Kingstown	382,796	382,796	382,796	-
Tiverton	196,984	196,984	196,984	-
Warren	130,625	130,625	130,625	-
Warwick	1,009,817	1,009,817	1,009,817	-
Westerly	281,776	281,776	281,776	-
West Greenwich	76,958	76,958	76,958	-
West Warwick	360,627	360,627	360,627	-
Woonsocket	517,357	517,357	517,357	-
<b>Total</b>	<b>\$ 13,159,804</b>	<b>\$ 13,159,804</b>	<b>\$ 13,159,804</b>	<b>\$ -</b>

\*FY 2021 based on July 2021 payments; FY 2022 Enacted will reflect July 2022 payable amount.

## Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2021 Enacted*</i>	<i>FY 2022 Gov. Rec.*</i>	<i>FY 2022 Enacted*</i>	<i>Change to FY 2021 Final</i>
Barrington	\$ 201,493	\$ 201,493	\$ 192,114	\$ (9,379)
Bristol	276,918	276,918	263,739	(13,179)
Burrillville	204,918	204,918	197,557	(7,361)
Central Falls	241,398	241,398	231,392	(10,006)
Charlestown	96,898	96,898	92,883	(4,015)
Coventry	430,622	430,622	412,395	(18,227)
Cranston	1,011,274	1,011,274	967,705	(43,569)
Cumberland	431,581	431,581	415,003	(16,578)
East Greenwich	162,821	162,821	155,790	(7,031)
East Providence	590,964	590,964	565,505	(25,459)
Exeter	84,468	84,468	79,366	(5,102)
Foster	58,400	58,400	56,130	(2,270)
Glocester	125,319	125,319	120,775	(4,544)
Hopkinton	101,020	101,020	96,432	(4,588)
Jamestown	68,451	68,451	65,431	(3,020)
Johnston	364,114	364,114	349,035	(15,079)
Lincoln	269,570	269,570	258,808	(10,762)
Little Compton	43,654	43,654	41,553	(2,101)
Middletown	200,247	200,247	190,768	(9,479)
Narragansett	193,671	193,671	184,599	(9,072)
Newport	308,404	308,404	293,727	(14,677)
New Shoreham	10,300	10,300	10,909	609
North Kingstown	326,401	326,401	312,449	(13,952)
North Providence	404,268	404,268	387,825	(16,443)
North Smithfield	153,803	153,803	147,834	(5,969)
Pawtucket	893,702	893,702	855,635	(38,067)
Portsmouth	216,936	216,936	206,787	(10,149)
Providence	2,234,814	2,234,814	2,137,706	(97,108)
Richmond	94,980	94,980	91,144	(3,836)
Scituate	132,057	132,057	126,647	(5,410)
Smithfield	269,396	269,396	258,355	(11,041)
South Kingstown	382,796	382,796	365,054	(17,742)
Tiverton	196,984	196,984	187,862	(9,122)
Warren	130,625	130,625	124,908	(5,717)
Warwick	1,009,817	1,009,817	964,596	(45,221)
Westerly	281,776	281,776	268,491	(13,285)
West Greenwich	76,958	76,958	74,125	(2,833)
West Warwick	360,627	360,627	344,712	(15,915)
Woonsocket	517,357	517,357	495,476	(21,881)
<b>Total</b>	<b>\$ 13,159,804</b>	<b>\$ 13,159,804</b>	<b>\$ 12,591,223</b>	<b>\$ (568,581)</b>

\*Gov. Rec. based on FY 2021 data; FY 2022 Enacted will reflect July 2022 payable amount.

## Meals and Beverage Tax

<i>City or Town</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021*</i>	<i>FY 2022*</i>
Barrington	\$ 195,499	\$ 152,985	\$ 127,188	\$ 177,747
Bristol	474,409	416,000	452,311	458,912
Burrillville	221,434	186,986	156,213	202,713
Central Falls	128,331	132,792	149,204	130,582
Charlestown	189,078	152,990	122,549	172,991
Coventry	442,965	438,323	435,889	437,480
Cranston	2,027,876	1,858,687	1,870,520	1,905,791
Cumberland	514,176	506,646	467,605	506,154
East Greenwich	683,524	634,609	633,140	705,670
East Providence	1,098,154	986,260	957,841	1,030,996
Exeter	114,565	111,618	97,700	110,331
Foster	20,847	16,898	14,259	19,391
Glocester	82,812	74,640	77,246	77,050
Hopkinton	56,874	48,734	44,385	51,695
Jamestown	85,554	69,411	54,760	87,024
Johnston	760,660	683,594	662,134	675,449
Lincoln	830,812	685,299	517,211	785,513
Little Compton	58,794	48,533	35,561	59,998
Middletown	833,415	723,622	645,464	768,622
Narragansett	685,665	629,826	585,423	665,314
Newport	2,493,288	2,223,684	1,783,553	2,383,262
New Shoreham	392,629	374,252	372,406	375,132
North Kingstown	634,782	579,873	568,430	588,503
North Providence	399,707	426,666	469,808	387,272
North Smithfield	309,588	314,651	326,375	311,771
Pawtucket	952,426	939,512	966,073	908,238
Portsmouth	285,976	271,232	261,114	262,337
Providence	5,586,483	5,252,178	4,546,899	5,591,098
Richmond	143,403	135,091	153,667	142,582
Scituate	65,021	61,551	68,405	63,035
Smithfield	852,674	820,099	760,557	808,135
South Kingstown	968,694	871,225	820,172	894,130
Tiverton	303,474	278,459	274,345	258,461
Warren	289,579	300,451	347,444	315,580
Warwick	3,018,267	2,784,958	2,570,892	2,934,387
Westerly	990,459	859,102	824,571	912,863
West Greenwich	116,905	128,869	113,957	127,774
West Warwick	414,732	407,763	403,312	383,889
Woonsocket	573,533	565,861	575,606	550,590
<b>Total</b>	<b>\$ 28,297,063</b>	<b>\$ 26,153,929</b>	<b>\$ 24,314,186</b>	<b>\$ 27,228,462</b>

*\*Projections from Office of Revenue Analysis updated in June 2021*

## Local Hotel Tax

<i>City or Town</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021*</i>	<i>FY 2022*</i>
Barrington	\$ 2,629	\$ 2,208	\$ 1,159	\$ 2,586
Bristol	35,008	27,017	14,046	22,658
Burrillville	73	82	66	71
Central Falls	215	548	90	287
Charlestown	44,558	58,299	53,783	52,669
Coventry	43,483	32,059	21,275	31,484
Cranston	7,982	31,302	7,999	11,704
Cumberland	208	156	105	391
East Greenwich	1,411	1,073	980	969
East Providence	27,717	29,251	23,028	18,988
Exeter	12	88	55	34
Foster	397	158	1,841	183
Glocester	1,529	1,308	1,042	1,046
Hopkinton	613	75	737	1,117
Jamestown	29,117	17,826	19,793	21,837
Johnston	3,747	2,926	5,068	2,724
Lincoln	63,347	49,914	20,649	38,869
Little Compton	21,730	18,907	19,723	18,296
Middletown	507,332	420,664	303,980	344,570
Narragansett	193,414	184,588	169,773	177,880
Newport	1,174,625	988,011	952,059	880,881
New Shoreham	412,757	387,796	367,358	400,062
North Kingstown	48,092	40,796	39,913	36,373
North Providence	712	1,130	608	782
North Smithfield	1,512	1,562	1,346	1,135
Pawtucket	47,400	36,664	21,737	22,350
Portsmouth	12,228	11,130	6,748	11,262
Providence	1,117,136	812,753	267,568	777,577
Richmond	5,629	3,144	5,619	3,663
Scituate	3,381	3,390	2,759	2,581
Smithfield	72,124	70,043	41,193	54,436
South Kingstown	100,606	108,122	68,114	83,282
Tiverton	9,365	11,909	2,418	5,903
Warren	1,228	(715)	312	457
Warwick	569,085	423,495	218,916	393,168
Westerly	364,507	398,716	420,221	281,647
West Greenwich	57,746	49,492	34,081	39,253
West Warwick	61,313	49,814	35,621	44,698
Woonsocket	28,923	23,616	15,025	18,751
<b>Total</b>	<b>\$ 5,072,891</b>	<b>\$ 4,299,317</b>	<b>\$ 3,166,810</b>	<b>\$ 3,806,622</b>

*\*Projections from Office of Revenue Analysis updated in June 2021*

### Local Fiscal Recovery Fund

<i>City or Town</i>	<i>Non-Entitlement Communities</i>	<i>County Allocation</i>	<i>FY 2022 Enacted</i>	<i>Entitlement Communities*</i>	<i>Total Year One Federal Support<sup>1</sup></i>
Barrington	\$ 840,122	\$ 1,559,053	\$ 2,399,176	\$ -	\$ 2,399,176
Bristol	1,146,906	2,128,366	3,275,272	-	3,275,272
Burrillville	882,042	1,636,846	2,518,888	-	2,518,888
Central Falls	1,024,077	1,900,427	2,924,504	-	2,924,504
Charlestown	409,568	760,054	1,169,622	-	1,169,622
Coventry	1,822,227	3,381,591	5,203,818	-	5,203,818
Cranston	-	7,910,937	7,910,937	13,385,229	21,296,165
Cumberland	1,845,464	3,424,712	5,270,176	-	5,270,176
East Greenwich	686,626	1,274,203	1,960,829	-	1,960,829
East Providence	-	4,624,619	4,624,619	9,268,337	13,892,956
Exeter	341,167	633,120	974,287	-	974,287
Foster	248,326	460,830	709,156	-	709,156
Glocester	540,247	1,002,561	1,542,808	-	1,542,808
Hopkinton	421,814	782,780	1,204,595	-	1,204,595
Jamestown	287,734	533,961	821,695	-	821,695
Johnston	1,542,343	2,862,198	4,404,542	-	4,404,542
Lincoln	1,150,674	2,135,359	3,286,032	-	3,286,032
Little Compton	181,809	337,392	519,201	-	519,201
Middletown	831,487	1,543,029	2,374,516	-	2,374,516
Narragansett	803,279	1,490,682	2,293,960	-	2,293,960
Newport	1,273,502	2,363,297	3,636,799	-	3,636,799
New Shoreham	53,904	100,033	153,937	-	153,937
North Kingstown	1,377,595	2,556,467	3,934,062	-	3,934,062
North Providence	1,710,598	3,174,436	4,885,034	-	4,885,034
North Smithfield	658,470	1,221,953	1,880,423	-	1,880,423
Pawtucket	-	7,003,941	7,003,941	22,131,140	29,135,080
Portsmouth	901,510	1,672,974	2,574,485	-	2,574,485
Providence	-	17,470,082	17,470,082	65,686,983	83,157,065
Richmond	405,120	751,799	1,156,919	-	1,156,919
Scituate	561,547	1,042,088	1,603,635	-	1,603,635
Smithfield	1,145,964	2,126,618	3,272,581	-	3,272,581
South Kingstown	1,588,241	2,947,372	4,535,612	-	4,535,612
Tiverton	819,659	1,521,080	2,340,739	-	2,340,739
Warren	550,086	1,020,819	1,570,905	-	1,570,905
Warwick	-	7,867,039	7,867,039	11,848,880	19,715,919
Westerly	1,171,293	2,173,623	3,344,917	-	3,344,917
West Greenwich	334,259	620,300	954,559	-	954,559
West Warwick	1,515,705	2,812,764	4,328,470	-	4,328,470
Woonsocket	-	4,054,821	4,054,821	14,139,297	18,194,118
<b>Total</b>	<b>\$ 29,073,366</b>	<b>\$ 102,884,228</b>	<b>\$ 131,957,594</b>	<b>\$ 136,459,865</b>	<b>\$ 268,417,458</b>

\*Entitlement community funding is provided directly; it does not pass-through the state budget.

<sup>1</sup> FY 2023 estimated to include an equal amount of funding based on the statutory distribution requirement.

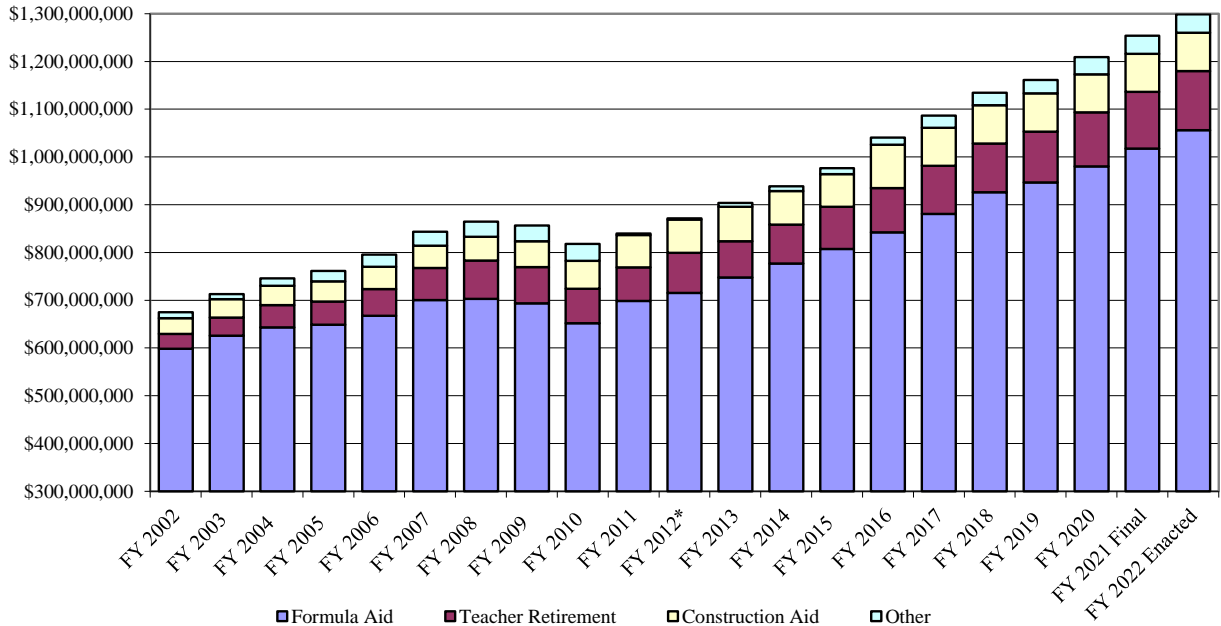


# Education Aid

## Summary

The Assembly enacted \$1,298.7 million for FY 2022 total aid for local school districts. This is \$44.9 million more than enacted for FY 2021. Funding includes \$1,056.3 million in direct distributions to local school districts, \$37.5 million in categorical funding, \$1.0 million in other aid for distribution by the Department, \$123.9 million for the state’s contribution to teacher retirement, and \$80.0 million for school construction costs. Districts will also receive \$539.5 million from federal education stabilization funds, the distribution of which is shown by district at the end of this report.

### State Education Aid



\*Davies begins appearing with education aid

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

The funding plan also allows for additional support from the state to districts for high-cost special education students, career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. There has been a redistribution of aid among communities with some getting less aid than prior years. The formula was phased in over a ten-year period. Gaining communities were fully phased-in by year seven and districts receiving less state aid had the remaining loss phased in over an additional three years. As FY 2022 represents the eleventh year of the funding formula, the transition period has ended and all districts are receiving formula state aid with no transition adjustments.

However, the 2021 Assembly enacted legislation to hold districts harmless from the impacts of the coronavirus emergency on student enrollments for FY 2022 only. Local education agencies will receive

aid based on student enrollment in either March 2020 or March 2021, whichever is greater. For any community in which enrollment was higher in March 2020, enrollment is adjusted for students enrolling in new and expanding charter schools for FY 2022. Additionally, the student success factor amount for traditional school districts will reflect the percentage of students in poverty in either March 2020 or March 2021, whichever is greater. For schools of choice, the student success factor amount will reflect the number of students in poverty for the year in which total enrollment is greater.

Since its inception, there have been various proposals to change the education funding formula. Based on the recommendations of a 2015 working group, the Assembly provided a category of aid for English language learners and three years of support for districts with at least 5.0 percent of students enrolled in charter or state schools. The 2018 Assembly also established a voluntary three-year pilot program to support school resource officers beginning in FY 2019; FY 2021 is the final year of funding. The 2021 Assembly enacted legislation to permanently provide additional transition support for districts with at least 5.0 percent of students enrolled in charter or state schools.

The FY 2022 budget includes \$1,056.3 million for direct aid to local school districts, an increase of 38.6 percent from the first year of the formula. The funding formula costs are driven by enrollment, wealth, and the core instruction amount. Since FY 2012, the per pupil core instruction amount has increased by \$2,302 or 27.6 percent, which is an annual increase of 2.5 percent. Aid per student has increased by \$2,002 or 37.1 percent during that same period, which is an annual increase of 3.2 percent.

The table below shows these changes, as well as changes to enrollment, students in poverty, and average state share ratio since the first year of the funding formula. The formula provides a 40.0 percent weight for each student living at or below 185.0 percent of the federal poverty level. The state share is determined using two factors: the full value of local property and the median family income as determined by the last five years of census data. Among all communities, the average state share ratio for FY 2022 is 38.1 percent. When weighted for the number of students, the average state share ratio is 55.3 percent; it was 52.5 percent when the formula began. Table 2 at the end of this report shows the funding formula calculation by community for FY 2022.

	FY 2012	FY 2017	FY 2020	FY 2021	FY 2022	FY 2022 Chg. to FY 2012	FY 2022 % Chg. to FY 2012	Average Annual % Change
Per Pupil Core Amount	\$ 8,333	\$ 9,100	\$ 9,871	\$ 10,310	\$ 10,635	\$ 2,302	27.6%	2.5%
Student Enrollment	140,913	141,278	142,306	142,361	142,426	1,513	1.1%	0.1%
Students in Poverty	63,446	69,630	67,972	68,373	68,099	4,653	7.3%	0.8%
Highest State Share Ratio	92.6%	94.4%	94.8%	94.6%	95.4%	2.8%	3.0%	0.3%
Average State Share Ratio	38.7%	39.4%	38.4%	38.1%	38.1%	-0.6%	-1.6%	-0.1%
Avg. Weighted State Share Ratio	52.5%	55.5%	55.0%	54.8%	55.3%	2.8%	5.3%	0.5%
Aid Per Student	\$ 5,393	\$ 6,202	\$ 6,877	\$ 7,126	\$ 7,395	\$ 2,002	37.1%	3.2%

### Education Aid by Component

The Budget includes \$1,838.2 million for FY 2022 education aid for distribution to districts including Central Falls, Davies Career and Technical Center, charter schools and the Metropolitan Career and Technical School. This also includes teacher retirement and school housing aid as well as other formula aid for distribution by the Department of Elementary and Secondary Education. This is \$584.4 million more than enacted for FY 2021, including \$44.9 million more from general revenues.

The following table compares FY 2022 enacted funding for the major components of education aid to the FY 2021 enacted budget and the Governor's FY 2022 recommendation. It is followed by an explanation of each of the items in the table.

<b>Education Aid</b>	<b>FY 2021 Enacted</b>	<b>FY 2021 Final</b>	<b>FY 2022 Governor</b>	<b>FY 2022 Enacted</b>	<b>Change to Enacted</b>	<b>Change to Governor</b>
<b>Operating Aid</b>						
Local Districts	\$ 835,920,840	\$ 835,920,840	\$ 861,161,243	\$ 855,543,741	\$ 19,622,901	\$ (5,617,502)
Central Falls	45,109,045	45,109,045	47,702,746	47,702,746	2,593,701	-
Met School*	9,342,007	9,342,007	9,342,007	9,342,007	-	-
Davies Career & Technical*	13,726,982	13,726,982	14,437,904	14,437,904	710,922	-
Charter Schools	108,849,009	108,849,009	118,384,615	124,651,435	15,802,426	6,266,820
UCAP	1,555,465	1,555,465	1,630,145	1,630,145	74,680	-
Group Homes Funding	3,049,982	3,184,982	2,949,934	2,949,934	(100,048)	-
<b>Subtotal</b>	<b>\$ 1,017,553,331</b>	<b>\$ 1,017,688,331</b>	<b>\$ 1,055,608,594</b>	<b>\$ 1,056,257,913</b>	<b>\$ 38,704,582</b>	<b>\$ 649,318</b>
<b>Categorical Funding</b>						
High Cost Special Education	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ -	\$ -
Career and Technical	4,500,000	4,500,000	4,500,000	4,500,000	-	-
Early Childhood	14,850,000	14,850,000	14,850,000	14,850,000	-	-
Non-Public Transportation	3,038,684	3,038,684	3,038,684	3,476,076	437,392	437,392
Regional District						
Transportation	4,622,676	4,622,676	4,622,676	4,185,284	(437,392)	(437,392)
English Language Learners	5,000,000	5,000,000	5,000,000	5,000,000	-	-
School Resource Officer Support	325,000	325,000	-	-	(325,000)	-
School of Choice Density	-	-	-	1,010,500	1,010,500	1,010,500
<b>Subtotal</b>	<b>\$ 36,836,360</b>	<b>\$ 36,836,360</b>	<b>\$ 36,511,360</b>	<b>\$ 37,521,860</b>	<b>\$ 685,500</b>	<b>\$ 1,010,500</b>
<b>Set-Aside Funds</b>						
Textbook Loans	\$ 240,000	\$ 23,315	\$ 240,000	\$ 240,000	\$ -	\$ -
School Breakfast	270,000	270,000	270,000	270,000	-	-
Recovery High School	500,000	500,000	500,000	500,000	-	-
<b>Total</b>	<b>\$ 1,055,399,691</b>	<b>\$ 1,055,318,006</b>	<b>\$ 1,093,129,954</b>	<b>\$ 1,094,789,773</b>	<b>\$ 39,390,082</b>	<b>\$ 1,659,818</b>
<b>Other Aid</b>						
Teacher Retirement	\$ 118,375,402	\$ 118,375,402	\$ 123,916,166	\$ 123,916,166	\$ 5,540,764	\$ -
Construction Aid	79,130,193	79,130,193	79,409,186	79,409,186	278,993	-
School Building Authority Fund	869,807	869,807	590,814	590,814	(278,993)	-
<b>State wide Total</b>	<b>\$ 1,253,775,093</b>	<b>\$ 1,253,693,408</b>	<b>\$ 1,297,046,120</b>	<b>\$ 1,298,705,939</b>	<b>\$ 44,930,846</b>	<b>\$ 1,659,818</b>

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

The 2021 Assembly enacted legislation to hold districts harmless from the impacts of the coronavirus emergency on student enrollments for FY 2022 only. Local education agencies will receive aid based on student enrollment in either March 2020 or March 2021, whichever is greater. For any community in which enrollment was higher in March 2020, enrollment is adjusted for students enrolling in new and expanding charter schools for FY 2022. Additionally, the student success factor amount for traditional school districts will reflect the percentage of students in poverty in either March 2020 or March 2021, whichever is greater. For schools of choice, the student success factor amount will reflect the number of students in poverty for the year in which total enrollment is greater.

The funding formula calculation for FY 2022 uses the greater of March 2020 or March 2021 student enrollment data adjusted for new and expanding charter schools, a per pupil core instruction amount of \$10,635 and state share ratio variables updated with June 30, 2020 data. Consistent with Rhode Island General Law, the core instruction amount is calculated using average expenditure data from Rhode Island, Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics. Specific expenditures used in the calculation are instruction and support services for students, general administration, school administration, and other support services.

The 2018 Assembly enacted legislation requiring the Department of Elementary and Secondary Education to estimate funding formula aid based on October 1 student enrollments by December 1. The report was submitted to the Budget Office and estimated total funding formula aid to be \$1,011.3 million, \$26.2 million

less than the Governor's recommended budget. This estimate excludes the impact to any adjustments to stabilization funding that might occur with changes to funding formula aid for Central Falls and the state schools. The reduction reflects an anticipated decline in enrollment as a result of the coronavirus emergency. Excluding adjustments to stabilization funding, the March update produced a \$39.9 million decrease to formula education aid compared to the Governor's budget, under then current law.

### **Operating Aid**

**Local Districts.** The Budget includes \$855.5 million for formula aid to locally operated school districts. This is \$19.6 million more than enacted.

**Central Falls Operations.** The Budget includes \$47.7 million for formula aid for the Central Falls School District. This is \$2.6 million or 5.7 percent more than the FY 2021 enacted aid. Beginning with FY 2012, Central Falls is funded pursuant to the funding formula. The formula includes a stabilization fund for the Central Falls School District until the city can begin paying its local share. This is the eighth year of stabilization funding and the Budget includes \$9.0 million, \$2.1 million more than enacted. Compared to FY 2021, the formula produces a \$0.4 million increase from the updated per pupil core instruction amount.

**Metropolitan Career and Technical School.** The Budget includes \$9.3 million for formula aid for the Metropolitan Career and Technical School. This is consistent with funding for the last three years. The 2016 Assembly enacted a stabilization fund for the state schools in order to mitigate some of the losses in funding from the implementation of the funding formula and recognize the additional costs associated with running a stand-alone school that offers both academic and career and technical education. This includes \$1.1 million in stabilization funding for the Met School, which is \$0.6 million less than enacted in FY 2021. This offsets the \$0.6 million increase reflecting year eleven of the formula.

Prior to FY 2012, the Met School was fully state supported. The Met School is funded like other districts with the state share being that of the sending district for each student plus the local contribution being the local per pupil cost of each sending district, which it must pay to the School. Table 5 at the end of this report includes estimated enrollment for FY 2022.

**Davies Career and Technical School.** The Budget includes \$14.4 million from general revenues for formula aid to support the Davies Career and Technical School. This is \$0.7 million more than the FY 2021 enacted level. The funding formula legislation requires that state schools participating in the state retirement system have their state aid adjusted to reflect reimbursement for the employer contributions for those staff employed by the state. The 2016 Assembly enacted a stabilization fund for the state schools in order to mitigate some of the losses in funding from the implementation of the funding formula and recognize the additional costs associated with running a stand-alone school that offers both academic and career and technical education. The Budget includes \$5.3 million from stabilization funding for Davies, \$0.3 million more than enacted for FY 2021.

Davies was fully state supported until FY 2012, but is now funded like other districts with the state share being that of the sending district for each student plus the local contribution being the local per pupil cost of each sending district, which it must pay to the School. Davies' operating budget is submitted as part of the Department's budget and Davies' employees are still state employees. Table 5 at the end of this report includes estimated enrollment by sending district for FY 2022.

**Charter Schools.** The Budget includes \$124.7 million for formula aid to charter schools. This is \$15.8 million more than the FY 2021 enacted level based on the updated per pupil core instruction amount and projected growth for new and existing schools. Since FY 2012, charter schools are funded pursuant to the education funding formula, like other districts. The state share is that of the sending district for each student

and the local contribution is the local per pupil cost of each sending district, which it must pay to the school. Districts are billed quarterly for students attending charter and state schools.

Charter schools are public schools authorized by the state to operate independently from many state and local district rules and regulations. The 2010 Assembly increased the statewide total to no more than 35 charters; it had previously been no more than 20 charters serving no more than 4.0 percent of the state's school age population. At least half of the 35 total charters are reserved for charter school applications designed to increase the educational opportunities for at-risk pupils. Mayoral academies are charter schools and are included in the total. In FY 2021, there were 22 charter schools in Rhode Island; however, two new charter schools will open in the fall of 2021 and two will begin expansion. Table 5 at the end of this report includes enrollment used to calculate aid for FY 2022.

**Urban Collaborative Accelerated Program.** The Budget includes \$1.6 million for the Urban Collaborative Accelerated Program (UCAP) for FY 2022. The 2012 Assembly adopted legislation requiring that the Urban Collaborative Accelerated Program is funded pursuant to the education funding formula beginning in FY 2014. The program operates as an independent public school dedicated to reducing the dropout rates in Providence, Central Falls and Cranston. Table 5 at the end of this report includes enrollment by sending district used to calculate aid for FY 2022.

**Group Homes.** The Budget includes \$2.9 million for group home aid, based on 321 beds. The current per bed amount is \$26,000 for the group home beds associated with Bradley Hospital's residential CRAFT program and \$17,000 for all other group home beds. In FY 2022, there are 16 communities hosting group homes. The law requires that the number of group home beds be deducted from enrollment data for the purpose of determining average daily membership. Instead of showing the impact of group home beds on funding formula aid, the budget shows the impact in group home aid. Increases in beds prior to December 31 of each year are paid as part of the supplemental budget for that year; the final FY 2021 budget includes the additional \$153,000 for nine new beds opened in Providence and Portsmouth. Decreases in beds are not reflected until the budget year so any decreases in group home beds during FY 2021 would not be reflected until FY 2022. The nine new beds opened prior to December 31 were offset by a loss of eight others resulting in a net increase of one bed for FY 2022.

### COVID-19 Relief

**COVID-19 Relief Funds.** The federal CARES Act adopted in response to COVID-19 provided \$1,250.0 million to Rhode Island for related expenditures incurred between March 1, 2020 and December 30, 2020, including responding directly to the emergency as well as to "second-order" effects, such as providing economic support to those suffering from employment or business interruptions. The Assembly included use of \$50.0 million to be distributed to local education agencies in proportion to new federal education stabilization funds, noted above in the final FY 2020 budget. Local education agencies that received funds from the Paycheck Protection Program would have the value of that support deducted from any additional aid authorized through this section. Distribution of these funds did not begin until FY 2021 because of delays in the process. Accordingly, the FY 2021 enacted and final budgets show \$46.7 million of funds carried forward from FY 2020. The reduction from \$50.0 million reflects the impact of participation in the Paycheck Protection Program. As these funds are distributed outside of the funding formula, it is not shown in the prior summary table.

**Education Stabilization Funds to Districts.** On March 27, President Trump signed the Coronavirus Aid, Relief and Economic Security (CARES) Act. The act requires that the state maintain support for both elementary and secondary education and public higher education at no less than the average level of aid from FY 2017 through FY 2019 for both FY 2020 and FY 2021 in order to be eligible for stabilization funds. The Assembly included use of \$41.7 million from federal education stabilization funds in lieu of a like amount from general revenues in the final FY 2020 budget. Local education agencies will receive

funding based on their share of federal funds distributed under Title I, Part A of the Elementary and Secondary Education Act (ESEA), consistent with federal requirements. Funding in the final budget exceeds the maintenance of effort requirement by \$36.0 million. Due to a delay in distribution, funding was carried forward in the FY 2021 enacted and final budgets.

Under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), an additional \$54.9 billion was appropriated for emergency relief for elementary and secondary schools. Of this amount, Rhode Island received \$184.8 million, of which at least 90.0 percent must be distributed to local education agencies in the same manner as the original funding. In order to receive funding, the state must again meet maintenance of effort requirements outlined in the federal legislation. Unlike the CARES Act, this legislation requires that the proportion of state funding for elementary and secondary education, compared to all state funding for FY 2022 be consistent with the average proportion of spending in FY 2017, FY 2018, and FY 2019. Across the three-year period, state funding for elementary and secondary education comprised 29.9 percent of total state spending; under the enacted budget, elementary and secondary education expenses account for 31.2 percent of state spending in FY 2021 and 28.9 percent in FY 2022. Information provided by the Department of Administration indicates that the state will apply for a waiver for FY 2022.

On March 11, 2021, President Biden signed the American Rescue Plan Act which includes \$122.8 billion for emergency relief for elementary and secondary schools. This is in addition to both appropriations noted above. At least 90.0 percent must be distributed to local education agencies in the same manner as the prior bills. However, local education agencies must use at least 20.0 percent of their funds specifically to address learning loss. Maintenance of effort requirements are consistent with the CRRSA Act but for both FY 2022 and FY 2023. Additionally, the bill includes a local maintenance of effort requirement for local education agencies; high poverty schools must maintain per-pupil funding and per-pupil full-time equivalent staff for FY 2022 and FY 2023. Rhode Island received an additional \$415.0 million. As these funds are distributed outside of the funding formula, it is not shown in the prior summary table. However, the distribution of these funds by district is shown in Table 9 at the end of this report.

**Education Stabilization Funds - Governor's Fund.** The CARES Act appropriated \$3.0 billion for emergency relief to local education agencies, higher education institutions, and other education related entities within the state. The use of funds is determined by the Governor of each state. Of this amount, Rhode Island received \$8.7 million. The state received an additional \$11.0 million through the Coronavirus Response and Relief Supplemental Appropriations Act, of which \$3.8 million is flexible and \$7.1 million must be distributed to private schools. In total, the state received \$19.7 million, of which \$12.5 million is flexible.

In a January 2021 memo to state directors, Governor Raimondo announced the distribution of \$12.5 million of flexible education stabilization funds. The Governor decided that \$0.9 million will be used to increase student access to mental health professionals, including through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, \$2.5 million to expand prekindergarten which will be used in FY 2022, \$5.3 million to expand access to the Community College in a manner similar to the Promise program, and \$3.9 million for the Office of Postsecondary Commissioner. The Office will use funds to: improve access to higher education and education training opportunities, support innovation of ongoing operations of those institutions of higher education that have been most impacted by COVID-19, and to protect education related jobs and increase the quality of child care programming.

The American Rescue Plan Act, signed on March 11, 2021, includes an additional \$2.8 billion for Governors to distribute to non-public schools. Rhode Island received \$6.2 million. The Budget includes the funds identified by Governor Raimondo as well as a total of \$13.4 million for private schools. As these funds are distributed outside of the funding formula, it is not shown in the prior summary table.

## Categorical Funding

For each category of aid, the Department of Elementary and Secondary Education prorates the funds available for distribution among those eligible school districts if the total approved costs for which districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year. There was an expectation that funding for these expenditures would grow annually as the funding formula was phased-in; however, funding has not increased annually and the Governor's out-year estimates assume these costs will remain constant.

**High Cost Special Education.** The funding formula allows for additional funding from the state for high cost special education students when those costs exceed five times the district's combined per pupil core instruction amount and student success factor amount. The Budget includes \$4.5 million for FY 2022, the same as provided in FY 2017 through FY 2021. There was an expectation that funding for these expenditures would grow annually as the funding formula was phased-in; however, that has not occurred consistently since FY 2017 and the Governor's out-year estimates assume these costs will remain constant. This was first funded in FY 2013 at \$500,000.

**Career and Technical Programs.** The funding formula allows for additional resources from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and career pathways in critical and emerging industries and to help offset the higher than average costs associated with maintaining the quality of highly specialized programs. The Department developed criteria for the purpose of allocating funds. The Budget includes \$4.5 million for FY 2022, the same as provided in FY 2017 through FY 2021. There was an expectation that funding for these expenditures would grow annually as the funding formula was phased-in; however, funding has only increased twice since it was first funded at \$3.0 million in FY 2013. The Governor's out-year estimates assume these costs will remain constant. These funds are not shown in the distribution tables at the end of this report.

**Early Childhood Education.** The funding formula allows for additional resources from the state to increase access to voluntary, free, high quality prekindergarten programs. Funds are distributed through a request for proposals process and are paid directly to early education programs. The Budget includes \$14.9 million from general revenues for FY 2022, consistent with the FY 2021 enacted budget. All early childhood categorical funds were used as a match for a federal grant from FY 2016 through FY 2019, which allowed the Department to expand the number of prekindergarten classes from 17 in FY 2015 to 60 in FY 2018. This was first funded in FY 2013 at \$1.5 million. These funds are not shown in the distribution tables at the end of this report.

In FY 2020, the program supported 78 classrooms serving 1,420 seats, which is 18 classrooms and 340 seats more than in FY 2019. This includes five new state-run classrooms and 13 new classrooms supported by both general revenues and federal Head Start funds, which allowed for expansion of the school year for some Head Start students. Of the 340 new seats, 223 are funded completely from general revenues and the remainder from both state and federal sources.

The FY 2021 enacted and revised budgets include \$4.2 million from new federal preschool development funds awarded to the Executive Office of Health and Human Services and the Department of Human Services. Of this, \$3.0 million was to open new classrooms and \$1.2 million for other classroom supports, such as providing professional development, technical assistance and monitoring. The Budget includes the FY 2021 enacted level of funding for FY 2022, which is the second year of funding from this three-year grant. In FY 2021, 96 classrooms served 1,768 seats.

Consistent with the Governor's recommendation, the Budget also includes \$2.5 million from federal Governor's Emergency Education Relief funds to open approximately 300 new prekindergarten seats in FY

2022. It should be noted that the Governor's out-year estimates do not contemplate replacing these one-time funds with general revenues in FY 2023 or beyond.

**Non-Public School Transportation.** The funding formula allows the state to provide resources to mitigate the excess costs associated with transporting students to out-of-district non-public schools. The state assumes the costs of non-public out-of-district transportation for those districts participating in the statewide transportation system. Prior to FY 2018, funding for transportation costs was allocated through a single category of aid. The Budget includes \$3.5 million for FY 2022, \$0.4 million more than enacted. FY 2012 funding for this component of the original transportation fund was \$0.8 million.

**Regional School District Transportation.** The funding formula allows the state to provide resources to mitigate the excess costs associated with transporting students within regional school districts. The state shares in the costs associated with transporting students within regional school districts. The state and regional school district equally share the student transportation costs net any federal sources of revenue for these expenditures. Prior to FY 2018, funding for transportation costs was allocated through a single category of aid. The Budget includes \$4.2 million for FY 2022, which is \$0.4 million less than enacted but fully funds this category of education aid. FY 2012 funding for this component of the original transportation fund was \$0.5 million.

**English Language Learner Aid.** The Budget includes \$5.0 million to support English language learners that are in the most intensive programs, consistent with the enacted budget. The funding is used on evidence-based programs proven to increase outcomes and are monitored by the Department of Elementary and Secondary Education. The calculation is 10.0 percent of the Core Instruction Amount, applied to students in the most intensive English learner programs, and then ratably reduced. Funding for this category was first provided in FY 2017 for one year only; it was made permanent a year later.

**School Resource Officer Support.** The 2018 Assembly established a voluntary three-year pilot program for a new category of education aid to support school resource officers for a period of three years beginning in FY 2019. Funding reimburses school districts or municipalities one-half of the total cost of employing new school resource officers at middle or high schools for districts that choose to do so. Staffing levels that exceed one officer per school with less than 1,200 students and two officers per school with 1,200 or more students would not be eligible for reimbursement. The final FY 2021 budget includes the enacted amount of \$325,000 for the third and final year of the program. Consistent with current law, the FY 2022 budget excludes funding for this category of aid.

**School of Choice Density Aid.** The 2017 Assembly enacted a three-year category of education aid to support districts which had at least 5.0 percent of their students enrolled in a charter or state school. Districts were provided \$175 per pupil in FY 2017, \$100 per pupil in FY 2018, and \$50 per pupil in FY 2019 for every student sent to schools of choice. The 2021 Assembly amended this program to permanently provide transition aid to traditional school districts with at least 5.0 percent of resident students enrolled in schools of choice. For FY 2022, \$500 per pupil will be provided for any new students that have enrolled in schools of choice since FY 2019, the last year for which there was support from this fund. Beginning in FY 2023, aid will be provided for any new students enrolling in new and expanding charter schools. The Budget includes \$1.0 million from general revenues for this category of aid.

### **Set-Aside Funds**

**Textbook Loans.** The Budget includes the enacted level of \$240,000 for the textbook loan program. The state currently reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12<sup>th</sup> grade. This is \$183,749 more than spent in FY 2020. The final budget includes \$23,315 based on actual expenses.



**School Breakfast.** The Budget includes \$270,000 for FY 2022 for the administrative cost reimbursement to districts for the school breakfast program, which is consistent with the FY 2021 enacted level. State law mandates that all public schools provide a breakfast program and costs, other than transportation, associated with this program in excess of federal money for the meals, shall be borne exclusively by the state.

Current law requires the Assembly to “*annually appropriate some sum and distribute it based on each district’s proportion of the number of breakfasts served in the prior school year relative to the statewide total in the same year.*” As in the lunch program, children from families with incomes at or below 130 percent of poverty are eligible for free meals, while those from families up to 185 percent of poverty are eligible for reduced-price meals.

**Recovery High School.** The 2016 Assembly enacted legislation to provide \$500,000 for FY 2017 only to support the state’s recovery high school. Recovery high schools are specifically designed for students recovering from a substance abuse disorder. The legislation also removed districts from the enrollment process and changed the local tuition payment from the local per pupil expenditures to the core instruction amount. The 2017 Assembly removed the limitation to FY 2017 only. The Budget includes \$0.5 million, consistent with the FY 2021 enacted budget.

### Other Aid

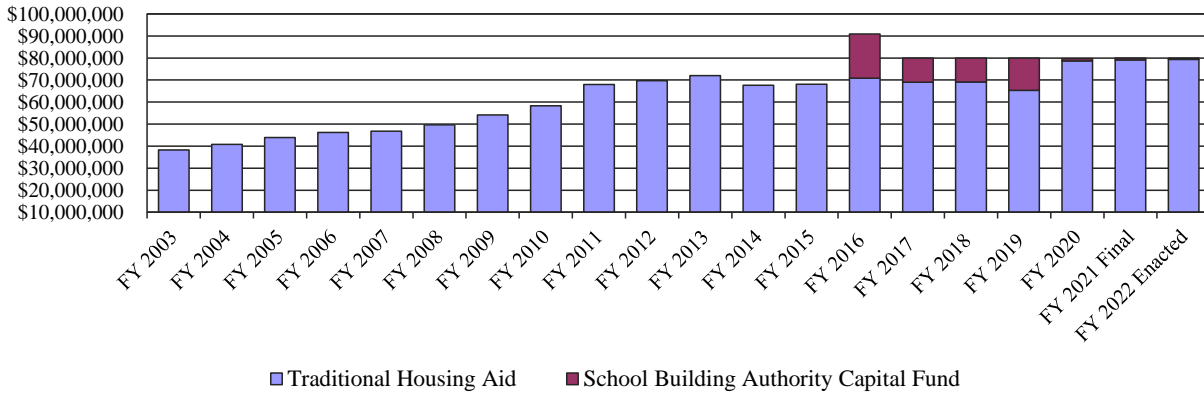
**Teacher Retirement.** The Budget includes \$123.9 million to fund the state’s 40.0 percent share of the employer contribution for teacher retirement, an increase of \$5.5 million or 4.7 percent more than the FY 2021 enacted budget, which assumes a 2.5 percent annual increase in teacher wages and updated contribution rates. Prior to changes enacted in 2011, teachers had contributed 9.5 percent of their salaries; as of July 1, 2012, teachers contribute 8.75 percent. That rate is set in the General Laws. Employers contribute the difference between the teachers’ share and the amount needed to support the system, as determined annually by the State Employees’ Retirement System. For districts that choose not to participate in Social Security, there is an additional 4.0 percent contribution; 2.0 percent paid by both the employee and the district. The state does not pay a share of this 2.0 percent.

**School Construction Aid.** The Budget includes \$80.0 million for construction aid to local districts. This includes \$79.4 million for the traditional school housing aid program, which reimburses school districts for a share of completed projects, and \$0.6 million for the School Building Authority Capital Fund, which provides support for smaller projects that do not require both the full rehabilitation of a school and voter approval.

The 2011 Assembly instituted a three-year moratorium on the approval of new projects with exception for projects necessitated by health and safety reasons, effective July 1, 2011 through July 1, 2014. The 2014 Assembly extended the moratorium to May 1, 2015. During the moratorium, the Council on Elementary and Secondary Education approved \$162.0 million of health and safety projects.

The following graph shows school construction aid appropriations from FY 2003 through the FY 2022 budget. Funding for the program more than doubled over 10 years through FY 2002. It doubled again in the next 10 year period through FY 2012 with an average growth rate of 7.8 percent. Over the past 10 years, from FY 2012 through FY 2021, the Council on Elementary and Secondary Education approved \$2,113.5 million of projects through the traditional school housing aid program. Additionally, it has approved 172 projects totaling \$62.9 million through the School Building Authority Capital Fund since FY 2016.

### School Construction Aid



The 2019 Assembly enacted legislation to temporarily expand incentives used to enhance the school housing aid ratio in order to encourage new school construction and renovation projects, contingent upon approval of a bond referendum to be put before the voters on the November 2018 ballot. Districts are eligible for share ratio increases of up to 20.0 percent for projects that meet the following incentives.

Temporary Incentive	Share Ratio Increase
1 Health & safety	5%
2 Educational enhancements (includes early education & CTE)	5%
3 Replace facility with a facilities condition index of 65%+	5%
4 Increase functional utilization of a facility from <60% to 80%	5%
5 Decrease facility functional utilization from >120% to between 85% & 105%	5%
6 Consolidate 2+ buildings	5%

While the maximum state share increase is 20.0 percent, a district’s local share cannot decrease by more than half of its regular share regardless of the incentives earned, nor can a district’s state share increase by more than half of its regular share. Also, the third incentive noted in the table cannot be combined with the fourth or fifth incentive.

Projects approved between May 1, 2015 and January 1, 2018 are eligible for state share increases of up to 20.0 percent so long as commissioning agents and Owners Program Managers are utilized; those projects that do not are eligible for a 5.0 percent increase. Each incentive requires spending 25.0 percent of project costs or \$500,000 on related items. The incentives require that projects begin by either December 30, 2022 or 2023 and be completed within five years.

The legislation established a permanent incentive for projects that address school safety and establishes minimum maintenance spending requirements. Districts are required to meet one of three options to meet the requirements. Maintenance spending may either equal \$3 per square foot of school building space, 3.0 percent of a building’s replacement value, or 3.0 percent of the school’s operating budget; the latter two options are phased-in over four years.

It also includes additional requirements and oversight throughout projects, which are intended to control project costs, ensure building systems operate correctly, and ensure that projects are executed properly from design through construction. Owners Program Managers and commissioning agents are required for projects exceeding \$1.5 million, and state prequalification of prime contractors is required for all projects exceeding \$10.0 million. Architects and engineers are also required to go through a prequalification process. A list of prequalified contractors, architects and engineers is required to be publically posted with

all other program information. While this does not appear to be available on the Department’s website, the information is available through the Department of Administration Division of Purchases.

The approved capital plan includes \$250.0 million of new general obligation bonds, which were approved by the voters on the November 2018 ballot for public school construction and repairs over the next five years, with an authorization limit of \$100.0 million in any one year. The legislation requires that bond proceeds first be used in the traditional housing aid program, with no more than 5.0 percent of available proceeds in any given year to be used by the capital fund. Annual debt service on the bonds would be \$20.7 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$401.4 million.

On May 14, 2019, the Council on Elementary and Secondary Education approved \$383.0 million for projects across six districts. Consistent with its practice in FY 2020, the School Building Authority pursued two approval periods in FY 2021 to be more responsive to district needs. In FY 2020, \$629.5 million of projects were approved by the Council including \$234.1 million in December 2019 and \$395.5 million in May 2020. The Council approved \$33.8 million in December 2020 and \$190.4 million in May 2022. Based on information from July 2021, an additional \$1,082.3 million in projects are expected to be approved during FY 2022. The projected application surge for FY 2022 is anticipated as a result of the pending expiration of two incentives in December of 2022.

<b>Approvals</b>	<b>Total Project Costs</b>	<b>Base State Share w/o Incentives</b>	<b>Upfront Bond Reimbursement</b>
<b><i>FY 2015 to FY 2018</i></b>	<b>\$ 538,462,880</b>	<b>\$ 357,460,960</b>	<b>\$ 39,901,249</b>
May 2019			
Cranston	\$ 13,497,432	\$ 9,954,546	\$ -
Foster	1,000,000	350,000	52,500
Foster-Glocester	4,485,000	2,263,898	339,585
Providence	278,430,300	326,127,721	48,919,158
Trinity Academy	11,298,705	4,813,247	721,987
Westerly*	74,284,759	38,360,540	5,454,081
<b><i>FY 2019 Total</i></b>	<b>\$ 382,996,196</b>	<b>\$ 381,869,952</b>	<b>\$ 55,487,311</b>
December 2019			
Pawtucket	\$ 234,053,860	\$ 271,670,332	\$ 40,750,550
May 2020			
Burrillville	\$ 7,214,000	\$ 5,158,610	\$ 733,793
Cranston	146,822,931	113,149,453	16,972,418
Cumberland	79,093,500	49,200,518	7,380,078
Newport	106,334,967	52,848,479	7,927,272
Warwick	56,000,000	27,832,000	4,174,800
<b><i>FY 2020 Total</i></b>	<b>\$ 629,519,258</b>	<b>\$ 519,859,392</b>	<b>\$ 77,938,911</b>
December 2020			
Central Falls	\$ 7,665,597	\$ 7,414,863	\$ 1,112,229
Exeter-West Greenwich	17,800,000	15,418,360	2,312,754
Narragansett	8,311,372	2,908,980	436,347
May 2021			
Coventry	\$ 85,000,000	\$ 52,968,240	\$ 7,945,236
Paul Cuffee School	12,746,987	4,479,296	671,894
South Kingstown*	92,662,765	44,926,968	6,739,045
<b><i>FY 2021 Total</i></b>	<b>\$ 224,186,721</b>	<b>\$ 128,116,707</b>	<b>\$ 19,217,505</b>
<b><i>FY 2022 Projected</i></b>	<b>1,082,325,531</b>	<b>576,654,946</b>	<b>97,356,273</b>
<b>Total FY 2019-2022</b>	<b>\$ 2,319,027,706</b>	<b>\$ 1,606,500,997</b>	<b>\$ 250,000,000</b>

*\$ in millions; excludes value of potential incentive points*

*\*Local referenda did not pass - projects not moving forward in current form*

The previous table includes projects approved in FY 2019, FY 2020, and FY 2021, as well as projected approvals for FY 2022. This reflects the state share of the total project costs as presented to the Council. It should be noted that these amounts exclude the impact of the new incentives, pending calculation and confirmation of those final values, and the actual state share of projects will likely be higher. Enabling legislation requires proportional distribution of the \$250.0 million of general obligation bonds approved by the voters.

The School Building Authority released guidance in spring 2019 indicating that districts will receive 15.0 percent of the expected state share for their projects, including interest. This will be provided upfront on a reimbursement basis; for those projects that are eligible for incentive points, the difference between the amount of upfront funding received and what would have been eligible under the incentives will be reimbursed through the traditional housing aid distribution, which occurs over the same period as the local debt service payments.

As previously noted, no more than \$100 million from general obligation bonds may be authorized in any given year. Guidance on the award funding published by the School Building Authority stated that local education agencies have two years to spend the upfront funding. Districts must submit invoices to the Authority; upon verification of completed work, funds will be released to districts. The Governor's proposed FY 2022 to FY 2026 capital budget assumes a new \$250 million bond will go before the voters in November 2022 with funding programmed to begin in FY 2024. The original bond is programmed at \$34.2 million in prior spending, \$65.8 million for FY 2021, and \$75.0 million in each FY 2022 and FY 2023. Legislation is required for future referenda which occur every other year, coinciding with elections.

The out-year estimates included with the Governor's recommended budget are based on December projections by the School Building Authority and assume costs for the traditional program will grow beyond the \$80.0 million state appropriation to \$93.4 million in FY 2023, \$100.6 million in FY 2024, \$117.3 million in FY 2025 and \$130.8 million for FY 2026. The Budget Office reported that the out-year estimates do not include an impact from a second \$250.0 million school construction bond. These estimates may change significantly based on actual project activity. The School Building Authority has indicated that the projected application surge for FY 2022 would increase estimates for out-year costs in FY 2025 and FY 2026 by approximately \$19 million and \$36 million, respectively. Additionally, these estimates do not include debt service for the state bonds, which is shown in the Department of Administration's budget. That is \$6.5 million for FY 2021 based on the issuance of \$100.0 million. Debt service on the entire \$250.0 million would be \$20.7 million annually. If a second bond is issued, the added cost would be similar.

## **Calculation and Distribution Tables**

The nine tables on the following pages include the calculation and distribution of the FY 2022 enacted education aid to districts, charter and state schools. Tables 1A and 1B show the total funding and Tables 2 through 9 illustrate different components of the funding formula. Table 8 has education aid to districts for FY 2016 through FY 2020 for comparison purposes. Table 9 shows the distribution of federal stimulus funds authorized under the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act.

Table 1A: Total Education Aid for Districts for FY 2022

Table 1B: Total Education Aid for Charter and State Schools for FY 2022

Table 2: Calculation of Funding Formula for FY 2022

Table 3: Group Home Aid for FY 2022

Table 4: Calculation of State Share Ratio

Table 5: FY 2022 Estimated Charter and State School Enrollment by Sending District

Table 6: Formula Funding to Charter and State Schools by Sending District

Table 7: Categorical Aid for FY 2022

Table 8: Education Aid for FY 2016 - FY 2020

Table 9: Education Federal Stimulus Funds

### **Table 1A: Total Education Aid for Districts for FY 2022**

**A.** Column **A** is the Governor's FY 2022 recommended formula aid for districts. It was based on March 15, 2020 student enrollment data.

**B.** Column **B** shows the change in aid per district from updating student enrollment based on March 15, 2021 student enrollment data.

**C.** Column **C** is the Governor's funding formula aid recommendation adjusted for the March 2021 data update.

**D.** Column **D** reflects legislation in Article 10 of 2021-H 6122, Substitute A, as amended, enacted by the 2021 Assembly. For FY 2022 only, funding formula aid for local education agencies is based on student enrollment in either March 2020 or March 2021, whichever was greater. For any community in which enrollment was higher in March 2020, aid would be adjusted for students enrolling in new and expanding charter schools for FY 2022. Additionally, the student success factor amount for traditional school districts will reflect the percentage of students in poverty in either March 2020 or March 2021, whichever is greater.

**E.** Column **E** shows the distribution of school choice density aid from legislation included in Article 10 of 2021-H 6122, Substitute A, as amended, reinstating this category of aid which had ended in FY 2019. For FY 2022, \$500 per pupil aid would be provided for any new students that have enrolled in schools of choice since FY 2019, for those districts with 5.0 percent or more resident students enrolled in schools of choice, including charter schools, Davies and the Met.

**F.** The formula allows for additional resources from the state for high-cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. The 2017 Assembly enacted a permanent category of funding for English language learners beginning in FY 2018. The distribution from high-cost special education, transportation, and English language learners aid is shown in column **F**.

**G.** Column **G** shows the amount of group home aid for FY 2022. Group home aid is paid through the funding formula pursuant to current law.

**H.** Column **H** shows the total general revenue education aid enacted for FY 2022.

**I.** Column **I** is the difference between the FY 2022 enacted budget shown in Column **H** and the Governor's recommended budget shown in Column **A**.

**Table 1A: Total Education Aid for Districts for FY 2022**

<i>District</i>	<i>A</i> <i>FY 2022</i> <i>Governor Formula</i> <i>Aid</i>	<i>B</i> <i>March</i> <i>Update</i>	<i>C</i> <i>Governor</i> <i>Adjusted Formula</i> <i>Aid</i>	<i>D</i> <i>Greater of</i> <i>March 2020</i> <i>or 2021</i> <i>Enrollments</i>
Barrington	\$ 7,924,118	\$ (94,432)	\$ 7,829,686	\$ 94,432
Burrillville	13,767,429	(1,111,642)	12,655,787	1,124,669
Charlestown	1,291,300	(49,244)	1,242,056	49,244
Coventry	24,066,104	(1,492,786)	22,573,318	1,492,786
Cranston	68,487,125	(2,945,770)	65,541,355	2,924,886
Cumberland	20,422,979	(684,854)	19,738,125	663,453
East Greenwich	4,305,850	(83,469)	4,222,381	83,469
East Providence	36,103,488	(1,790,404)	34,313,084	1,781,999
Foster	1,057,919	(109,729)	948,190	109,729
Glocester	2,422,153	(104,009)	2,318,144	104,009
Hopkinton	5,590,417	(254,234)	5,336,183	254,234
Jamestown	291,969	(6,106)	285,863	6,106
Johnston	19,503,143	(1,352,126)	18,151,017	1,337,893
Lincoln	15,857,037	(93,533)	15,763,504	177,451
Little Compton	432,020	(43,249)	388,771	43,249
Middletown	8,132,606	(521,261)	7,611,345	521,261
Narragansett	2,178,394	(201,573)	1,976,821	201,573
Newport	14,752,903	(1,418,845)	13,334,058	1,418,845
New Shoreham	191,118	17,471	208,589	2,497
North Kingstown	11,216,037	(519,379)	10,696,658	519,379
North Providence	26,695,771	(778,727)	25,917,044	691,358
North Smithfield	6,167,096	(327,524)	5,839,572	365,235
Pawtucket	94,603,861	(2,272,590)	92,331,271	2,706,252
Portsmouth	3,062,524	(196,415)	2,866,109	196,415
Providence	278,280,132	(17,568,731)	260,711,401	11,514,429
Richmond	5,149,642	(146,302)	5,003,340	146,302
Scituate	2,358,211	(100,523)	2,257,688	100,523
Smithfield	6,817,709	(154,481)	6,663,228	154,481
South Kingstown	4,559,972	(258,685)	4,301,287	258,685
Tiverton	6,774,565	(554,437)	6,220,128	554,437
Warwick	39,221,133	(2,054,693)	37,166,440	2,048,252
Westerly	7,937,325	(625,984)	7,311,341	625,984
West Warwick	30,857,785	(776,341)	30,081,444	776,341
Woonsocket	69,988,442	(2,522,759)	67,465,683	2,530,008
Bristol-Warren	11,345,723	(938,457)	10,407,266	938,457
Chariho	-	-	-	-
Exeter-West Greenwich	4,242,989	(256,690)	3,986,299	256,690
Foster-Glocester	5,104,253	(167,014)	4,937,239	167,014
Central Falls	47,702,746	(1,970,790)	45,731,956	1,970,790
<b>Subtotal</b>	<b>\$ 908,863,990</b>	<b>\$ (44,530,318)</b>	<b>\$ 864,333,673</b>	<b>\$ 38,912,816</b>
Charter & State Schools	<b>143,794,669</b>	<b>4,584,704</b>	<b>148,379,374</b>	<b>1,682,116</b>
<b>Total</b>	<b>\$ 1,052,658,659</b>	<b>\$ (39,945,614)</b>	<b>\$ 1,012,713,047</b>	<b>\$ 40,594,933</b>
<i>Adjusted Chariho</i>	<i>12,031,359</i>	<i>(449,780)</i>	<i>11,581,580</i>	<i>449,780</i>

**Table 1A: Total Education Aid for Districts for FY 2022**

	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>
<i>District</i>	<i>Density Aid</i>	<i>Other Categoricals</i>	<i>Group Home Aid</i>	<i>Total General Revenue Aid</i>	<i>Change to Governor</i>
Barrington	\$ -	\$ 308,275	\$ -	\$ 8,232,393	\$ 18,189
Burrillville	23,500	115,766	75,207	13,994,929	40,551
Charlestown	-	75	-	1,291,375	-
Coventry	-	43,187	81,928	24,191,219	1,803
Cranston	-	1,394,401	-	69,860,642	95,516
Cumberland	-	154,612	-	20,556,190	(6,296)
East Greenwich	-	236,199	-	4,542,049	11,269
East Providence	-	355,685	497,179	36,947,947	(7,580)
Foster	-	48,493	-	1,106,412	2,022
Glocester	-	59,055	-	2,481,208	1,472
Hopkinton	-	421	-	5,590,838	-
Jamestown	-	47,261	-	339,230	-
Johnston	-	474,909	-	19,963,819	15,518
Lincoln	-	205,820	85,147	16,231,922	83,918
Little Compton	-	-	-	432,020	-
Middletown	-	52,868	-	8,185,474	-
Narragansett	-	18,597	-	2,196,991	-
Newport	-	122,422	129,961	15,005,286	-
New Shoreham	-	25,914	-	237,000	19,968
North Kingstown	-	86,927	-	11,302,964	-
North Providence	39,500	520,211	130,183	27,298,296	(21,599)
North Smithfield	-	70,762	96,893	6,372,462	39,861
Pawtucket	102,000	740,326	110,064	95,989,913	559,101
Portsmouth	-	128,360	609,672	3,800,556	-
Providence	689,500	3,497,074	371,569	276,783,973	(5,324,837)
Richmond	-	397	-	5,150,039	-
Scituate	-	177,401	-	2,535,612	6,792
Smithfield	-	161,942	105,752	7,085,403	14,942
South Kingstown	-	289,546	119,650	4,969,168	24,252
Tiverton	-	121,743	-	6,896,308	-
Warwick	-	780,216	272,738	40,267,646	(2,508)
Westerly	-	146,396	-	8,083,721	-
West Warwick	-	87,932	-	30,945,717	5,769
Woonsocket	71,500	322,275	34,510	70,423,976	79,476
Bristol-Warren	-	1,678,283	106,071	13,130,077	45,033
Chariho	-	1,847,044	-	1,847,044	30,854
Exeter-West Greenwich	-	1,102,244	123,410	5,468,643	-
Foster-Glocester	-	659,081	-	5,763,334	-
Central Falls	84,500	635,150	-	48,422,396	96,903
<b>Subtotal</b>	<b>\$ 1,010,500</b>	<b>\$16,717,270</b>	<b>\$ 2,949,934</b>	<b>\$ 923,924,194</b>	<b>\$ (4,169,611)</b>
Charter & State Schools	-	444,087	-	150,505,577	6,266,820
<b>Total</b>	<b>\$ 1,010,500</b>	<b>\$17,161,357</b>	<b>\$ 2,949,934</b>	<b>\$ 1,074,429,770</b>	<b>\$ 2,097,209</b>
<i>Adjusted Chariho</i>	-	1,847,937	-	13,879,296	30,854



## **Table 1B: Total Education Aid for Charter and State Schools for FY 2022**

- A.** Column **A** is the FY 2021 formula aid enacted by the 2020 Assembly.
- B.** Column **B** includes final FY 2021 funding formula aid, which reflects current law requirements that any changes in enrollment as of October 1 that are greater than 10.0 percent get adjusted in that year.
- C.** Column **C** is the Governor's FY 2022 recommended formula aid. It uses March 2020 enrollment and lottery data. Growth due to adding grades is paid in the year of the growth; however, the recommendation does not adjust for new and expanding charter schools.
- D.** Column **D** shows changes in aid per district from updating student enrollment based on March 15, 2021 student enrollment data.
- E.** Column **E** is the Governor's recommendation adjusted for the March 2021 data update.
- F.** Column **F** reflects legislation included in Article 10 of 2021-H 6122, Substitute A, as amended. For FY 2022 only, the legislation calculates funding formula aid for local education agencies based on student enrollment in either March 2020 or March 2021, whichever was greater. For schools of choice, the student success factor amount will reflect the number of students in poverty for the year in which total average daily membership is greater.
- G.** Column **G** includes the distribution of high cost special education and English language learner categorical funding.
- H.** Column **H** shows the total general revenue education aid enacted for FY 2022.
- I.** Column **I** is the difference between the enacted FY 2022 appropriation shown in Column **H** and the Governor's adjusted recommendation.
- J.** Column **J** is the difference between the enacted FY 2022 appropriation shown in Column **H** and the FY 2021 enacted budget in Column **A**.

**Table 1B: Total Education Aid for Charter and State Schools for FY 2022**

<i>School</i>	<i>A</i> <i>FY 2021</i> <i>Enacted</i> <i>Formula Aid*</i>	<i>B</i> <i>FY 2021</i> <i>Final</i> <i>Formula Aid*</i>	<i>C</i> <i>FY 2022</i> <i>Gov. Rec.</i> <i>Formula Aid*</i>	<i>D</i> <i>March</i> <i>Update</i>	<i>E</i> <i>Governor</i> <i>Adjusted</i> <i>Formula</i>
Achievement First	\$ 18,773,222	\$ 18,773,222	\$ 22,629,513	\$ 1,401,445	\$ 24,030,958
Beacon	3,342,827	3,342,827	3,500,151	179,197	3,679,348
Blackstone	4,082,449	4,082,449	4,242,769	(8,959)	4,233,810
Charette	2,001,614	2,001,614	2,099,907	35,060	2,134,967
Compass	612,659	612,659	613,965	(37,134)	576,831
Greene School	1,366,254	1,366,254	1,413,961	66,537	1,480,497
Highlander	7,017,055	7,017,055	7,322,483	(484,694)	6,837,789
Hope Academy	2,662,388	2,662,388	3,194,674	(19,611)	3,175,063
International	3,625,251	3,625,251	3,817,555	(99,134)	3,718,422
Kingston Hill	829,329	829,329	838,431	17,099	855,530
Learning Community	7,123,717	7,123,717	7,440,461	39,288	7,479,749
New England Laborers	1,388,665	1,388,665	1,425,168	(21,453)	1,403,715
Nowell	1,862,069	1,862,069	1,939,401	(16,338)	1,923,063
Nuestro Mundo	-	-	-	1,697,640	1,697,640
Nurses Institute	3,068,016	3,068,016	3,205,056	883,721	4,088,777
Paul Cuffee	9,387,181	9,387,181	9,848,158	(3,691)	9,844,468
Providence Prep	-	-	-	1,550,019	1,550,019
RI Mayoral Academies Blackstone Prep.	20,728,109	20,728,109	22,396,253	(410,085)	21,986,168
RISE Mayoral Academy	3,115,903	3,115,903	3,757,135	(115,234)	3,641,901
Segue Institute	3,084,299	3,084,299	3,207,666	544,064	3,751,730
Southside Elementary	1,683,255	1,683,255	1,765,915	(118,097)	1,647,818
Times2 Academy	8,291,394	8,291,394	8,698,561	(426,255)	8,272,305
Trinity	2,416,711	2,416,711	2,535,389	(51,667)	2,483,721
Village Green	2,386,642	2,386,642	2,492,043	344,767	2,836,810
<b><i>Charter Schools Subtotal</i></b>	<b>\$ 108,849,009</b>	<b>\$ 108,849,009</b>	<b>\$ 118,384,614</b>	<b>\$ 4,946,485</b>	<b>\$ 123,331,099</b>
Davies Career and Tech	13,726,982	13,726,982	14,437,904	(502,232)	13,935,672
Met School	9,342,007	9,342,007	9,342,007	243,827	9,585,834
Urban Collaborative	1,555,465	1,555,465	1,630,145	(103,375)	1,526,770
<b>Total</b>	<b>\$ 133,473,463</b>	<b>\$ 133,473,463</b>	<b>\$ 143,794,669</b>	<b>\$ 4,584,704</b>	<b>\$ 148,379,375</b>

\*Includes a state schools stabilization payment of \$5.3 million to Davies and \$1.1 million to Met

**Table 1B: Total Education Aid for Charter and State Schools for FY 2022**

<i>School</i>	<i>F</i> <i>Assembly</i> <i>Adjustment to</i> <i>March Update</i>	<i>G</i> <i>Categoricals</i>	<i>H</i> <i>FY 2022</i> <i>Enacted Aid*</i>	<i>I</i> <i>Chg. to</i> <i>Governor</i> <i>Adjusted Rec.</i>	<i>J</i> <i>Chg. to FY</i> <i>2021 Enacted</i>
Achievement First	\$ -	\$ 85,529	\$ 24,116,487	\$ 85,529	\$ 5,343,265
Beacon	-	2,100	3,681,448	2,100	338,621
Blackstone	18,040	7,076	4,258,926	25,116	176,477
Charette	(35,060)	-	2,099,907	(35,060)	98,293
Compass	22,924	-	599,755	22,924	(12,904)
Greene School	-	868	1,481,365	868	115,111
Highlander	484,733	36,104	7,358,626	520,837	341,571
Hope Academy	-	11,548	3,186,611	11,548	524,223
International	229,989	41,218	3,989,629	271,207	364,378
Kingston Hill	-	68	855,598	68	26,269
Learning Community	-	72,606	7,552,355	72,606	428,638
New England Laborers	-	3,694	1,407,409	3,694	18,744
Nowell	-	8,814	1,931,877	8,814	69,808
Nuestro Mundo	-	-	1,697,640	-	1,697,640
Nurses Institute	-	6,236	4,095,013	6,236	1,026,997
Paul Cuffee	3,691	32,079	9,880,238	35,770	493,057
Providence Prep	-	-	1,550,019	-	1,550,019
RI Mayoral Academies Blackstone Prep.	-	55,972	22,042,140	55,972	1,314,031
RISE Mayoral Academy	-	3,102	3,645,003	3,102	529,100
Segue Institute	-	15,995	3,767,725	15,995	683,426
Southside Elementary	118,097	6,416	1,772,331	124,513	89,076
Times2 Academy	426,255	16,680	8,715,240	442,935	423,846
Trinity	51,667	6,416	2,541,804	58,083	125,093
Village Green	-	5,102	2,841,912	5,102	455,270
<b><i>Charter Schools Subtotal</i></b>	<b>\$ 1,320,336</b>	<b>\$ 417,623</b>	<b>\$ 125,069,058</b>	<b>\$ 1,737,959</b>	<b>\$ 16,220,050</b>
Davies Career and Tech	502,232	3,073	14,440,977	505,305	713,995
Met School	(243,827)	16,548	9,358,555	(227,279)	16,548
Urban Collaborative	103,375	6,843	1,636,988	110,218	81,523
<b>Total</b>	<b>\$ 1,682,116</b>	<b>\$ 444,087</b>	<b>\$ 150,505,578</b>	<b>\$ 2,126,203</b>	<b>\$ 17,032,116</b>

\*Includes a state schools stabilization payment of \$5.3 million to Davies and \$1.1 million to Met

## Table 2: Calculation of Funding Formula for FY 2022

**A.** Consistent with legislation enacted by the 2021 Assembly, FY 2022 student counts are shown in column **A** based on the resident average daily membership in March 2020 or March 2021, whichever was greater, adjusted for new and expanding charter schools. Average daily membership calculates an average of the number of days all students are formally members of a district and/or a school per year.

**B.** Column **B** includes the percent of students that are in poverty status. Consistent with legislation enacted by the 2021 Assembly, the calculation uses the percentage of students in poverty, in either March 2020 or March 2021, whichever was greater.

**C.** Column **C** includes the number of students in prekindergarten through 12<sup>th</sup> grade that are in “poverty status” which is defined as a child whose family income is at or below 185 percent of federal poverty guidelines. Based on legislation passed by the 2021 Assembly, this is column **A** multiplied by column **B**, adjusted for new and expanding charter schools.

**D.** Column **D** is the core instruction funding, which is the student count in column **A** times the core instruction per pupil amount of \$10,635. Current law requires the core instruction per pupil amount to be updated annually.

**E.** Column **E** includes the student success factor funding which is a single poverty weight as a proxy for student supports and is 40.0 percent times the number of students in prekindergarten through 12<sup>th</sup> grade that are in poverty status in column **C** times the core instruction amount.

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

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

**H.** Column **H** includes the state foundation aid under the funding formula. It is the total foundation amount in column **F** times the state share ratio in column **G**. Pursuant to the ten-year phase in of the funding formula, districts receiving more state funding were subject to a seven-year phase in and districts receiving less state funding have the loss phased in over ten years. As FY 2022 is the eleventh year of the funding formula, the transition period has ended and column **H** is the amount produced by the formula for all districts.

**I.** Column **I** is the FY 2021 enacted formula aid.

**J.** Column **J** is the difference between the eleventh year of funding under the formula shown in column **H** and the FY 2021 enacted amount of formula aid in column **I**.

**Table 2: Calculation of Funding Formula for FY 2022**

<i>District</i>	<i>A</i> <i>FY 2022</i> <i>PK-12</i> <i>RADM</i>	<i>B</i> <i>% Poverty</i> <i>Status</i>	<i>C</i> <i>FY 2022</i> <i>Poverty</i> <i>Status</i>	<i>D</i> <i>Core Instruction</i> <i>Funding</i>	<i>E</i> <i>Student Success</i> <i>Factor Funding</i>
Barrington	3,416	4.2%	145	\$ 36,329,160	\$ 616,830
Burrillville	2,226	35.1%	782	23,673,510	3,326,628
Charlestown	740	21.1%	156	7,869,900	663,624
Coventry	4,502	26.8%	1,207	47,878,770	5,134,578
Cranston	10,164	40.3%	4,096	108,094,140	17,424,384
Cumberland	4,593	19.9%	910	48,846,555	3,871,140
East Greenwich	2,572	6.7%	173	27,353,220	735,942
East Providence	5,035	48.5%	2,442	53,547,225	10,388,268
Foster	227	28.2%	64	2,414,145	272,256
Glocester	553	13.2%	73	5,881,155	310,542
Hopkinton	1,137	20.8%	236	12,091,995	1,003,944
Jamestown	655	5.5%	36	6,965,925	153,144
Johnston	3,286	41.7%	1,370	34,946,610	5,827,980
Lincoln	3,179	26.1%	830	33,808,665	3,529,568
Little Compton	344	14.2%	49	3,658,440	208,446
Middletown	2,175	31.9%	694	23,131,125	2,952,276
Narragansett	1,211	18.2%	220	12,878,985	935,880
Newport	2,088	70.5%	1,471	22,205,880	6,257,634
New Shoreham	148	19.4%	29	1,573,980	122,160
North Kingstown	3,747	21.2%	793	39,849,345	3,373,422
North Providence	3,536	47.2%	1,667	37,605,360	7,091,418
North Smithfield	1,653	18.8%	310	17,579,655	1,318,740
Pawtucket	8,583	73.0%	6,269	91,280,205	26,666,265
Portsmouth	2,295	15.6%	359	24,407,325	1,527,186
Providence	21,947	86.1%	18,896	233,406,345	80,383,584
Richmond	1,135	15.2%	172	12,070,725	731,688
Scituate	1,269	11.6%	147	13,495,815	625,338
Smithfield	2,378	15.4%	366	25,290,030	1,556,964
South Kingstown	2,918	17.6%	514	31,032,930	2,186,556
Tiverton	1,758	23.2%	407	18,696,330	1,731,378
Warwick	8,614	32.7%	2,818	91,609,890	11,987,772
Westerly	2,683	32.6%	875	28,533,705	3,722,250
West Warwick	3,607	53.6%	1,933	38,360,445	8,222,982
Woonsocket	5,890	77.7%	4,586	62,640,150	19,508,844
Bristol-Warren	3,163		940	33,638,505	3,998,760
Chariho	-	see table	-	-	-
Exeter-West Greenwich	1,643	below	273	17,473,305	1,161,342
Foster-Glocester	1,149		188	12,219,615	799,752
Central Falls*	2,733	97.2%	2,666	29,065,455	11,341,164
<b>Total</b>	<b>128,952</b>		<b>59,161</b>	<b>\$ 1,371,404,520</b>	<b>\$ 251,670,629</b>
<i>Bristol</i>	<i>1,923</i>	<i>25.2%</i>	<i>485</i>	<i>20,451,105</i>	<i>2,063,190</i>
<i>Warren</i>	<i>1,240</i>	<i>36.7%</i>	<i>455</i>	<i>13,187,400</i>	<i>1,935,570</i>
<i>Exeter</i>	<i>752</i>	<i>18.8%</i>	<i>141</i>	<i>7,997,520</i>	<i>599,814</i>
<i>West Greenwich</i>	<i>891</i>	<i>14.8%</i>	<i>132</i>	<i>9,475,785</i>	<i>561,528</i>
<i>Foster</i> <sup>∞</sup>	<i>375</i>	<i>17.9%</i>	<i>67</i>	<i>3,988,125</i>	<i>285,018</i>
<i>Glocester</i> <sup>∞</sup>	<i>774</i>	<i>15.6%</i>	<i>121</i>	<i>8,231,490</i>	<i>514,734</i>
<i>Adjusted Chariho</i>	<i>3,012</i>		<i>564</i>	<i>32,032,620</i>	<i>2,399,256</i>

\*This includes the enacted \$7.0 million stabilization fund payment to Central Falls in FY 2021 & 9.1 million in FY 2022.

<sup>∞</sup>Beginning in FY 2021, aid for Foster-Glocester is shown by town, consistent with other regional school districts.

**Table 2: Calculation of Funding Formula for FY 2022**

<i>District</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>
	<i>Total Foundation</i>	<i>State Share Ratio (Table 4)</i>	<i>FY 2022 Enacted Funding*</i>	<i>FY 2021 Enacted Formula Aid</i>	<i>Difference from FY 2021</i>
Barrington	\$ 36,945,990	21.4%	\$ 7,924,118	\$ 5,871,029	\$ 2,053,089
Burrillville	27,000,138	51.0%	13,780,456	14,142,025	(361,569)
Charlestown	8,533,524	15.1%	1,291,300	1,310,336	(19,036)
Coventry	53,013,348	45.4%	24,066,104	23,412,703	653,401
Cranston	125,518,524	54.5%	68,466,242	68,450,816	15,426
Cumberland	52,717,695	38.7%	20,401,578	20,695,039	(293,462)
East Greenwich	28,089,162	15.3%	4,305,850	3,289,856	1,015,994
East Providence	63,935,493	56.5%	36,095,083	35,396,348	698,734
Foster	2,686,401	39.4%	1,057,919	1,030,628	27,291
Glocester	6,191,697	39.1%	2,422,153	2,121,901	300,252
Hopkinton	13,095,939	42.7%	5,590,417	5,488,552	101,864
Jamestown	7,119,069	4.1%	291,969	370,888	(78,920)
Johnston	40,774,590	47.8%	19,488,910	18,685,883	803,028
Lincoln	37,338,233	42.7%	15,940,955	14,948,129	992,827
Little Compton	3,866,886	11.2%	432,020	397,611	34,408
Middletown	26,083,401	31.2%	8,132,606	7,845,644	286,962
Narragansett	13,814,865	15.8%	2,178,394	2,206,524	(28,130)
Newport	28,463,514	51.8%	14,752,903	13,794,759	958,145
New Shoreham	1,696,140	12.4%	211,086	177,909	33,177
North Kingstown	43,222,767	25.9%	11,216,037	11,791,198	(575,161)
North Providence	44,696,778	59.5%	26,608,402	24,700,268	1,908,133
North Smithfield	18,898,395	32.8%	6,204,807	6,028,551	176,255
Pawtucket	117,946,470	80.6%	95,037,522	91,967,189	3,070,333
Portsmouth	25,934,511	11.8%	3,062,524	3,219,595	(157,071)
Providence	313,789,929	86.8%	272,225,830	268,225,023	4,000,807
Richmond	12,802,413	40.2%	5,149,642	4,693,797	455,845
Scituate	14,121,153	16.7%	2,358,211	2,647,517	(289,305)
Smithfield	26,846,994	25.4%	6,817,709	5,776,314	1,041,395
South Kingstown	33,219,486	13.7%	4,559,972	4,463,290	96,681
Tiverton	20,427,708	33.2%	6,774,565	7,380,299	(605,734)
Warwick	103,597,662	37.9%	39,214,692	37,747,785	1,466,906
Westerly	32,255,955	24.6%	7,937,325	8,114,881	(177,556)
West Warwick	46,583,427	66.2%	30,857,785	29,438,359	1,419,425
Woonsocket	82,148,994	85.2%	69,995,691	68,596,553	1,399,138
Bristol-Warren	37,637,265		11,345,723	12,630,626	(1,284,903)
Chariho	-	see table below	-	-	-
Exeter-West Greenwich	18,634,647		4,242,989	4,226,297	16,692
Foster-Glocester	13,019,367		5,104,253	4,636,715	467,539
Central Falls*	40,406,619	95.4%	47,702,746	45,109,045	2,593,701
<b>Total</b>	<b>\$ 1,623,075,149</b>		<b>\$ 903,246,487</b>	<b>\$ 881,029,884</b>	<b>\$ 22,216,603</b>
<i>Bristol</i>	<i>22,514,295</i>	<i>21.6%</i>	<i>4,852,340</i>	<i>5,365,823</i>	<i>(513,483)</i>
<i>Warren</i>	<i>15,122,970</i>	<i>42.9%</i>	<i>6,493,383</i>	<i>7,264,802</i>	<i>(771,419)</i>
<i>Exeter</i>	<i>8,597,334</i>	<i>22.1%</i>	<i>1,898,454</i>	<i>1,873,136</i>	<i>25,318</i>
<i>West Greenwich</i>	<i>10,037,313</i>	<i>23.4%</i>	<i>2,344,535</i>	<i>2,353,161</i>	<i>(8,626)</i>
<i>Foster</i> <sup>∞</sup>	<i>4,273,143</i>	<i>39.4%</i>	<i>1,682,786</i>	<i>1,639,375</i>	<i>43,411</i>
<i>Glocester</i> <sup>∞</sup>	<i>8,746,224</i>	<i>39.1%</i>	<i>3,421,468</i>	<i>2,997,340</i>	<i>424,128</i>
<i>Adjusted Chariho</i>	<i>34,431,876</i>		<i>12,031,359</i>	<i>11,492,685</i>	<i>538,674</i>

\*This includes the enacted \$7.0 million stabilization fund payment to Central Falls in FY 2021 & 9.1 million in FY 2022.

<sup>∞</sup>Beginning in FY 2021, aid for Foster-Glocester is shown by town, consistent with other regional school districts.

### **Table 3: Calculation of Group Home Aid for FY 2022**

The distribution of group home aid includes \$17,000 per bed with the exception of \$26,000 per bed for the group home beds associated with Bradley Hospital's residential CRAFT program. The districts total enrollment is then reduced by the number of group home beds. The total amount of funding is reduced by the value of that districts' state share of core instruction and student success factor amounts times the number of group home beds. The impact is shown as a reduction to group home aid.

**A.** Column **A** is the number of beds eligible for group home aid. The Department of Children, Youth and Families identified 321 beds eligible for aid as of December 31, 2020.

**B.** Column **B** is the total cost of beds identified in column **A**. It reflects \$17,000 per bed with the exception of \$26,000 per CRAFT bed.

**C.** Column **C** shows the cost of beds in column **B** reduced by the value of districts' state share of core instruction and student success factor amounts times the number of group home beds.

**D.** Column **D** shows the enacted FY 2022 group home aid.

**E.** Column **E** is the enacted FY 2021 aid.

**F.** Column **F** is the difference between the enacted FY 2021 aid in Column **E** and the enacted FY 2022 aid in Column **D**.

**G.** Column **G** is the revised current law entitlement based on the Department of Children, Youth and Families reports that identified nine beds eligible for aid that were not assumed in the enacted budget.

**H.** Column **H** shows the difference between the FY 2021 enacted aid in column **E** and the revised FY 2021 aid in column **G**.

**Table 3: Calculation of Group Home Aid for FY 2022**

<i>District</i>	<i>A Beds as of Dec. 31, 2020</i>	<i>B Total Cost of Beds</i>	<i>C Funding Formula Reduction</i>	<i>D FY 2022 Enacted</i>
Barrington	-	\$ -	\$ -	\$ -
Burrillville	8	136,000	(60,793)	75,207
Charlestown	-	-	-	-
Coventry	8	136,000	(54,072)	81,928
Cranston	-	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	39	825,000	(327,821)	497,179
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	8	136,000	(50,853)	85,147
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	14	238,000	(108,039)	129,961
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	16	272,000	(141,817)	130,183
North Smithfield	8	136,000	(39,107)	96,893
Pawtucket	22	374,000	(263,936)	110,064
Portsmouth	40	680,000	(70,328)	609,672
Providence	91	1,547,000	(1,175,431)	371,569
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	8	136,000	(30,248)	105,752
South Kingstown	8	136,000	(16,350)	119,650
Tiverton	-	-	-	-
Warwick	24	408,000	(135,262)	272,738
Westerly	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	8	136,000	(101,490)	34,510
Bristol-Warren	10	170,000	(63,929)	106,071
Chariho	-	-	-	-
Exeter-West Greenwich	9	153,000	(29,590)	123,410
Foster-Glocester	-	-	-	-
Central Falls	-	-	-	-
<b>Total</b>	<b>321</b>	<b>\$ 5,619,000</b>	<b>\$(2,669,066)</b>	<b>\$2,949,934</b>



**Table 3: Calculation of Group Home Aid for FY 2022**

<i>District</i>	<i>E</i> <i>FY 2021</i> <i>Enacted</i>	<i>F</i> <i>FY 2022</i> <i>Change to</i> <i>Enacted</i>	<i>G</i> <i>FY 2021</i> <i>Final</i>	<i>H</i> <i>Final Change</i> <i>to FY 2021</i> <i>Enacted</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Burrillville	73,935	1,272	73,935	-
Charlestown	-	-	-	-
Coventry	83,396	(1,468)	83,396	-
Cranston	-	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	503,600	(6,421)	503,600	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	88,201	(3,054)	88,201	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	136,977	(7,016)	136,977	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	141,292	(11,109)	141,292	-
North Smithfield	98,055	(1,162)	98,055	-
Pawtucket	118,734	(8,670)	118,734	-
Portsmouth	515,155	94,517	617,155	102,000
Providence	412,525	(40,956)	463,525	51,000
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	220,744	(114,992)	220,744	-
South Kingstown	119,996	(346)	119,996	-
Tiverton	-	-	-	-
Warwick	277,870	(5,132)	277,870	-
Westerly	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	37,221	(2,711)	37,221	-
Bristol-Warren	98,476	7,595	98,476	-
Chariho	-	-	-	-
Exeter-West Greenwich	123,805	(395)	123,805	-
Foster-Glocester	-	-	-	-
Central Falls	-	-	-	-
<b>Total</b>	<b>\$ 3,049,982</b>	<b>\$ (100,048)</b>	<b>\$ 3,202,982</b>	<b>\$ 153,000</b>

#### Table 4: Calculation of State Share Ratio

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

**A.** The assessed value of real and tangible personal property for each city and town as of December 31 of the third preceding calendar year in accordance with Rhode Island General Law, Section 16-7-21. The assessed value as of December 31, 2017, is used for FY 2022 calculations. Property value is certified annually by the Department of Revenue's Division of Municipal Finance, based on local sales data and appraisals.

**B.** The adjusted equalized weighted assessed property valuations for the third preceding calendar year per current law, as of December 31, 2017, as reported by the Department of Revenue's Division of Municipal Finance. The total assessed local property value of a community is adjusted for differences in local assessment rates to allow the reporting of figures comparable on a statewide basis, resulting in the equalized weighted assessed valuation (EWAV).

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

**C.** The FY 2022 student counts are shown in column **C** based on the resident average daily membership as of June 30, 2020. Average daily membership calculates an average of the number of days all students are formally members of a district and/or a school per year.

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

**E.** Column **E** includes the percentage of students in poverty status in prekindergarten through 6<sup>th</sup> grade as of June 30, 2020. Poverty status is defined as being at 185 percent of federal poverty guidelines.

**F.** The calculation in column **F** is the square root of the sum of the state share ratio for the community calculation in column **D** squared plus the district's percentage of students in poverty status in grades pre-kindergarten through 6<sup>th</sup> in column **E** squared, divided by two.

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

**G.** Column **G** shows what the share ratio was for FY 2021. It uses property valuations as of December 31, 2017 and student counts as of June 30, 2019.

**H.** Column **H** shows the difference between the share ratio for FY 2022 and that for FY 2021.

**Table 4: Calculation of State Share Ratio**

<i>District</i>	<i>A</i> <i>Assessed Value</i> <i>12/31/17</i>	<i>B</i> <i>Adjusted EWAV</i> <i>12/31/17</i>	<i>C</i> <i>June 2020</i> <i>Student Count*</i>	<i>D</i> <i>Adjusted</i> <i>EWAV</i>
Barrington	\$ 3,227,096,216	\$ 4,516,990,062	3,421	29.9%
Bristol	2,895,459,081	2,910,636,074	1,932	20.0%
Burrillville	1,720,322,547	1,735,849,779	2,350	60.8%
Charlestown	2,548,180,073	2,432,623,029	779	0.0%
Coventry	3,572,963,461	3,735,394,705	4,566	56.6%
Cranston	8,264,054,794	7,289,431,857	10,611	63.5%
Cumberland	4,197,481,097	4,862,789,846	5,142	49.8%
East Greenwich	2,521,638,683	3,910,438,040	2,591	19.9%
East Providence	4,416,995,173	3,615,658,380	5,299	63.8%
Exeter	893,720,173	1,131,501,601	789	23.9%
Foster <sup>oo</sup>	579,062,424	585,788,352	600	48.2%
Glocester <sup>oo</sup>	1,151,902,409	1,162,717,803	1,330	53.6%
Hopkinton	948,402,281	950,678,092	1,162	56.6%
Jamestown	2,316,057,701	2,940,328,144	662	0.0%
Johnston	2,853,745,711	3,037,210,717	3,388	52.4%
Lincoln	2,922,971,590	3,008,052,714	3,447	53.7%
Little Compton	2,055,890,018	2,198,809,882	343	0.0%
Middletown	3,290,488,612	2,892,944,674	2,188	29.8%
Narragansett	5,167,986,472	6,870,533,658	1,231	0.0%
Newport	6,891,004,444	7,237,784,621	2,112	0.0%
New Shoreham	1,701,667,343	1,230,240,646	133	0.0%
North Kingstown	4,302,407,554	5,313,846,165	3,893	27.5%
North Providence	2,727,078,979	2,263,551,459	3,767	68.1%
North Smithfield	1,655,640,717	1,860,164,324	1,718	42.5%
Pawtucket	4,410,471,041	2,536,665,971	10,785	87.5%
Portsmouth	3,455,892,035	4,674,559,707	2,305	0.0%
Providence	11,689,197,771	7,518,847,483	28,337	85.9%
Richmond	932,749,343	999,053,809	1,166	54.5%
Scituate	1,588,669,586	1,872,315,794	1,244	20.1%
Smithfield	2,820,154,495	3,053,956,732	2,397	32.3%
South Kingstown	4,784,010,542	5,644,666,006	3,018	0.7%
Tiverton	2,329,992,538	2,041,559,757	1,773	38.9%
Warren	1,265,865,035	1,186,124,202	1,232	48.9%
Warwick	9,506,636,388	9,894,347,565	8,724	39.8%
West Greenwich	997,706,935	1,204,827,080	900	28.9%
Westerly	6,033,272,107	6,168,071,714	2,739	0.0%
West Warwick	2,183,929,865	1,733,122,795	3,647	74.8%
Woonsocket	2,290,592,862	1,186,832,749	6,420	90.2%
Central Falls	513,453,633	215,895,741	4,524	97.5%
<b>Total</b>	<b>\$ 127,624,811,729</b>	<b>\$ 127,624,811,729</b>	<b>142,665</b>	

\*Includes charter and state school students.

<sup>oo</sup>Beginning in FY 2021, Foster-Glocester is shown by town, consistent with other regional school districts.

**Table 4: Calculation of State Share Ratio**

<i>District</i>	<i>E</i> <i>FY 2020 %</i> <i>Students in Poverty</i>	<i>F</i> <i>FY 2022 State</i> <i>Share Ratio</i>	<i>G</i> <i>FY 2021 State</i> <i>Share Ratio</i>	<i>H</i> <i>Change to</i> <i>Share Ratio</i>
Barrington	5.1%	21.4%	16.4%	5.1%
Bristol	23.0%	21.6%	24.6%	-3.0%
Burrillville	38.9%	51.0%	53.7%	-2.7%
Charlestown	21.4%	15.1%	15.8%	-0.7%
Coventry	30.3%	45.4%	45.6%	-0.2%
Cranston	43.8%	54.5%	56.1%	-1.7%
Cumberland	22.7%	38.7%	40.3%	-1.6%
East Greenwich	8.6%	15.3%	12.1%	3.2%
East Providence	48.0%	56.5%	57.1%	-0.5%
Exeter	20.1%	22.1%	22.5%	-0.4%
Foster <sup>∞</sup>	27.9%	39.4%	39.6%	-0.2%
Glocester <sup>∞</sup>	13.7%	39.1%	35.4%	3.7%
Hopkinton	21.0%	42.7%	43.2%	-0.5%
Jamestown	5.8%	4.1%	5.4%	-1.2%
Johnston	42.7%	47.8%	47.2%	0.6%
Lincoln	27.6%	42.7%	41.4%	1.3%
Little Compton	15.8%	11.2%	10.6%	0.6%
Middletown	32.5%	31.2%	31.0%	0.1%
Narragansett	22.3%	15.8%	16.5%	-0.7%
Newport	73.3%	51.8%	50.0%	1.9%
New Shoreham	17.6%	12.4%	12.0%	0.5%
North Kingstown	24.3%	25.9%	28.1%	-2.2%
North Providence	49.5%	59.5%	56.6%	3.0%
North Smithfield	18.7%	32.8%	32.9%	0.0%
Pawtucket	73.0%	80.6%	80.4%	0.2%
Portsmouth	16.7%	11.8%	12.8%	-1.0%
Providence	87.6%	86.8%	85.3%	1.5%
Richmond	16.3%	40.2%	37.8%	2.4%
Scituate	12.4%	16.7%	19.3%	-2.6%
Smithfield	15.7%	25.4%	22.2%	3.2%
South Kingstown	19.4%	13.7%	13.9%	-0.1%
Tiverton	26.2%	33.2%	37.3%	-4.0%
Warren	36.0%	42.9%	49.6%	-6.6%
Warwick	35.8%	37.9%	37.6%	0.4%
West Greenwich	16.0%	23.4%	24.2%	-0.8%
Westerly	34.8%	24.6%	26.0%	-1.3%
West Warwick	56.4%	66.2%	65.2%	1.0%
Woonsocket	79.9%	85.2%	85.5%	-0.3%
Central Falls	93.3%	95.4%	94.6%	0.9%
<b>Total</b>				

<sup>∞</sup>Beginning in FY 2021, Foster-Glocester is shown by town, consistent with other regional school districts.

**Table 5: FY 2022 Charter and State School Enrollment by Sending District**

<i>Sending District</i>	<i>Achievement</i>		<i>Blackstone</i>	<i>Charette</i>	<i>Compass</i>	<i>Greene School</i>
	<i>First</i>	<i>Beacon</i>	<i>Academy</i>			
Barrington	-	2	-	-	-	-
Burrillville	-	40	-	-	-	2
Charlestown	-	-	-	-	18	3
Coventry	-	1	-	-	-	40
Cranston	154	8	-	-	4	23
Cumberland	-	30	-	-	-	2
East Greenwich	-	-	-	-	3	5
East Providence	-	4	-	-	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	8	4
Jamestown	-	-	-	-	-	-
Johnston	-	4	-	-	-	5
Lincoln	-	8	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	3	-
Narragansett	-	-	-	-	8	2
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	1	-	-	-	44	2
North Providence	98	12	-	-	1	-
North Smithfield	-	13	-	-	-	1
Pawtucket	2	16	152	-	-	18
Portsmouth	-	-	-	-	-	-
Providence	1,913	14	65	168	3	20
Richmond	-	-	-	-	14	2
Scituate	-	-	-	-	-	-
Smithfield	-	3	-	-	-	-
South Kingstown	-	-	-	-	55	3
Tiverton	-	-	-	-	-	-
Warwick	32	5	-	-	2	14
Westerly	-	-	-	-	34	8
West Warwick	4	5	-	-	-	14
Woonsocket	-	227	-	-	-	-
Bristol-Warren	-	1	-	-	-	1
Exeter-West Greenwich	-	-	-	-	19	6
Foster-Glocester	-	2	-	-	-	-
Central Falls	-	4	133	-	-	32
<b>Total</b>	<b>2,204</b>	<b>399</b>	<b>350</b>	<b>168</b>	<b>216</b>	<b>207</b>
<i>Adjusted Chariho</i>	-	-	-	-	40	9

**Table 5: FY 2022 Charter and State School Enrollment by Sending District**

<i>Sending District</i>	<i>Highlander</i>	<i>Hope Academy</i>	<i>International</i>	<i>Kingston Hill</i>	<i>Learning Community</i>
Barrington	-	-	3	-	-
Burrillville	-	-	-	-	-
Charlestown	-	-	-	14	-
Coventry	-	-	1	12	-
Cranston	56	-	22	7	4
Cumberland	3	-	7	-	-
East Greenwich	-	-	-	6	-
East Providence	19	-	39	3	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	13	-
Jamestown	-	-	-	-	-
Johnston	6	-	6	2	1
Lincoln	4	-	7	1	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	1	-
Narragansett	-	-	1	3	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	1	79	-
North Providence	9	23	14	1	-
North Smithfield	-	-	-	-	2
Pawtucket	65	-	149	1	129
Portsmouth	2	-	-	3	-
Providence	442	265	104	2	117
Richmond	-	-	-	13	-
Scituate	-	-	-	-	-
Smithfield	2	-	1	1	-
South Kingstown	-	-	-	39	-
Tiverton	1	-	-	-	-
Warwick	7	-	3	29	1
Westerly	-	-	-	6	-
West Warwick	-	-	4	5	-
Woonsocket	1	-	1	-	-
Bristol-Warren	4	-	-	-	-
Exeter-West Greenwich	-	-	-	18	-
Foster-Glocester	1	-	-	-	-
Central Falls	10	-	21	-	331
<b>Total</b>	<b>632</b>	<b>288</b>	<b>384</b>	<b>259</b>	<b>585</b>
<i>Adjusted Chariho</i>	-	-	-	40	-

**Table 5: FY 2022 Charter and State School Enrollment by Sending District**

<i>Sending District</i>	<i>New England Laborers</i>	<i>Nowell Academy</i>	<i>Nuestro Mundo</i>	<i>Nurses Institute</i>	<i>Paul Cuffee</i>
Barrington	-	-	-	-	-
Burrillville	1	1	-	-	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	97	6	-	13	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	1	4	-	2	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	8	1	-	5	-
Lincoln	-	3	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	3	4	-	11	-
North Smithfield	-	-	-	-	-
Pawtucket	5	33	-	37	-
Portsmouth	1	1	-	-	-
Providence	31	82	138	240	813
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warwick	8	1	-	-	-
Westerly	-	-	-	-	-
West Warwick	7	-	-	-	-
Woonsocket	-	9	-	18	-
Bristol-Warren	-	-	-	1	-
Exeter-West Greenwich	-	-	-	1	-
Foster-Glocester	-	-	-	-	-
Central Falls	9	15	-	14	-
<b>Total</b>	<b>171</b>	<b>160</b>	<b>138</b>	<b>342</b>	<b>813</b>
<i>Adjusted Chariho</i>	-	-	-	-	-

**Table 5: FY 2022 Charter and State School Enrollment by Sending District**

<i>Sending District</i>	<i>Providence Prepartory</i>	<i>RI Mayoral Academies Blackstone Valley Prep</i>	<i>RISE Mayoral Academy</i>	<i>Segue Institute</i>	<i>Southside Elementary</i>	<i>Times2</i>
Barrington	-	2	-	-	-	-
Burrillville	-	-	62	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	-	-	-	-	-	-
Cranston	-	2	-	-	-	-
Cumberland	-	439	-	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	-	5	-	2	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	-	-	-	-	-	-
Lincoln	-	192	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	-	4	-	-	-	-
North Smithfield	-	-	42	-	-	-
Pawtucket	-	888	-	-	-	-
Portsmouth	-	-	-	-	-	-
Providence	126	10	-	1	143	726
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	-	1	-	-	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	-	-	-	-	-	-
Westerly	-	-	-	-	-	-
West Warwick	-	-	-	-	-	-
Woonsocket	-	1	280	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	669	-	272	-	-
<b>Total</b>	<b>126</b>	<b>2,213</b>	<b>384</b>	<b>275</b>	<b>143</b>	<b>726</b>
<i>Adjusted Chariho</i>	-	-	-	-	-	-



**Table 5: FY 2022 Charter and State School Enrollment by Sending District**

<i>Sending District</i>	<i>Trinity</i>	<i>Village Green</i>	<i>Davies Career &amp; Tech Center</i>	<i>Metropolitan Career &amp; Tech Center</i>	<i>Urban Collaborative</i>
Barrington	-	-	-	4	-
Burrillville	-	-	5	-	-
Charlestown	-	-	-	2	-
Coventry	-	-	-	5	-
Cranston	-	19	11	42	2
Cumberland	-	3	23	3	1
East Greenwich	-	1	-	4	-
East Providence	-	6	10	21	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	1	-
Jamestown	-	-	-	5	-
Johnston	-	6	17	16	-
Lincoln	-	2	45	4	-
Little Compton	-	-	-	2	-
Middletown	-	-	-	17	-
Narragansett	-	-	-	1	-
Newport	-	-	-	20	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	8	-
North Providence	-	3	41	12	-
North Smithfield	-	1	2	-	-
Pawtucket	-	19	510	59	-
Portsmouth	-	-	-	8	-
Providence	204	176	57	444	125
Richmond	-	-	-	3	-
Scituate	-	-	-	2	-
Smithfield	-	-	19	-	-
South Kingstown	-	-	-	8	-
Tiverton	-	-	-	9	-
Warwick	-	7	-	15	-
Westerly	-	-	-	-	-
West Warwick	-	2	1	4	-
Woonsocket	-	2	17	18	-
Bristol-Warren	-	1	2	16	-
Exeter-West Greenwich	-	1	-	6	-
Foster-Glocester	-	-	-	1	-
Central Falls	-	1	133	51	5
<b>Total</b>	<b>204</b>	<b>250</b>	<b>893</b>	<b>811</b>	<b>133</b>
<i>Adjusted Chariho</i>	-	-	-	6	-

**Table 6: Formula Funding to Charter and State Schools by Sending District**

<i>Sending District</i>	<i>Achievement</i>		<i>Blackstone</i>		<i>Compass</i>	<i>Greene School</i>
	<i>First</i>	<i>Beacon</i>	<i>Academy</i>	<i>Charette</i>		
Barrington	\$ -	\$ 4,562	\$ -	\$ -	\$ -	\$ -
Burrillville	-	238,829	-	-	-	13,027
Charlestown	-	-	-	-	28,967	4,828
Coventry	-	4,828	-	-	-	208,565
Cranston	1,053,470	46,408	-	-	25,525	163,589
Cumberland	-	133,349	-	-	-	8,231
East Greenwich	-	-	-	-	4,891	8,151
East Providence	-	26,418	-	-	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	43,583	18,160
Jamestown	-	-	-	-	-	-
Johnston	-	20,333	-	-	-	31,516
Lincoln	-	41,772	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	9,948	-
Narragansett	-	-	-	-	14,087	3,354
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	2,760	-	-	-	128,051	5,519
North Providence	747,071	93,700	-	-	8,864	-
North Smithfield	-	46,789	-	-	-	3,492
Pawtucket	17,139	167,959	1,700,158	-	-	178,242
Portsmouth	-	-	-	-	-	-
Providence	22,030,572	166,073	787,926	2,099,907	38,750	225,122
Richmond	-	-	-	-	65,023	10,267
Scituate	-	-	-	-	-	-
Smithfield	-	9,182	-	-	-	-
South Kingstown	-	-	-	-	82,043	4,380
Tiverton	-	-	-	-	-	-
Warwick	143,313	21,739	-	-	11,272	59,580
Westerly	-	-	-	-	92,118	21,983
West Warwick	36,633	40,860	-	-	-	121,171
Woonsocket	-	2,557,193	-	-	-	-
Bristol-Warren	-	2,292	-	-	-	2,292
Exeter-West Greenwich	-	-	-	-	46,634	15,573
Foster-Glocester	-	8,348	-	-	-	-
Central Falls	-	48,712	1,763,765	-	-	373,456
<b>Total</b>	<b>\$ 24,030,958</b>	<b>\$3,679,348</b>	<b>\$ 4,251,850</b>	<b>\$ 2,099,907</b>	<b>\$ 599,755</b>	<b>\$ 1,480,497</b>

**Table 6: Formula Funding to Charter and State Schools by Sending District**

<i>Sending District</i>	<i>Highlander</i>	<i>Hope Academy</i>	<i>International</i>	<i>Kingston Hill</i>	<i>Learning Community</i>	<i>New England Laborers</i>
Barrington	\$ -	\$ -	\$ 6,843	\$ -	\$ -	\$ -
Burrillville	-	-	-	-	-	5,428
Charlestown	-	-	-	24,461	-	-
Coventry	-	-	5,346	57,935	-	-
Cranston	450,161	-	148,210	40,607	23,204	681,043
Cumberland	13,993	-	31,109	-	-	-
East Greenwich	-	-	-	9,782	-	-
East Providence	152,503	-	279,594	20,414	-	6,004
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	59,019	-	-
Jamestown	-	-	-	-	-	-
Johnston	40,665	-	35,590	10,166	5,083	52,865
Lincoln	25,426	-	35,107	4,540	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	3,316	-	-
Narragansett	-	-	1,799	5,031	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	2,993	233,472	-	-
North Providence	77,240	150,680	105,362	6,331	-	21,526
North Smithfield	-	-	-	-	6,983	-
Pawtucket	759,244	-	1,649,761	8,569	1,461,930	53,130
Portsmouth	2,512	-	-	5,275	-	1,256
Providence	5,568,998	3,024,383	1,288,141	18,453	1,430,077	363,516
Richmond	-	-	-	59,034	-	-
Scituate	-	-	-	-	-	-
Smithfield	7,562	-	2,867	2,701	-	-
South Kingstown	-	-	-	61,605	-	-
Tiverton	4,938	-	-	-	-	-
Warwick	39,451	-	13,657	123,185	4,026	37,036
Westerly	-	-	-	16,749	-	-
West Warwick	-	-	34,220	40,860	-	66,221
Woonsocket	12,686	-	11,879	-	-	-
Bristol-Warren	19,204	-	-	-	-	-
Exeter-West Greenwich	-	-	-	44,025	-	-
Foster-Glocester	5,863	-	-	-	-	-
Central Falls	142,075	-	295,933	-	4,548,445	115,690
<b>Total</b>	<b>\$ 7,322,522</b>	<b>\$ 3,175,063</b>	<b>\$ 3,948,410</b>	<b>\$ 855,530</b>	<b>\$ 7,479,749</b>	<b>\$ 1,403,715</b>

**Table 6: Formula Funding to Charter and State Schools by Sending District**

<i>Sending District</i>	<i>Nowell Academy</i>	<i>Nuestro Mundo</i>	<i>Nurses Institute</i>	<i>Paul Cuffee</i>	<i>Providence Prep</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	7,599	-	-	-	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	48,729	-	96,297	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	33,623	-	16,811	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	7,116	-	35,582	-	-
Lincoln	19,070	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	35,454	-	94,967	-	-
North Smithfield	-	-	-	-	-
Pawtucket	389,048	-	423,326	-	-
Portsmouth	1,758	-	-	-	-
Providence	1,051,799	1,697,640	3,004,085	9,848,158	1,550,019
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warwick	5,636	-	-	-	-
Westerly	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	114,177	-	228,353	-	-
Bristol-Warren	-	-	3,209	-	-
Exeter-West Greenwich	-	-	3,478	-	-
Foster-Glocester	-	-	-	-	-
Central Falls	209,054	-	182,668	-	-
<b>Total</b>	<b>\$ 1,923,063</b>	<b>\$ 1,697,640</b>	<b>\$ 4,088,777</b>	<b>\$ 9,848,158</b>	<b>\$ 1,550,019</b>

**Table 6: Formula Funding to Charter and State Schools by Sending District**

<i>Sending District</i>	<i>RI Mayoral Academies Blackstone Valley Prep</i>	<i>RISE Mayoral Academy</i>	<i>Segue Institute</i>	<i>Southside Elementary</i>	<i>Times2</i>
Barrington	\$ 4,562	\$ -	\$ -	\$ -	\$ -
Burrillville	-	369,100	-	-	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	11,602	-	-	-	-
Cumberland	2,132,761	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	30,020	-	12,008	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	1,013,427	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	25,324	-	-	-	-
North Smithfield	-	159,223	-	-	-
Pawtucket	9,655,939	-	-	-	-
Portsmouth	-	-	-	-	-
Providence	103,335	-	9,226	1,765,915	8,698,561
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	2,701	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warwick	9,062	-	-	-	-
Westerly	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	-	3,113,578	-	-	-
Bristol-Warren	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-
Foster-Glocester	-	-	-	-	-
Central Falls	8,997,436	-	3,730,496	-	-
<b>Total</b>	<b>21,986,168</b>	<b>\$ 3,641,901</b>	<b>\$ 3,751,730</b>	<b>\$ 1,765,915</b>	<b>\$ 8,698,561</b>

**Table 6: Formula Funding to Charter and State Schools by Sending District**

<i>Sending District</i>	<i>Trinity</i>	<i>Village Green</i>	<i>Davies Career and Technical Center</i>	<i>Metropolitan Career and Technical Center</i>	<i>Urban Collaborative</i>
Barrington	\$ -	\$ -	\$ -	\$ 10,949	\$ -
Burrillville	-	-	27,140	-	-
Charlestown	-	-	-	3,219	-
Coventry	-	-	-	26,071	-
Cranston	-	147,347	80,054	310,936	16,243
Cumberland	-	12,347	104,539	13,993	5,762
East Greenwich	-	2,282	-	7,173	-
East Providence	-	45,631	72,048	140,495	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	4,540	-
Jamestown	-	-	-	2,181	-
Johnston	-	40,665	90,481	99,630	-
Lincoln	-	12,713	220,665	21,794	-
Little Compton	-	-	-	2,852	-
Middletown	-	-	-	63,002	-
Narragansett	-	-	-	1,677	-
Newport	-	-	-	145,523	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	24,285	-
North Providence	-	21,526	295,030	93,700	-
North Smithfield	-	3,492	6,983	-	-
Pawtucket	-	221,089	5,124,469	642,701	-
Portsmouth	-	-	-	11,554	-
Providence	2,535,389	2,232,766	640,306	5,473,044	1,537,102
Richmond	-	-	-	12,833	-
Scituate	-	-	-	4,262	-
Smithfield	-	-	55,635	-	-
South Kingstown	-	-	-	13,431	-
Tiverton	-	-	-	35,975	-
Warwick	-	31,400	-	73,267	-
Westerly	-	-	-	-	-
West Warwick	-	19,726	7,045	33,815	-
Woonsocket	-	21,748	175,796	221,104	-
Bristol-Warren	-	6,393	10,959	71,740	-
Exeter-West Greenwich	-	3,478	-	14,090	-
Foster-Glocester	-	-	-	4,188	-
Central Falls	-	14,208	1,678,520	675,873	71,038
<b>Total</b>	<b>\$ 2,535,389</b>	<b>\$ 2,836,810</b>	<b>\$ 8,589,670</b>	<b>\$ 8,259,898</b>	<b>\$ 1,630,145</b>

**Table 7: Categorical Aid for FY 2022**

<i>Sending District</i>	<i>High Cost Special Education</i>		<i>Non-Public Transportation</i>		<i>Regional Transportation</i>		<i>Density Aid</i>	<i>Total</i>
	<i>ELL</i>	<i>ELL</i>	<i>ELL</i>	<i>ELL</i>	<i>ELL</i>	<i>ELL</i>		
Barrington	\$ 159,283	\$ 4,441	\$ 144,551	\$ -	\$ -	\$ -	\$ 308,275	
Burrillville	82,527	1,258	31,981	-	23,500	-	139,266	
Charlestown	-	75	-	-	-	-	75	
Coventry	24,830	4,028	14,329	-	-	-	43,187	
Cranston	317,133	152,207	925,061	-	-	-	1,394,401	
Cumberland	17,393	17,171	120,048	-	-	-	154,612	
East Greenwich	145,133	1,511	89,555	-	-	-	236,199	
East Providence	304,592	44,532	6,561	-	-	-	355,685	
Foster	32,419	-	16,074	-	-	-	48,493	
Glocester	47,354	-	11,701	-	-	-	59,055	
Hopkinton	-	421	-	-	-	-	421	
Jamestown	47,241	20	-	-	-	-	47,261	
Johnston	198,886	39,587	236,436	-	-	-	474,909	
Lincoln	196,769	9,051	-	-	-	-	205,820	
Little Compton	-	-	-	-	-	-	-	
Middletown	37,958	14,910	-	-	-	-	52,868	
Narragansett	18,364	233	-	-	-	-	18,597	
Newport	43,208	79,214	-	-	-	-	122,422	
New Shoreham	25,178	736	-	-	-	-	25,914	
North Kingstown	79,635	7,292	-	-	-	-	86,927	
North Providence	256,548	54,883	208,780	-	39,500	-	559,711	
North Smithfield	52,385	1,295	17,082	-	-	-	70,762	
Pawtucket	101,187	452,861	186,278	-	102,000	-	842,326	
Portsmouth	128,011	349	-	-	-	-	128,360	
Providence	348,934	2,830,525	317,615	-	689,500	-	4,186,574	
Richmond	-	397	-	-	-	-	397	
Scituate	123,423	-	53,978	-	-	-	177,401	
Smithfield	41,189	2,003	118,750	-	-	-	161,942	
South Kingstown	94,436	2,369	192,741	-	-	-	289,546	
Tiverton	120,762	981	-	-	-	-	121,743	
Warwick	730,676	18,288	31,252	-	-	-	780,216	
Westerly	141,179	5,217	-	-	-	-	146,396	
West Warwick	20,533	21,554	45,845	-	-	-	87,932	
Woonsocket	58,991	257,501	5,783	-	71,500	-	393,775	
Bristol-Warren	151,924	6,467	357,894	1,161,998	-	-	1,678,283	
Chariho	58,163	-	245,206	1,543,675	-	-	1,847,044	
Exeter-West Greenwich	167,989	672	-	933,583	-	-	1,102,244	
Foster-Glocester	112,667	386	-	546,028	-	-	659,081	
Central Falls	4,982	531,596	98,572	-	84,500	-	719,650	
<b>Subtotal</b>	<b>\$ 4,491,882</b>	<b>\$ 4,564,031</b>	<b>\$ 3,476,073</b>	<b>\$ 4,185,284</b>	<b>\$ 1,010,500</b>	<b>\$ -</b>	<b>\$ 17,727,770</b>	
Charters & State Schools	8,118	435,969	-	-	-	-	444,087	
<b>Total</b>	<b>\$ 4,500,000</b>	<b>\$ 5,000,000</b>	<b>\$ 3,476,073</b>	<b>\$ 4,185,284</b>	<b>\$ 1,010,500</b>	<b>\$ -</b>	<b>\$ 18,171,857</b>	

**Table 8: Education Aid for FY 2016 – FY 2020**

<i>District</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020*</i>
Barrington	\$ 5,157,096	\$ 5,551,766	\$ 5,347,807	\$ 5,481,235	\$ 5,872,943
Burrillville	13,301,214	13,111,036	13,185,862	12,467,771	13,164,631
Charlestown	1,706,421	1,683,295	1,667,742	1,602,569	1,543,508
Coventry	21,919,203	23,602,823	23,202,975	22,790,523	24,463,006
Cranston	51,129,521	56,028,985	59,005,591	61,904,926	65,623,892
Cumberland	16,689,944	17,980,588	19,188,663	20,796,258	21,686,834
East Greenwich	2,911,567	2,810,467	2,739,941	3,167,385	2,724,747
East Providence	31,094,815	33,101,436	35,519,125	35,710,484	36,282,710
Foster	1,206,855	1,199,424	1,207,049	1,164,308	1,214,958
Glocester	2,546,606	2,546,748	2,407,384	2,323,354	2,272,359
Hopkinton	5,470,735	5,386,069	5,273,139	5,223,049	5,170,111
Jamestown	456,252	473,875	473,751	522,234	465,975
Johnston	14,241,390	16,142,240	18,638,808	18,398,579	18,288,991
Lincoln	10,434,249	11,192,952	12,510,493	12,325,264	14,418,820
Little Compton	398,464	413,267	397,113	355,525	403,595
Middletown	8,723,282	8,621,818	8,262,827	7,979,347	7,592,462
Narragansett	2,154,808	2,150,151	2,139,471	2,313,574	2,255,835
Newport	10,597,219	10,938,355	11,589,919	12,433,123	12,580,979
New Shoreham	103,748	131,168	142,068	156,926	132,830
North Kingstown	10,693,934	10,897,112	10,749,543	10,127,666	10,492,830
North Providence	18,350,725	20,168,707	22,019,145	23,428,292	23,382,239
North Smithfield	5,824,568	6,177,521	6,025,062	6,219,135	5,884,223
Pawtucket	78,877,331	83,927,607	89,154,022	88,331,184	91,306,394
Portsmouth	4,797,771	4,787,381	4,476,100	4,178,680	4,048,900
Providence	223,060,894	235,212,373	248,790,857	253,712,258	263,818,881
Richmond	5,063,630	4,840,982	4,676,150	4,596,526	4,640,811
Scituate	3,974,844	3,794,601	3,612,503	3,369,504	2,824,310
Smithfield	5,348,196	5,961,894	6,341,204	7,854,975	6,457,531
South Kingstown	7,757,160	7,485,517	6,955,455	6,293,429	5,433,317
Tiverton	6,068,532	6,284,270	6,531,284	6,779,518	7,239,775
Warwick	36,764,894	38,252,322	39,146,338	37,379,213	38,761,116
Westerly	8,418,818	8,904,660	8,851,953	8,766,881	8,656,589
West Warwick	21,881,242	23,082,050	24,376,898	26,186,038	27,094,132
Woonsocket	53,233,700	56,340,793	59,646,576	62,454,134	63,980,831
Bristol-Warren	16,207,317	16,003,657	15,727,351	14,912,237	14,855,717
Exeter-West Greenwich	6,230,076	1,810,108	2,010,375	2,126,257	6,419,481
Chariho	1,322,688	6,384,057	6,190,095	6,071,142	2,147,804
Foster-Glocester	5,113,855	5,130,308	5,030,941	5,199,951	5,268,060
Central Falls	39,597,253	39,687,299	40,320,646	41,173,119	42,498,528
<b><i>District Subtotal</i></b>	<b>\$ 758,830,818</b>	<b>\$ 798,199,682</b>	<b>\$ 833,532,225</b>	<b>\$ 846,276,575</b>	<b>\$ 871,370,654</b>
Charter Schools	67,474,258	75,055,934	82,958,017	90,617,343	101,538,276
State Schools	22,300,780	23,047,390	24,261,167	24,423,782	24,595,802
<b>Total</b>	<b>\$ 848,605,856</b>	<b>\$ 896,303,006</b>	<b>\$ 940,751,409</b>	<b>\$ 961,317,699</b>	<b>\$ 997,504,731</b>

\*Excludes Coronavirus Relief funds



**Table 9: Education Federal Stimulus Funds**

<i>District</i>	<i>ESSER CAA 21</i>	<i>ESSER ARP</i>	<i>Total</i>
Barrington	\$ 288,735	\$ 648,458	\$ 937,193
Burrillville	1,548,747	3,478,266	5,027,013
Charlestown	-	-	-
Coventry	2,419,802	5,434,532	7,854,334
Cranston	9,038,195	20,298,503	29,336,698
Cumberland	2,252,791	5,059,448	7,312,239
East Greenwich	241,108	541,494	782,602
East Providence	5,270,561	11,836,931	17,107,492
Foster	180,788	406,023	586,811
Glocester	581,253	1,305,412	1,886,665
Hopkinton	-	-	-
Jamestown	342,190	768,511	1,110,701
Johnston	2,591,365	5,819,839	8,411,204
Lincoln	1,931,628	4,338,162	6,269,790
Little Compton	64,348	144,517	208,865
Middletown	953,185	2,140,718	3,093,903
Narragansett	672,411	1,510,139	2,182,550
Newport	3,079,969	6,917,172	9,997,141
New Shoreham	-	-	-
North Kingstown	1,775,065	3,986,543	5,761,608
North Providence	2,825,301	6,345,224	9,170,525
North Smithfield	682,368	1,532,502	2,214,870
Pawtucket	14,193,947	31,877,588	46,071,535
Portsmouth	894,792	2,009,575	2,904,367
Providence	57,702,326	129,591,234	187,293,560
Richmond	-	-	-
Scituate	775,558	1,741,794	2,517,352
Smithfield	794,344	1,783,984	2,578,328
South Kingstown	1,344,338	3,019,191	4,363,529
Tiverton	763,284	1,714,228	2,477,512
Warwick	5,470,524	12,286,019	17,756,543
Westerly	2,020,394	4,537,517	6,557,911
West Warwick	3,705,668	8,322,405	12,028,073
Woonsocket	12,975,705	29,141,589	42,117,294
Bristol-Warren	1,904,207	4,276,577	6,180,784
Chariho	1,183,347	2,657,629	3,840,976
Exeter-West Greenwich	521,496	1,171,205	1,692,701
Foster-Glocester	535,272	1,202,144	1,737,416
Central Falls	6,790,598	15,250,718	22,041,316
<b>Subtotal</b>	<b>\$ 148,315,610</b>	<b>\$ 333,095,791</b>	<b>\$ 481,411,401</b>
Charter & State Schools	<b>17,882,661</b>	<b>40,161,919</b>	<b>58,044,580</b>
<b>Total</b>	<b>\$ 166,198,271</b>	<b>\$ 373,257,710</b>	<b>\$ 539,455,981</b>
<i>Adjusted Chariho</i>	<i>1,183,347</i>	<i>2,657,629</i>	<i>3,840,976</i>



## Revenues Changes

The Governor recommended \$39.1 million less and \$200.6 million more general revenues than estimated at the November 2020 Revenue Estimating Conference for FY 2021 and FY 2022, respectively. The May 2021 Revenue Estimating Conference increased the FY 2021 enacted budget by \$177.1 million for a total of \$4,215.5 million and included \$4,191.7 million for FY 2022. The Budget includes total FY 2021 revenues of \$4,218.1 million and \$4,410.7 million for FY 2022. The items are explained in the pages that follow.

### Taxes

- ***Paycheck Payment Program Loans.*** The federal CARES Act enacted in response to the COVID-19 pandemic established the Paycheck Protection Program to provide no-cost, unsecured deferred loans for eligible individuals or a variety of entities with fewer than 500 employees. That act also provided that forgiven loans would not be treated as income for tax purposes. Applicable federal tax rules meant that expenditures paid from forgiven loans were therefore not deductible expenses. The federal FY 2021 appropriations act, signed into law on December 27, expressly allowed for the deductibility of those expenses meaning that loan recipients were exempt from federal taxation on both the loan amount as well as expenditures supported by the loans. Because Rhode Island tax rules follow the federal rules in this case, the Office of Revenue Analysis estimated that these changes would result in an estimated \$133.3 million loss of state personal and corporate income tax revenue to the state over FY 2021 and FY 2022 from amounts estimated before the December law change. That estimate has since been updated to \$131.1 million.

The Governor proposed to partially decouple the state from the federal treatment of these forgiven loans by making only amounts under \$150,000 exempt from state taxation. This change would recapture \$67.7 million of the estimated \$133.3 million impact to previously estimated revenues with \$3.6 million in FY 2021 and \$64.1 million in FY 2022. That estimate was updated to \$2.1 million for FY 2021 and \$59.4 million for FY 2022 based on the results of the May Revenue Estimating Conference. The Assembly increased the amount exempt from state taxation to \$250,000, which reduced the amount recaptured to \$47.8 million including \$1.6 million for FY 2021 and \$46.2 million for FY 2022. This decoupling is estimated to impact 2,043 or 6.9 percent of the 30,000 Rhode Island businesses that participated in the program.

- ***Pawtucket Downtown Redevelopment.*** The Budget accounts for the reallocation of \$1.0 million from general revenues, including \$0.3 million for FY 2021 and \$0.7 million for FY 2022 to reflect the tax incentive financing mechanism to finance development projects in Pawtucket's economic development district. By source, approximately 54 percent is from sales and use taxes, 42 percent is from income tax withholding, and 4 percent is from business corporation taxes.

- ***Medicaid Spending Proposals.*** The Budget contains a series of proposals that result in changes to Medicaid expenditures delivered through managed care plans and nursing facilities. Those entities are taxed on gross revenues, therefore a change in expenditures would result in a change in tax revenues. The Budget assumes that these proposals will increase revenues from managed care organizations through the 2.0 percent provider tax by \$0.2 million and decrease revenues from the 5.5 percent provider tax on nursing facilities by \$0.1 million.

- ***Housing Production Fund.*** The Budget includes a dedicated revenue stream to produce additional housing development and provide funding for opt-in municipal partnerships that include technical assistance and subsidize local education cost increases. It does not include the Governor's proposal to take \$0.16 of the state general revenues share of the real estate conveyance tax and direct it to the new fund and

double the tax levied on the portion of sales, of residential property only, over \$0.7 million to fund housing initiatives. The Assembly did double the residential tax levy, but raised the threshold to \$0.8 million, and capitalized the Housing Production Fund with \$25.0 million from general revenues.

- ***Real Estate Conveyance Transfer Tax.*** The Budget assumes a general revenue loss of \$30,194 from the exemption of controlling interest transfers of affordable housing developments from the real estate conveyance tax.
- ***Adult Use Marijuana.*** The Budget does not include the Governor's proposal to authorize and establish regulation of an age 21 and older adult use marijuana program. It excludes \$1.7 million in proposed revenues from the program.
- ***Stay Invested in RI Wavemaker Tax Treatment.*** The Budget assumes a general revenue loss of \$2,707 from exempting the use of tax credit certificates used when filing a return, consistent with the existing exemption for the up-front tax credit redemption provided under current law. The Stay Invested in RI Wavemaker Fellowship program provides tax credits for student loan repayments.

### **Departmental Revenues**

- ***Hospital Licensing Fee.*** The FY 2021 budget includes the current law rate of 5.0 percent, except for South County and Westerly Hospitals which pay a lower 3.1 percent, for total revenue of \$162.5 million, based on using 2019 revenues. This is \$0.9 million more than enacted, which was based on 2018 revenues but \$31.4 million less than assumed in the Governor's budget which proposed to increase the rate to 6.0 percent. The Assembly included a 5.725 percent license fee for FY 2022, using the same two-tiered system, which would generate \$170.2 million in revenues.
- ***Broker Dealer Fees.*** The Budget includes the Governor's recommended \$2.7 million of new revenues from increasing the broker dealer representative fee from \$75 to \$100. The fee is paid by the sales representative of a broker dealer firm; only \$91,700 is estimated to be paid by in-state licensees. Massachusetts charges a \$75 fee; Connecticut has a \$125 fee. The representative fee was last increased from \$60 to \$75 by the 2011 Assembly.
- ***Engineer Licensure.*** The Budget includes the Governor's proposal to add \$90,000 of new revenues from making technical changes to the credentials and licensure required for professional engineers and creating a distinct path to licensure for engineering technologists. This expands the eligibility of licensure to include undergraduates from engineering technology programs.
- ***Agriculture Fees.*** The Budget includes \$0.9 million in new revenues from the Governor's proposal to increase the commercial fertilizer registration fee from \$72 to \$100 and the pesticide product registration fee from \$150 to \$250.
- ***Galilee Parking Fees.*** The Budget does not include \$0.1 million in new general revenues from a proposal to increase parking fees at the Port of Galilee. The Department of Environmental Management planned to raise fees through the regulatory process and would be effective immediately upon passage of regulation.
- ***Westerly Recreational Fees.*** The Assembly authorized the Department of Environmental Management to increase beach, park, and recreational fees at state facilities located in Westerly. The Budget includes \$0.6 million of associated revenues.
- ***Request for Public Health Data Fees.*** The Governor's budget includes \$0.4 million in new revenues by allowing the Department of Health, through rules and regulation to charge a new fee for data requests.

These data are currently used to monitor health status and trends in natality, morbidity and mortality. The legislation requires that approximately 50 percent of revenues be appropriated to the Department of Health to sustain its capacity to manage data systems to meet demands. The Budget includes \$0.2 million more for operating expenses. The Assembly did not concur, and adjusted revenues and expenditures accordingly.

- ***Shellfish Dockside Program.*** Consistent with the Governor's recommendation, the Budget includes \$0.4 million in new revenue by imposing licensing fees on marine shellfish processors; the fees would be established through rules and regulations. The funds would be used to support staff and operating expenses associated with providing sampling, laboratory testing and monitoring. The fees would be based on estimated expenditures for the program; the budget reflects a like amount in expenditures.
- ***Interstate Medical Licensing.*** The Assembly did not concur with the Governor's proposal requiring the state to join interstate compacts for four health professions, including physicians, emergency medical personnel, psychologists, and physical therapists. Under compact agreements, health care professionals can practice in other compact member states without having to obtain additional licenses. It also amends current law to repeal legislation for the current nurse licensure compact and includes revised model legislation that has been adopted by the compact. The recommended budget assumed a loss of \$58,919 for the last quarter of FY 2022; the annualized impact is a loss of \$0.2 million.
- ***Sales Tax Permits.*** The Budget assumes a general revenue loss of \$0.3 million from repealing the current \$10 fee for sales and use tax permits collected from approximately 33,000 retailers.
- ***CDL Road Test Transfer.*** The Budget includes new revenues totaling \$0.1 million from transferring the administration of Commercial Driver's License road tests from the Community College to the Division of Motor Vehicles. It establishes a \$100 fee in statute; that amount is consistent with current practice; however, this will now be general revenues instead of restricted receipts.
- ***CRMC Fines.*** The Budget includes \$15,000 from new revenues from the Governor's proposal to increase administrative and criminal penalties assessed by the Coastal Resources Management Council. These fees have not been increased since 2004.
- ***Workplace Tax Compliance.*** The Governor's budget includes \$0.5 million of enhanced collections from increasing workplace fraud staff by adding 2.0 new full-time equivalent positions. The recommendation includes expenditures of \$167,748 from general revenues to pay for the staff, bringing net revenues to \$0.4 million. The proposal does not include any changes to misclassification penalties or fines. The Budget funds the new staff but does not assume new revenues will be generated.
- ***Inmate Work Release Fees.*** The Budget includes changing the amount withheld from an inmate's earnings for room and board from 30 percent of the gross income to 30 percent of the net income, consistent with the Governor's recommendation. This is expected to lead to higher program participation by inmates as they will be able to keep more of their earnings. The Budget assumes that the increased participation will offset the cost and generate \$18,800 in new revenues.
- ***License Plate Issuance Delay.*** The Budget delays the start of license plate reissuance to July 1, 2022, consistent with the Governor's proposal. It excludes expenditures and delays \$3.4 million in revenues by one year. The reissuance has been delayed six times previously.
- ***General Obligation Bond Refunding.*** Final FY 2021 revenues include \$5.9 million in proceeds from the forward refunding of the 2012 Series B general obligation bonds as proposed by the Governor. The state entered into a Bond Purchase Agreement with Morgan Stanley in which Morgan Stanley will refund the 2012 Series B bonds in July 2022, the earliest that the bonds can be called. Morgan Stanley has made

an up-front payment to the state of \$6.1 million which is partially offset by \$0.2 million in transaction costs such as bond and disclosure counsel and financial advisor fees.

### **Other Revenues**

- **Lottery Spending Reduction.** The Budget includes the Governor's proposed \$360,000 reduction from marketing expenses to increase the transfer of revenues to the state. This assumes the Lottery will constrain personnel and operating costs from the current service levels to achieve the savings.
- **Sports Betting Local Share.** The Budget assumes a general revenue loss of \$0.2 million from increasing lottery proceeds to the two municipalities that host casinos from \$100,000 to \$200,000.
- **Collections Unit.** The Budget includes \$1.4 million in new revenues from extending the sunset provision for the Collections Unit by two years to June 30, 2023. The Budget also provides \$0.8 million of operating expenditures.
- **Underground Storage Tank Trust Fund.** The Budget does not include the Governor's proposed transfer of \$1.0 million from the Underground Storage Tank Trust Fund to state general revenues.

### **Other Revenue Sources**

The Budget includes several changes that affect collections from revenue sources other than general revenues. Those are noted below for informational purposes.

- **Commercial Fishing License Modernization.** The Budget includes \$0.1 million in additional restricted receipts from increasing fees on commercial fishing landing, dealing, and party and charter boat licenses that currently range from \$25 to \$300 and will increase to a range of \$300 to \$600 depending on the license holder's residency. The Budget includes changes to commercial fishing resident and non-resident licenses and endorsements, effective July 1, 2022, and is estimated to generate \$0.2 million in additional revenues beginning in FY 2023. These increases reflect what neighboring states charge and will provide federal matching funds to support on-going fisheries management oversight. This also simplifies the structure of how commercial fishing licenses are distributed.
- **Contractors' Registration Fees.** The Budget includes the Governor's proposal to change the registration terms for the Contractors' Registration and Licensing Board from every two years at \$200 to an annual \$150 fee. This assumes \$0.6 million from new restricted revenues anticipated to begin for FY 2023. The fee was last increased from \$120 to \$200 by the 2007 Assembly.
- **Fish and Wildlife Fees.** The Budget includes \$0.1 million in additional restricted receipts from increasing fish and wildlife license fees by an average of \$7 to provide matching funds for federal support for the Department of Environmental Management. Most of these fees are currently less than \$30. The last time these fees were revised was in 2002.

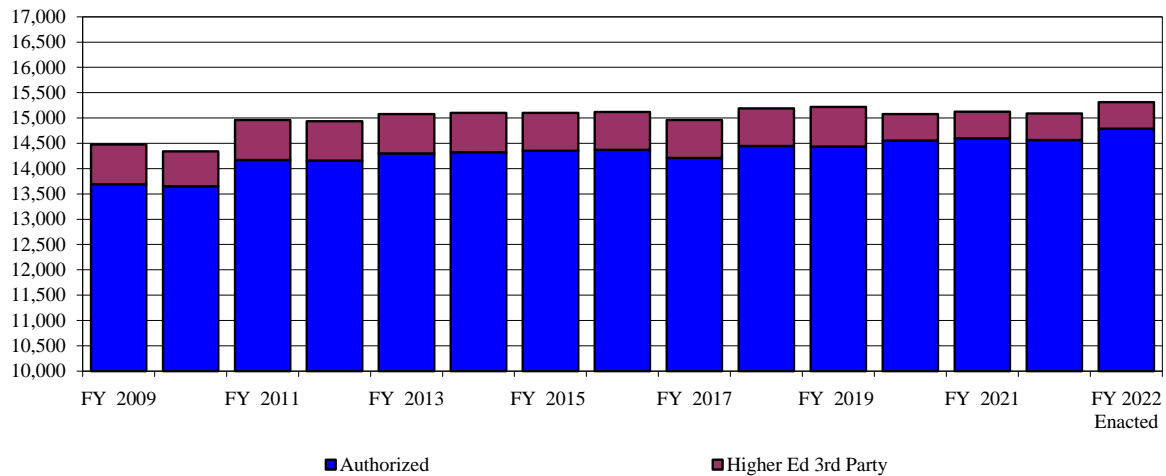
## State Government Personnel and Staffing

The Governor recommended \$2,418.7 million for personnel expenditures and 15,089.2 full-time equivalent positions, including 523.8 higher education positions dedicated for research or supported by other third-party funds. The expenditures include salaries and benefits, as well as contracted services. The recommendation is \$29.2 million more than the enacted budget, including \$37.4 million less for salaries and benefits and \$66.7 million more for contracted services, primarily for COVID-19 related expenses.

The recommendation assumes staffing of 15,089.2 full-time equivalent positions, which is 35.5 less than enacted; however, this includes approximately 130 new positions. Among the staffing changes are: 28.0 new State Police troopers, 16.0 frontline staff at the Department of Children, Youth and Families, 13.0 positions for discharge planning and other programs in the Department of Corrections, 15.0 positions relating to the adult-use marijuana proposal and other program changes in the Department of Business Regulation, 7.0 in the Department of Environmental Management for a Division of Coastal Resources and staffing for parks and recreation, and 6.0 in the Department of Health to implement the Shellfish Dockside Program and to help the Department sustain its capacity to manage and maintain data systems to meet demands. The addition of these new positions and several others is partially offset by a reduction of 50.0 positions from the privatization of the state-run system for adults with developmental disabilities also known as Rhode Island Community Living and Supports or RICLAS and 100.0 full-time equivalent positions from the reorganization of the Eleanor Slater Hospital.

Subsequently, the Governor requested an amendment to reverse the reorganization of the Eleanor Slater Hospital proposal and restore the savings and the associated positions. Other requested amendments also added positions in several agencies, including the Office of the Attorney General, Departments of Health, and Administration.

**Full-Time Equivalent Positions**



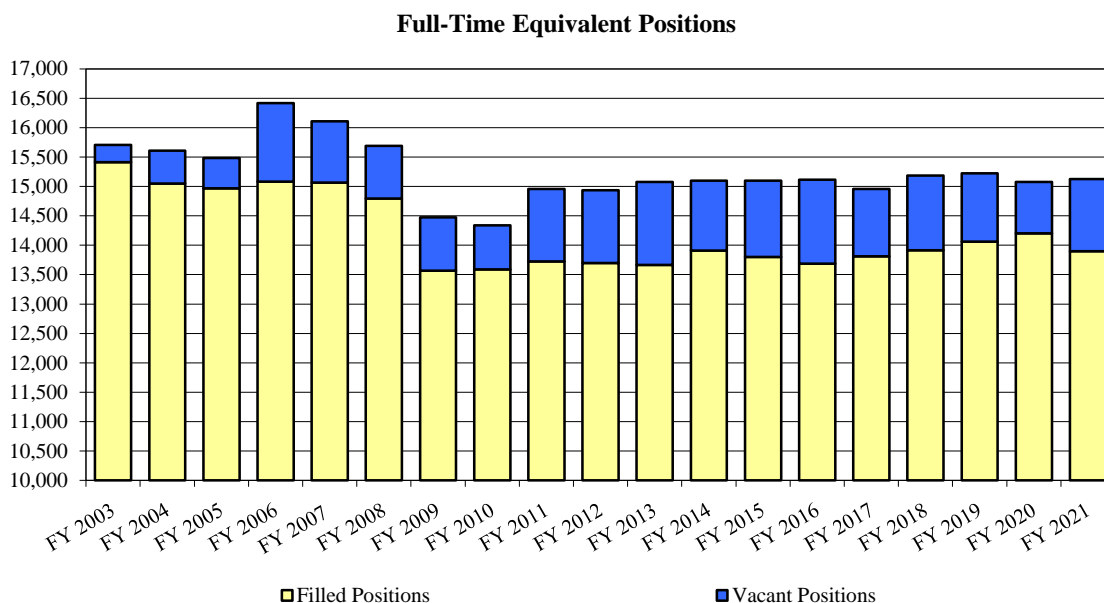
The Assembly provided \$1,903.4 million for personnel expenditures and 15,313.2 full-time equivalent positions, including 523.8 higher education positions dedicated for research or supported by other third-party funds. The Assembly concurred with the Governor’s requested amendment to reverse the reorganization of the Eleanor Slater Hospital. It did not concur with the proposal to privatize the state-run system for adults with developmental disabilities. It also added 75.0 full-time equivalent positions in the Department of Children, Youth and Families that the Department indicated was needed to properly pursue its accreditation.

In FY 2021, the state averaged 13,896.5 full-time equivalent positions filled, reflecting an average of 1,228.2 vacancies and in FY 2020, the state averaged 14,205.1 filled positions, reflecting an average of 869.6 vacancies.

For many years, the budget has also limited a certain number of higher education positions to those solely funded by third-party sources in response to requests from the higher education institutions to reduce constraints on their pursuit of outside research funding. The FY 2020 final enacted budget shifted 265.0 third-party full-time equivalent positions at the University of Rhode Island to non-third party positions. This was done to address a problem with the filled position reporting where University staffing was over the authorized level. Auxiliary enterprise positions had been incorrectly reported as third-party prior to FY 2020. Once they were reported correctly, the University exceeded its non-third-party authorization.

The General Assembly sets personnel limits for each agency and department defined as the maximum allowable number of full-time equivalent positions filled during any pay period. These limits are referred to as authorized levels. The authorized levels do not include temporary or seasonal employees or individuals in training requisite to employment, such as state trooper classes. Generally, agencies do not fill all authorized positions because of various reasons, such as hiring freezes or budgeted turnover savings. Turnover is budgeting less money than needed for full staffing. Turnover savings result from the gap in time from when an employee leaves state service and a new employee is hired, often at a lower cost or from when a department leaves a position vacant to achieve a certain level of savings.

The following chart shows averaged filled and authorized staffing levels from FY 2003 through FY 2021. Authorized levels peaked in FY 2006. A significant reduction to both authorized and filled positions is apparent in FY 2009, FY 2010 and FY 2011 resulting from a major surge of retirements in 2008 and severe constraints on refilling the vacancies. Other significant issues during that period are noted below.



- Total filled positions peaked at 15,413.9 in FY 2003. Filled positions dropped by 365.3 to 15,048.6 in FY 2004 during which there was a hiring freeze.
- The increase in authorized positions during FY 2005 is the result of an additional 461.2 higher education positions that are dedicated for research or supported by other third-party funds.



- Total authorized positions peaked in FY 2006 from an additional 151.9 authorized positions, primarily from a new class of correctional officers at the Department of Corrections and new nursing programs at each of the colleges. However, filled positions remained consistent with prior years.
- During FY 2007, the Governor proposed initiatives including measures to encourage eligible individuals to retire, such as ending statutory status and payment for unused sick leave and revisions to accrued vacation leave, freezing longevity payments, shutting down government operations for two days, and establishing limited service positions. The Assembly did not concur with the proposals; however, it reduced vacant general revenue funded positions, eliminating 419.4 vacant positions.
- The decline in both authorized and filled positions in FY 2009 resulted from changes to retiree health benefits included in Article 4 of 2009-H 5019, Substitute A, as amended. This change caused a significant number of state employees to retire. There were 14,917.8 filled positions on December 6, 2007, compared to December 8, 2009, when there were 13,302.1 filled positions.
- The FY 2017 enacted budget included authorization for 14,952.6 positions, 274.7 positions less than the Governor had recommended. The 2016 Assembly eliminated 225.0 vacancies to better align authorization and filled staffing levels.
- In FY 2018, the state averaged 13,913.2 filled positions. During the second half of FY 2018, the administration implemented a voluntary retirement incentive under its own authority. State employees eligible to retire on or before December 31, 2017 were eligible for the incentive. Beginning on January 12, 2018, the number of filled positions declined for ten consecutive pay periods as eligible participants retired. On January 11, 2019, there were 149.3 more positions filled than there were when the program began.
- The 2018 Assembly authorized FY 2019 staffing of 15,209.7 full-time equivalent positions, 49.5 positions more than enacted; however, it was 216.8 full-time equivalent positions less than recommended. This reflects the elimination of 160.0 vacancies to bring authorizations closer to funded staffing levels.
- The 2019 Assembly provided 15,074.7 positions for FY 2020, 338.4 fewer positions than the Governor's original recommendation. The Assembly did not concur with numerous new positions recommended and eliminated 202.0 full-time equivalent vacant positions.
- Governor Raimondo's recommendation for FY 2021 included approximately 241 new positions and equal offsetting reductions, of which 204.0 positions were from the privatization of the state-run system for adults with developmental disabilities and other positions. She subsequently requested an amendment to add 35.0 positions in the Department of Labor and Training to assist with the increase in unemployment claims and 15.0 in the Department of Health for COVID-19 related activities. She also requested 1.0 new position for the Rhode Island State Council on the Arts.
- The 2020 Assembly maintained 15,074.7 full-time equivalent positions for FY 2020. It only concurred with the new COVID-19 related staffing for the Departments of Health, and Labor and Training and authorized 15,124.7 full-time equivalent positions for FY 2021.
- The FY 2022 recommended budget includes 15,089.2 full-time equivalent positions, which is 35.5 fewer than enacted but it includes approximately 130 new positions. These new positions are primarily offset by a reduction of 50.0 positions from the proposed privatization of the state-run system for adults with developmental disabilities and 100.0 positions fewer from the reorganization of the Eleanor Slater Hospital. The revised budget includes the enacted staffing level for FY 2021.
- The Assembly authorized 15,313.2 full-time equivalent positions for FY 2022, including 523.8 higher education positions dedicated for research or supported by other third-party funds. This is 224.0 full-time

equivalent positions more than the Governor’s original recommendation. It did not concur with the Governor’s proposal to privatize the state-run system for adults with developmental disabilities. It added 75.0 full-time equivalent positions in the Department of Children, Youth and Families to proceed with the accreditation process, and 15.0 full-time equivalent positions in the Department of Health for administration, financial oversight of Centers for Disease Control and Prevention grants and monitoring vaccination efforts and new outbreaks. The final FY 2021 budget maintains the enacted staffing level.

### Personnel Costs

Personnel costs include both salaries and benefits and contracted services. Benefits include direct benefits to employees as well as assessed statewide employee benefits. Contracted services are services state government purchases by contract. The Governor’s personnel recommendation includes \$1,833.8 million for salaries and benefits and \$584.8 million for contracted services. These expenditures represent an increase of \$29.2 million or 1.2 percent from the FY 2021 enacted budget.

The recommendation includes \$1,833.8 million for salaries and benefits, a decrease of \$37.5 million, or 2.0 percent from the enacted budget. General revenue expenses for salaries and benefits increase \$134.4 million, to primarily reflect a shift in expenditures from federal Coronavirus Relief funds for which the FY 2021 enacted budget had assumed general revenue savings of \$148.7 million from use of federal Coronavirus Relief funds. The revised budget assumes \$218.5 million, an increase of \$69.9 million because more funding became available through federal legislation and administrative decisions.

The federal CARES Act adopted in response to the crisis provided \$1,250.0 million to Rhode Island for related expenditures incurred between March 1, 2020 and December 30, 2020, including responding directly to the emergency. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses as are those to facilitate compliance with COVID-19 related public health measures. On December 27, 2020, President Trump signed the Coronavirus Response and Relief Supplemental Appropriations Act, which extended the date by which state and local governments are able to make expenditures from the Coronavirus Relief fund from December 30, 2020 to December 31, 2021. Additionally, there were administrative decisions regarding federal support on matching funds. In January, President Biden issued a memorandum, which allowed for 100 percent federal cost share on Federal Emergency Management Agency expenses. This resulted in freed up federal Coronavirus Relief funds that had been set aside to serve as state match.

FY 2022 Enacted Excluding ISF	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	\$ 381,448,991	\$ 100,270,813	\$ 27,844,449	\$ 144,654,746	\$ 654,218,999
Benefits	656,390,900	178,562,701	50,891,517	363,318,174	1,249,163,292
<b>Total Salaries and Benefits</b>	<b>\$ 1,037,839,891</b>	<b>\$ 278,833,514</b>	<b>\$ 78,735,966</b>	<b>\$ 507,972,920</b>	<b>\$ 1,903,382,291</b>
Contracted Services	96,750,946	467,849,452	99,579,256	39,502,707	703,682,361
<b>Total Personnel</b>	<b>\$ 1,134,590,837</b>	<b>\$ 746,682,966</b>	<b>\$ 178,315,222</b>	<b>\$ 547,475,627</b>	<b>\$ 2,607,064,652</b>

The Assembly provided \$2,607.1 million and staffing of 15,313.2 full-time equivalent positions for FY 2022. This is \$188.4 million more than the Governor’s original recommendation, including \$55.2 million from general revenues to primarily restore savings associated with the reorganization of the Eleanor Slater Hospital. This also includes \$125.3 million more from federal funds, reflecting use of direct stimulus grants for contact tracing, laboratory testing and other services and federal education stabilization aid to local education agencies, community-based organizations and nonprofits.

These expenditures exclude internal service funds; however, the staffing levels do include them, which skews the actual cost per position. Internal service funds, often called rotary accounts, are established to finance and account for the operations of certain overhead type programs that provide services to other state

agencies on a charge for services basis. The expenditures appear as state operations costs in the agencies being charged and are not included in the statewide personnel totals to prevent double counting. The largest ones were converted to direct appropriations by the 2006 Assembly in the FY 2007 enacted budget. The 2009 Assembly included the Governor's proposal to convert the central laundry and pharmacy internal service funds into direct appropriations in FY 2010.

<b>FY 2022 Enacted Including ISF</b>	<b>General Revenues</b>	<b>Federal Funds</b>	<b>Restricted Receipts</b>	<b>Other Funds</b>	<b>Total</b>
Salaries and Wages	\$ 656,390,900	\$ 178,562,701	\$ 50,891,517	\$ 402,476,072	\$ 1,288,321,190
Benefits	381,448,991	100,270,813	27,844,449	167,652,241	677,216,494
<b>Total Salaries and Benefits</b>	<b>\$ 1,037,839,891</b>	<b>\$ 278,833,514</b>	<b>\$ 78,735,966</b>	<b>\$ 570,128,313</b>	<b>\$ 1,965,537,684</b>
Contracted Services	96,750,946	467,849,452	99,579,256	51,943,931	716,123,585
<b>Total Personnel</b>	<b>\$ 1,134,590,837</b>	<b>\$ 746,682,966</b>	<b>\$ 178,315,222</b>	<b>\$ 622,072,244</b>	<b>\$ 2,681,661,269</b>

The 2017 Assembly adopted legislation authorizing internal service funds for centralized services including information technology, facilities management, and human resources. The legislation also requires that the Department of Administration report on a quarterly basis, starting with October 15, 2017, the fund activities, including breakdown by each department and agency. The report must be submitted to the Speaker of the House and President of the Senate with copies to the chairpersons of the House and Senate Finance Committees. As shown in the following table, the reports are often submitted late.

<b>Fiscal Year</b>	<b>1st 10/15</b>	<b>2nd 1/15</b>	<b>3rd 4/15</b>	<b>4th 7/15</b>
2021	10/30	2/22	5/14	
2020	10/31	1/17	5/20	8/24
2019	2/19		5/21	9/13
2018	10/13	2/21	11/24	

In December 2020, the administration indicated that the rates for FY 2021 were finalized. The revised budget assumes expenditures of \$106.8 million to support the aforementioned programs; the amount assumed in agency budgets to support them total \$91.8 million, a difference of \$15.4 million between expenditures and resources. The Governor's revised budget is \$14.9 million more than FY 2020 actual spending, though it is not clear how much FY 2020 spending was suppressed because of the pandemic.

<b>ISF Budgets</b>	<b>FY 2021 Enacted</b>	<b>FY 2021 Revised</b>	<b>FY 2021 Final</b>	<b>FY 2022 Recommended</b>	<b>FY 2022 Enacted</b>
Human Resources	\$ 14,237,328	\$ 14,278,614	\$ 14,278,614	\$ 13,962,865	\$ 13,962,865
DCAMM Facilities	42,849,110	42,890,862	42,890,862	43,562,371	43,562,371
Information Technology	49,488,621	49,583,032	44,654,275	48,951,700	48,951,700
<b>Total</b>	<b>\$ 106,575,059</b>	<b>\$ 106,752,508</b>	<b>\$ 101,823,751</b>	<b>\$ 106,476,936</b>	<b>\$ 106,476,936</b>
Agency Budgets	\$ 92,974,958	\$ 91,320,394	\$ 91,723,894	\$ 95,806,083	\$ 101,255,284
<b>Difference</b>	<b>\$ (13,600,101)</b>	<b>\$ (15,432,114)</b>	<b>\$ (10,099,857)</b>	<b>\$ (10,670,853)</b>	<b>\$ (5,221,652)</b>

It should be noted that the operations for information technology services, facilities management and human resources support total \$106.5 million for FY 2022; however, resources that the recommendation assumes in agency budgets to support these operations total only \$95.8 million. This difference of \$10.7 million means it is possible that charges to agencies will increase to support the level of services that are budgeted. The budgeted amount includes \$7.1 million in the Department of Administration's budget to be distributed to agencies once billing rates are finalized.

The Assembly distributed \$7.1 million to all affected agencies so that expenses are more accurately shown where they are anticipated to occur. Additionally, \$5.1 million was restored in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals as part of the Governor's requested

amendment to reverse the proposal to reorganize the Eleanor Slater Hospital. This additional resource has somewhat reduced the gap between expenditures and resources.

There are three divisions of state service: classified, unclassified, and non-classified. Classified service includes competitive and non-competitive positions. Competitive positions require employees to take civil service examinations, as opposed to non-competitive positions which include positions that require licenses, certificates, or registrations. Positions may also be unclassified or non-classified. Positions in the unclassified service are established by law and are subject to compliance with standards of the federal government and regulations set forth by the state's Personnel Administrator. Positions in this category generally include the employees of elected officials, courts, boards and commissions, both houses of the General Assembly, department directors, and various positions of a policy making nature. All appointments are made by the appointing authorities or the Governor in accordance with the provisions of the laws governing such appointments and the personnel rules adopted for the unclassified service. Positions within the non-classified service are covered under contract terms for the Board of Education and include positions related to a health system transformation project, as well as faculty.

Employee status refers to an employee's protection during reorganizations or layoffs. When an employee is first hired, he or she may have temporary or probationary status, which provides the least protection. All employees that were hired prior to August 7, 1996, will have statutory status when reaching 20 years of state service. This means that the state is required to find a suitable position for that employee in the case of reorganizations or layoffs. For veterans, statutory status is acquired after 15 years of service. On March 25, 2021, the administration reported that there were 2,017 employees with statutory status, including 82 employees who were eligible through the veterans' provision.

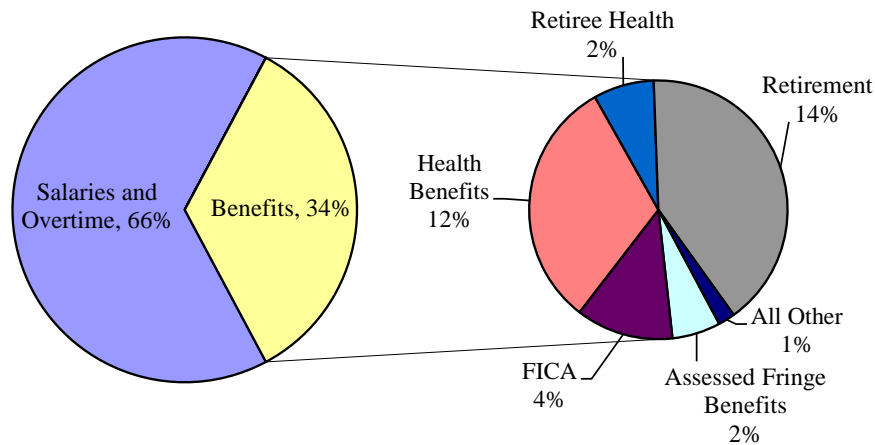
Governor Chafee commissioned an analysis of the state's personnel system to recommend alternatives to the current system. The study was completed in January 2013 and found that the current personnel structure, organization and staffing of the Division of Human Resources was not sufficient to support the state's need as the recruiting process was highly paper-based, job classification structures did not reflect qualifications to deliver the services and the compensation structures were non-competitive.

A total of 16 actions were recommended, including: implementing an online application system, eliminating the public hearing process when making changes to the classification structure, and hiring a new chief of human resources to be dedicated to establishing strategic direction and developing policies. The 2013 Assembly provided funding for this position, which was filled in December 2013. The FY 2016 revised and the FY 2017 recommended budgets included a total of \$1.2 million for a classification and compensation study. The study was completed in the summer of 2017 and through FY 2018, a total of \$0.8 million was spent. The following excerpts summarize the major findings from four comparisons.

1. Salary structure: Overall, the state's salary structure is different from the market in the following ways:
  - Range minimum: 7.6 percent higher than the market average minimum
  - Range midpoint: 2.5 percent lower than the market average midpoint
  - Maximum: 11.8 percent lower than the market average maximum
2. Health care insurance: On average, Rhode Island is 9.7 percent higher than the market median for employer contribution to health care plans
3. Retirement plan: On average, Rhode Island is 1.34 percentage points higher than the market for maximum employer contribution to the primary retirement plan
4. Paid leave for Rhode Island is:
  - Comparable with the market for paid holidays, personal days, and bereavement days
  - Comparable with the market for annual accrual vacation days and sick leave
  - Above the market for carry-over vacation days by 331 percent, and above market for carry-over sick leave by 711 percent

Salaries and benefits make up 73.0 percent of total personnel costs. The following chart represents the total cost of salaries and benefits. The larger pie chart divides salaries and wages, including overtime and benefits. The smaller pie chart breaks out the percentage of each benefit type. Each of the items included in the graphic is described in further detail in the paragraphs that follow.

**FY 2022 Enacted Salaries and Benefits**



**Salaries.** Direct salaries refer to the wages paid to state employees. This amount may increase due to many factors. For many state employees, pay scales are determined by position grade and classification. An employee will have a base salary, and there will be increases along a five-step scale annually after the employee’s first six months. Prior to July 1, 2011, after an employee had been in state service for a specified number of years, he or she became eligible for longevity increases. These increases were applied to the base salary. This was authorized by collective bargaining agreements for union employees, with different increases for education agencies contained in statute; it was personnel policy for non-union employees.

The 2011 Assembly froze longevity increases for all employees effective July 1, 2011, or upon expiration of all current contracts when applicable. The Governor’s FY 2016 recommended budget proposed changes to longevity that are described later in the report, though that proposal was later rescinded. The following table shows the years that an employee was eligible for these increases.

Longevity Increases		
Years of Service*	Education Boards	All Others
5	-	5.0%
11	5.0%	10.0%
15	-	15.0%
20	10.0%	17.5%
25	-	20.0%

*\*As of July 1, 2011 or contract expiration*

For most positions, collective bargaining agreements also determine if an employee will receive a cost-of-living adjustment. This adjustment differs from a longevity increase because it applies to all employees in that pay grade. For example, if all state employees receive a 3.0 percent cost-of-living increase on July 1, then an employee with a pay grade ranging from \$50,000 to \$59,000 will now be in a pay grade of \$51,500 to \$60,770.

In April 2018, Governor Raimondo reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective December 24, 2017, 2.5 percent effective December 23, 2018, 2.0 percent effective June 23, 2019, and 1.0 percent effective December 22, 2019. Her proposed budgets did not include funding for these increases. The Assembly

added \$6.9 million for FY 2018 and \$19.8 million for FY 2019 from general revenues to account for these agreements assuming all unions reached similar terms. The following table shows a recent history.

<b>Cost-of-Living Adjustments</b>		
<b>Fiscal Year</b>	<b>Increase</b>	<b>Notable Adjustments</b>
2010	2.5%	July 1; 8 furlough days
2011	3.0%	July 1,- 6 month delay; 4 furlough days
2012	3.0%	July 1, 2011
2013	-	
2014	2.0%	April 6, 2014
2015	2.0%	October 5, 2014
2016	2.0%	October 4, 2015
2017	-	
2018	2.0%	December 24, 2017
2019	2.5%	December 23, 2018
2020	3.0%	2.0% June 23 & 1% December 22

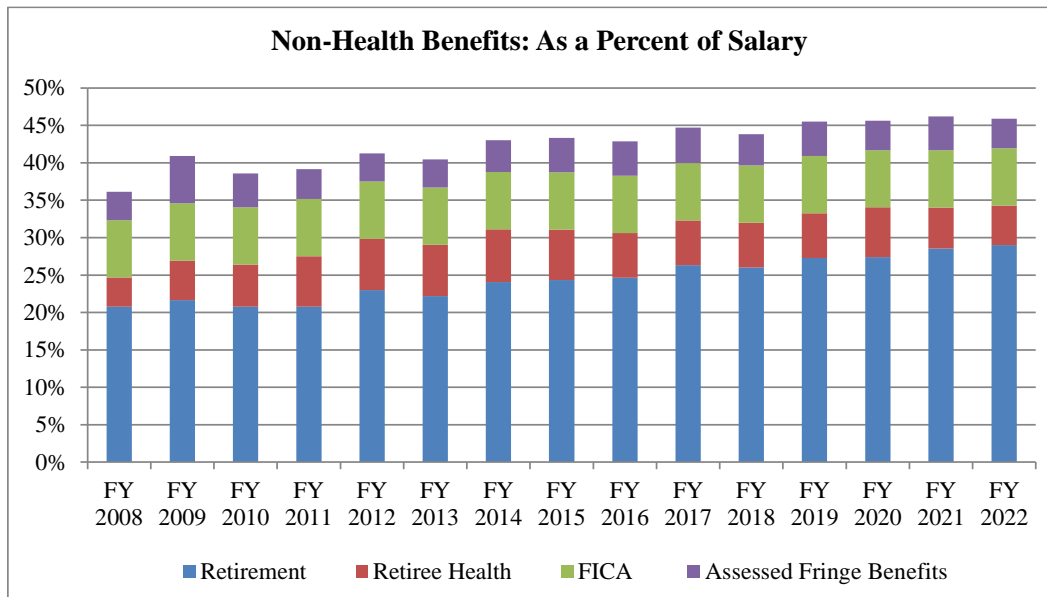
*Excludes Troopers, RIBCO and some other smaller unions*

**Overtime.** Overtime accounts for 3.4 percent of total salary and benefit expenses. The majority of overtime expenses occur in the Department of Corrections for correctional officers, followed by the Departments of Public Safety, Behavioral Healthcare, Developmental Disabilities and Hospitals, Children, Youth and Families, Higher Education and Transportation.

<b>Overtime - FY 2022 Enacted</b>	
Corrections	23.9%
BHDDH	16.4%
Public Safety	15.1%
Children, Youth and Families	9.8%
Higher Education	8.1%
Human Services	7.9%
Transportation	7.5%
All Others	11.4%
<b>Total</b>	<b>100%</b>

The 2019 Assembly concurred with the Governor’s recommendation to include statewide overtime savings of \$1.0 million from general revenues; the savings were included in the Department of Administration’s budget for later distribution. The Department of Administration announced a new overtime policy in June 2019. It required each agency to develop and submit to the Division of Human Resources and the Office of Management and Budget detailed overtime authorization and approval procedures, which must be submitted by October 15, 2019. Beginning in FY 2020, agencies are also required to submit to the Office of Management and Budget quarterly reports of overtime expenses along with their quarterly financial reports. The FY 2020 revised budget contained only \$582,912 of the \$1.0 million general revenue overtime savings included in the enacted budget for FY 2020.

**Benefits.** Benefits include direct benefits to employees such as health, workers’ compensation and unemployment as well as unfunded liabilities for retirement and retiree health benefits. The following chart shows non-health benefits as a percent of salary from FY 2008 through FY 2022. In that 15-year period, the calculation increased from under 30 percent to over 45 percent. It is important to note that while FICA is part of the cost of a position, it is a federal requirement over which the state has no control. Each benefit is described in the paragraphs that follow. With the exception of health benefits, these are calculated as a percentage of salary and now represents almost one-half of the total salary of a position.



**Retirement.** Participation in Rhode Island’s hybrid defined benefit/defined contribution plan is mandatory for most state employees, except for certain higher education employees who participate in a defined contribution plan. The 2011 Assembly adopted changes including participation in a new defined contribution plan for all employees, except judges, state police and correctional officers. The 2015 Assembly enacted changes consistent with the pension settlement agreement reached in the spring of 2015; these changes are described later in the report.

Employees must work until a combination of their years of service and age equal 95. Employees who were not eligible to retire when the 2011 changes became effective have an individualized retirement age based on their years of service, but they must be at least 59 years old to retire.

The salary basis is the five highest consecutive years. Cost-of-living adjustments are only granted when the pension systems’ aggregate funded ratio exceeds 80.0 percent; the formula uses both investment returns and inflation, but no more than 3.5 percent or less than zero. It is only applied to the member’s first \$25,000 of pension income, indexed to grow at the same rate as the cost-of-living adjustment. Prior to full funding, intermittent cost-of-living adjustments are granted every four years and there are different provisions for pre-settlement retirees. There have been many changes to the retirement system over the past several years. These changes are discussed later in the report.

The retirement rates are determined actuarially and under Rhode Island General Laws; they are certified annually by the State of Rhode Island Retirement Board. The Board’s current policy is that the contribution rates determined by an actuarial valuation take effect two years after the valuation date. The Retirement System conducts an experience study every three years to evaluate the appropriateness of assumptions. The actuaries use the system’s own experience where relevant and credible data is available. It uses population or general economic data such as inflation for other assumptions. The assumption changes are incorporated in future annual valuations that determine the rate required to support the defined benefit portion of the pension system. The System’s actuaries conducted an experience study during the spring of 2017. As a result of that as well as an asset liability review conducted by the State Investment Commission, the Board approved new assumptions, including decreasing the investment return assumption from 7.5 percent to 7.0 percent as well as some other assumptions around inflation, wage growth and mortality. These changes were included in the actuarial valuation, effective for FY 2021 and beyond.

The rate for FY 2019 was revised upward by 2.1 percent or 0.53 percentage points based upon the retirement incentive program the administration undertook in the fall of 2017, and described later in this report. The

administration is in the process of offering the voluntary retirement incentive during FY 2021; the potential impact to the retirement rate has not been determined. The rates for FY 2022 as well as the previous seven years are shown in the table below.

Employer Contribution Rates - Regular Employees								
FY	2015	2016	2017	2018	2019	2020	2021	2022
<b>Rates</b>	23.33%	23.64%	25.34%	24.87%	26.28%	26.39%	27.54%	28.01%

**Retiree Health.** The state provides health coverage to individuals who are retired from state employment, who have at least 20 years of state service and are at least age 59. Eligible retirees pay a 20.0 percent cost share on the actual cost of the plan. These benefits are less generous than previously provided and are discussed later in the report. The Board of Education has a separate plan for certain higher education employees.

**FICA.** The Federal Insurance Contributions Act tax is a United States payroll tax imposed by the federal government on both employees and employers to fund Social Security and Medicare. This applies to all employee groups except State Police. This rate is calculated on salaries and overtime; however, the Social Security portion has a salary limit. In calendar year 2021, the salary limit is \$142,800. There is no salary limit for the Medicare portion. The total rate is 7.65 percent, including 6.2 percent for the Social Security portion and 1.45 percent for the Medicare portion.

**Assessed Fringe.** The assessed fringe benefit internal service fund was established in August 1999 to comply with federal regulations and to eliminate the fluctuations in agency budgets that result from workers' compensation claims, unemployment claims, and unused leave. A biweekly assessment is applied to the amount of salaries and wages paid from all accounts and funds. This fund allows the costs to be spread out over all fund sources, as opposed to only general revenues.

The fund ended FY 2015 with a deficit of \$1.9 million and surpluses of \$1.2 million in FY 2016 and \$6.2 million in FY 2017, largely due to a repayment for overpayments made for workers' compensation by the state. The FY 2018 enacted budget was based on an assessment of 4.2 percent for most employees. Based on projections related to the original voluntary retirement incentive, which is described in greater detail later in this report, the Governor's FY 2019 recommended budget increased the assessment to 4.6 percent. This was subsequently revised downward to 4.4 percent based on more updated data.

Assessed Fringe Benefit Rate History												
FY	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>% of Salary</b>	4.00	3.75	3.75	4.25	4.30	4.60	4.75	4.20	4.40	3.95	4.52	3.95

The rate of 4.20 percent previously planned for FY 2020 was subsequently reduced to 3.95 percent based on more updated data as well as savings from the plan to outsource the administration of the Workers' Compensation program. The FY 2021 recommended budget maintained the enacted rate of 3.95 percent.

The fund ended FY 2020 with a surplus balance of \$4.7 million. The administration implemented a second voluntary retirement incentive program during FY 2021. Based on the projected number of individuals that have opted-in to the newly available voluntary retirement incentive, which is described in greater detail later in this report, the Budget Office increased the rate to 5.60 percent for the last nine pay periods of FY 2021 to generate an additional \$2.2 million to pay the incentive. This resulted in an effective rate of 4.52 percent for FY 2021. The revised budget assumes that at the end of FY 2021, the fund balance would be \$0.2 million. The budget assumes the prior enacted rate of 3.95 for FY 2022. The current rate for certain public safety personnel is 1.90 percent because these employees receive injured on duty benefits as opposed to workers' compensation. The rate for higher education faculty is 3.30 percent because they do not receive severance payments.



**Health Benefits.** All full-time state employees and certain part-time employees are eligible for health benefits, including medical, dental and vision through Blue Cross Blue Shield, effective January 1, 2020, and Delta Dental. Employees began contributing to the cost of this health care in 2005. At that time, some employees paid a percentage of salary, depending on salary range, and some employees paid 5.0 percent of the cost of the health plans. Currently, an employee’s contribution is a percent of plan cost depending on his or her salary and the type of plan chosen.

<b>Gross Cost</b>	<b>Individual Plans</b>	<b>Family Plans</b>
<i>Medical</i>		
Anchor Choice	\$ 7,561.15	\$ 21,197.63
Anchor	\$ 7,616.10	\$ 21,351.66
Anchor Plus	\$ 8,148.81	\$ 22,845.12
<i>Dental</i>		
Anchor Dental	\$ 439.87	\$ 1,139.43
Anchor Plus	\$ 493.49	\$ 1,278.23
Anchor Platinum	\$ 569.13	\$ 1,474.26
<i>Vision</i>		
Anchor Vision	\$ 64.28	\$ 177.51
Anchor Vision Plus	\$ 92.02	\$ 253.81

Pursuant to negotiated contract agreements, effective January 1, 2019, the state started offering three medical plans, called Anchor Choice, Anchor and Anchor Plus, three dental plans and two vision plans. Previously, only one plan was offered. Among the other provisions of the contract were increased co-pays for office visits and prescription drugs, and increased deductibles. The deductibles are based on plan selections and are now \$500 to \$1,500 for an individual, and \$1,000 to \$3,000 for a family. They were previously \$250 and \$500 for individuals and families, respectively.

<b>2021 Calendar Plan Year Per Employee</b>	<b>Below \$53,498</b>		<b>\$53,498 - \$102,840</b>		<b>Over \$102,840</b>	
	Individual	Family	Individual	Family	Individual	Family
Total Cost of Benefits <sup>1</sup>	\$ 8,233	\$ 22,980	\$ 8,233	\$ 22,980	\$ 8,233	\$ 22,980
% of Premium: State	80.0%	85.0%	80.0%	80.0%	75.0%	75.0%
Annual Cost to State	\$ 6,586	\$ 19,533	\$ 6,586	\$ 18,384	\$ 6,175	\$ 17,235
% of Premium: Employee	20.0%	15.0%	20.0%	20.0%	25.0%	25.0%
Annual Cost to Employee	\$ 1,647	\$ 3,447	\$ 1,647	\$ 4,596	\$ 2,058	\$ 5,745

<sup>1</sup>Based on Anchor Plus Plans

The previous table shows the cost of health benefits and the state employee co-shares for 2021 for both individual and family plans. For budget planning purposes, a weighted average is used to calculate the cost of medical benefits for vacant positions. The following table shows the weighted average cost per benefit type.

<b>Weighted Average</b>	<b>FY 2021 Enacted</b>	<b>FY 2021 Revised/ Final</b>	<b>FY 2022 Recommended/ Enacted</b>
Medical	\$ 17,259	\$ 17,343	\$ 18,497
Dental	852	871	929
Vision	133	135	144
<b>Total</b>	<b>\$ 18,244</b>	<b>\$ 18,349</b>	<b>\$ 19,570</b>

In August 2020, agencies were instructed to use a revised planning value of \$18,244, consistent with the FY 2021 recommended budget. The FY 2022 planning value had not been determined, as a budget for FY 2021 had not been adopted. The Governor’s revised budget uses \$18,349, which is \$105 or 0.6 percent higher than the planning amount. For FY 2022, the recommended budget assumes \$19,570, which is \$1,221

or 6.7 percent higher than the revised budget. For FY 2022, it appears that agencies were instructed to use \$18,889 during July through December 2020 and \$20,249 from January through June 2021.

In June 1997, before employees were contributing to the cost of health benefits, the state began offering employees the option of choosing a medical benefit waiver as opposed to enrolling in a state health plan. The waiver had been \$2,002 through FY 2011; it was then reduced by half to \$1,001. More recent contracts eliminated the waiver option for two state employee spouses who were hired on or after June 29, 2014.

**Total Costs.** The total cost examples for two employees who have salaries of \$50,000 and \$100,000, respectively, and a family health plan in FY 2022 is displayed in the following table.

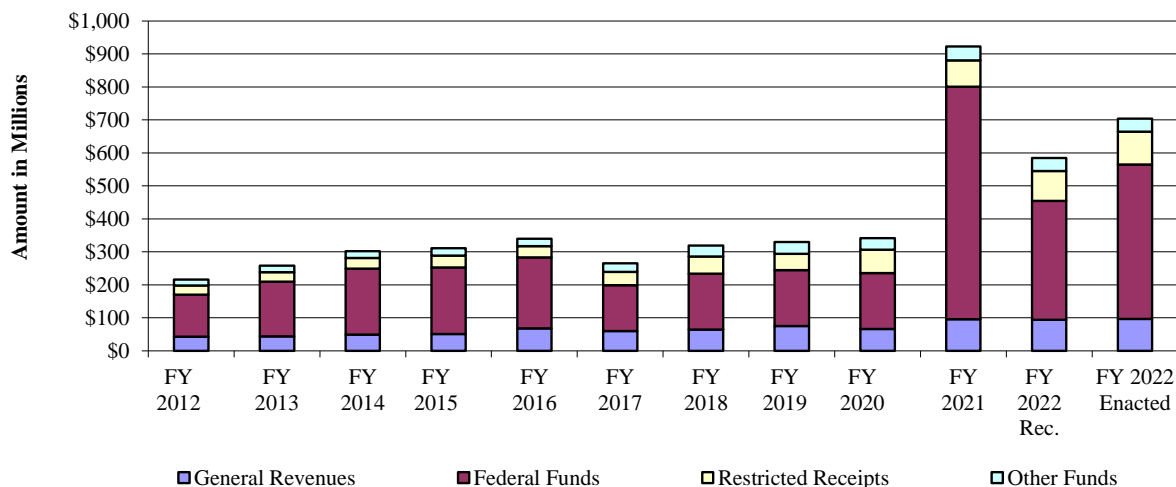
Cost of a Position - FY 2022 Enacted					
	Expense		% of Salary		
Salary	\$	50,000			\$ 100,000
FICA	\$	3,825	7.65%	\$	7,650
Assessed Fringe		1,975	3.95%		3,950
Retiree Health		2,745	5.49%		5,490
Retirement		14,505	29.01%		29,010
<b>Subtotal</b>	<b>\$</b>	<b>23,050</b>	<b>46.10%</b>	<b>\$</b>	<b>46,100</b>
Health Benefits*	\$	24,377	Family Plan	\$	24,377
Total Co-Share*		(4,875)	20.00%		(6,094)
<b>Subtotal Benefits</b>	<b>\$</b>	<b>42,552</b>	<b>85.10%</b>	<b>\$</b>	<b>64,383</b>
<b>Total Cost</b>	<b>\$</b>	<b>92,552</b>		<b>\$</b>	<b>164,383</b>

\*Based on Anchor Plus Plans

**Contracted Services.** Contracted services make up the remaining 27.0 percent of personnel costs. The enacted budget includes \$703.7 million for expenditures the state classifies as contracted services, often referred to as consultants. These expenditures reflect the compensation paid for the services of non-employee individuals or firms and include payments to professional practitioners and other independent contractors who sell their services. These exclude expenses through internal service funds of \$15.6 million and \$12.4 million in FY 2021 and FY 2022, respectively.

The chart below shows the costs of contracted services from FY 2012 through the FY 2022 enacted budget.

**Contracted Services, FY 2012 to FY 2022**



By fund source, 66.5 percent of the expenses are supported by federal grants and 13.7 percent are funded from general revenues. The Executive Office of Health and Human Services, the Departments of Elementary and Secondary Education, Health and Transportation account for more than 70 percent of these expenses from all sources.

- The increase in FY 2013 is mostly a result of Race to the Top funds in the Department of Elementary and Secondary Education's budget. The Department was awarded \$75.0 million to spend over four years.
- The FY 2013 and FY 2014 budgets include over \$50 million from federal funds for the implementation of the Affordable Care Act.
- The FY 2017 final budget included \$324.9 million for contracted services and actual expenditures were \$265.2 million, \$59.7 million less than appropriated. This reflects the agreement the state had with the main system's contractor, Deloitte, to delay infrastructure costs for the Unified Health Infrastructure Project until system issues were addressed.
- The FY 2018 final budget included \$316.7 million for contracted services and actual expenditures were \$319.4 million, \$2.6 million above the final appropriation.
- The FY 2019 revised budget included \$366.4 million for FY 2019, \$86.2 million more than enacted. This included approximately \$57 million for expenses related to the Unified Health Infrastructure Project. A settlement was reached in April 2019 that included a \$50 million payment. The Assembly shifted the use of any settlement funds from FY 2019 to FY 2020 and reduced general revenues in FY 2020; it provided \$347.9 million for FY 2020. Reported expenditures were \$35.1 million below the appropriation.
- The final Assembly budget provided \$381.9 million for FY 2020. Reported expenses were \$341.0 million, or \$41.0 million less than the final appropriation, primarily for Unified Health Infrastructure Project expenses.
- The 2020 Assembly provided \$518.1 million for FY 2021, which is \$143.0 million more than recommended, of which \$126.3 million is from federal Coronavirus Relief funds for COVID-19 related expenditures, including contact tracing, laboratory testing and other services.

Governor McKee recommended \$940.5 million for FY 2021 revised and \$584.8 million for FY 2022 expenditures. The majority of the increase in the revised and the FY 2022 budgets are for laboratory testing, contact tracing and other services related to the COVID-19 pandemic.

The Assembly provided \$923.0 million for FY 2021, or \$17.5 million less than recommended. This includes \$2.0 million less from general revenues, primarily from the Veterans Home, reflecting use of available federal funds, and \$14.1 million less from federal funds, based on updated spending from various stimulus awards. The Assembly provided \$703.7 million for FY 2022 or \$118.9 million more than the Governor's recommendation, reflecting use of direct federal stimulus grant funds available. This includes \$60.0 million from federal education stabilization aid to local education agencies, community-based organizations and non-profits, and \$50.2 million in the Department of Health for COVID-19 related expenditures.

For the past decade, the Assembly has required state agencies to be held more accountable for contracted services they purchase. These requirements have not been well executed. The Assembly concurred with most of Governor Chafee's FY 2015 budget proposal to repeal or consolidate them to improve compliance. The paragraphs that follow identify these reporting requirements as well as any significant revisions and current compliance.

RIGL 42-90-1. This statute, first adopted in Chapter 161 of the Public Laws of 1985, requires all departments, commissions, boards, councils and other agencies to submit to the Secretary of State the name of any person who performs legal, medical, accounting, engineering or any other professional services, and the amount of the compensation received by the consultant during the previous quarter. It further requires the Secretary of State to compile, publish and make a report available to the public.

The 2006 Assembly amended this legislation in 2006-H 6779, Substitute A, to establish a \$100,000 threshold for which services obtained are substantially similar to work performed by regular employees of the department, commission, board, council or agency. The legislation further required state agencies to list all privatization contracts as part of the budget requests, which must contain the name of the contractor, duration of the contract and costs of previous, current and upcoming years. Agencies must also include a summary of contracted private employees for each contract, reflected as full-time equivalent positions and their hourly wage rate. It appeared that only a few agencies were complying with this requirement.

The 2007 Assembly adopted legislation in Public Law 2007, Chapter 73 requiring an extensive cost comparison analysis as well as an appeals process prior to privatization of any state facility, function or property. It required that bids for such services substantially beat the current in-house costs and meet or exceed current service quality and performance. The comparisons must consider monitoring and conversion costs. The 2008 Assembly further amended the legislation by modifying the requirements.

Governor Chafee included legislation in Article 17 of his recommended FY 2015 budget that increased the threshold from \$100,000 to \$150,000 and required that the reporting be annually submitted to the Budget Office electronically. The legislation requires that the Budget Office electronically post all contracts and reports online using the state's transparency portal or an equivalent website no later than December 1 of each year. The Assembly concurred and included the legislation in Section 4 of Article 9 of 2014-H 7133, Substitute A, as amended. Despite the change, the administration was not in compliance with this requirement. At the Personnel Issues Hearing on April 4, 2018, the Director of Administration pledged to be in compliance with this reporting requirement. Since then, reports for FY 2015 through FY 2020 have been posted on the state's transparency portal.

RIGL 37-2.3-1. The 2006 Assembly adopted legislation requiring agencies to list all privatization contracts as part of the budget request when obtaining services that are substantially similar to work performed by regular employees of the department, commission, board, council or agency starting in FY 2009. The list must contain the name of the contractor, duration of the contract and costs of previous, current and upcoming years. Agencies must also include a summary of contracted private employees for each contract, reflected as full-time equivalent positions and their hourly wage rate.

Governor Chafee submitted legislation to alter the requirements so that agencies provide actual information for the prior fiscal year and projected costs for the current and subsequent fiscal years. The listings must be published annually online using the state's transparency portal or an equivalent website no later than December 1 of each year. Subsequently, he requested an amendment to restore language that had previously removed subcontractor from the definition of privatization contractor and clarify what agencies must include in reports for prior, current and upcoming fiscal years and which positions must be reflected as full-time equivalent positions. The Assembly concurred.

This reporting requirement has not been met since it was adopted by the 2014 Assembly. The staff from the Budget Office previously indicated that it had been in discussions with Council 94 to format the template for reporting. It does not appear that anything came of that.

RIGL 42-149-1. This statute, adopted in Public Law 2007, Chapter 525, requires all state departments to submit quarterly reports of all non-state employee expenditures for legal services, financial services, temporary work and other non-state employee personnel costs. The report must contain efforts made to

identify qualified individuals or services within state government, factors used in choosing a non-state employee or firm, results of requests for proposals for services or bids for services, and the actual cost and the budgeted cost for the expenditure.

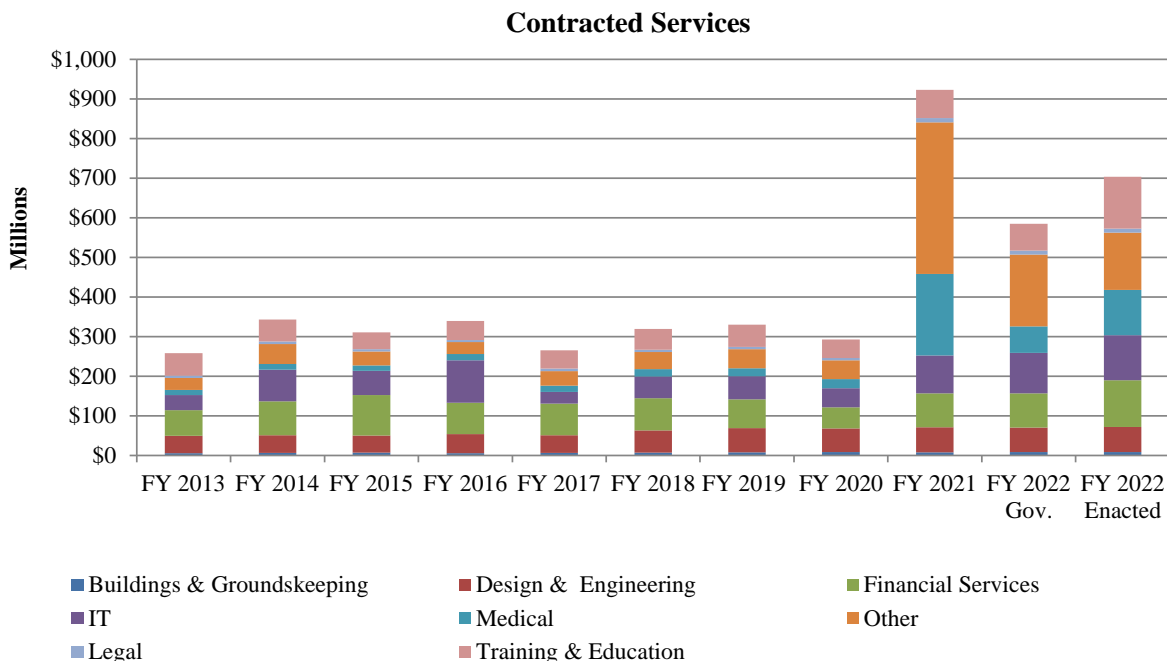
Governor Chafee included legislation in Article 17 of 2014-H 7133 to repeal this, in conjunction with modifying a similar requirement. The Assembly concurred.

*RIGL 42-149-3.1.* This legislation, adopted in Public Law 2011, Chapter 409, requires an assessment of 5.5 percent on contractual costs to be paid to the retirement system on a quarterly basis when a department, commission, board, council, agency or a public corporation agrees to obtain contractual services that are substantially similar to and in lieu of services provided by regular employees. During the FY 2013 budget process, the administration indicated that it developed a mechanism within the state’s accounting system to calculate this charge and \$0.4 million was collected each year from FY 2013 through FY 2018, \$0.5 million in FY 2019 and \$0.3 million was collected in FY 2020. The budgets include \$331,193 for FY 2021 and \$439,104 for FY 2022.

Governor Chafee included legislation in Article 17 of 2014-H 7133 to repeal the 5.5 percent assessment. The Assembly did not concur.

*P.L. 2007, Chapter 073.* The 2007 Assembly adopted legislation to correct a situation concerning contract employees that were doing the same work as state employees, under state employee supervisors. Departments and agencies would be allowed to convert those positions to state employee positions within available funding. The law also required that an agency or department may not employ contracted employees or employee services where the contracted employees would work under state employee supervisors after October 1, 2007, without determination of need by the Director of Administration acting upon the positive recommendations of the Budget Officer and the Personnel Administrator and 15 days after a public hearing. This language was included in budgets until FY 2016. It was restored in the FY 2020 enacted budget and the FY 2021 enacted budget. The Governor’s FY 2021 revised recommendation retains the provision; however, excludes it for FY 2022. The Assembly restored the provision in the FY 2022 enacted budget.

The following table shows the types of services provided by outside contractors from FY 2013 to FY 2022.



## FY 2022 Proposed Personnel Initiatives

The majority of the reported expenditures are for information technology and financial services. The smallest areas of spending are legal services and buildings and groundskeeping services. The majority of the increase in the revised and the FY 2022 budgets are for laboratory testing, contact tracing and other services related to the COVID-19 pandemic.

- COVID Related Personnel Expenses.** The federal CARES Act adopted in response to the crisis provided \$1,250.0 million to Rhode Island for related expenditures incurred between March 1, 2020 and December 30, 2020, including responding directly to the emergency. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses as are those to facilitate compliance with COVID-19 related public health measures. Revised federal guidance issued in September further clarified and broadened eligible costs.

The FY 2020 final enacted budget assumed savings of \$34.7 million from general revenues; \$36.6 million in savings was reported in the FY 2020 preliminary closing. Based on allowable expenses, an additional \$89.5 million in personnel costs were charged retroactively to FY 2020, \$80.6 million previously paid from general revenues. This increases the actual total of FY 2020 charges to \$124.2 million. A subsequent amendment adjustment in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals reduced the savings by \$9.0 million. The enacted budget contains adjustments in 13 departments and agencies to use these Coronavirus Relief funds, offsetting a like amount of general revenues. For FY 2021, total savings budgeted were \$148.7 million. The FY 2021 revised budget assumes additional savings of \$69.9 million in personnel expenses allocated to federal Coronavirus Relief funds, for a total of \$218.5 million. This omitted funding for the Department of Environmental Management which was later corrected in an amendment request. Another requested amendment shifts \$6.9 million from general revenues to available federal Coronavirus Relief funds in the Department of Corrections. The Assembly concurred with the subsequent amendments; the final budget includes \$227.0 million of general revenues savings. The FY 2022 enacted budget does not include any personnel expenses allocated to federal Coronavirus Relief funds.

Agency	FY 2020 Reported	FY 2020 Adjusted	FY 2021 Enacted	FY 2021 Gov. Rev.	FY 2021 Final
Administration	\$ 1,268,009	\$ 1,268,009	\$ 1,074,377	\$ 1,185,140	\$ 1,185,140
Business Regulation	1,687,721	1,687,721	2,109,809	2,422,069	2,422,069
Executive Office of Commerce	258,304	258,304	362,290	360,647	360,647
Revenue	222,432	222,432	-	-	-
Office of the Governor	1,112,911	1,112,911	-	-	-
Office of the General Treasurer	26,051	26,051	-	-	-
EOHHS	453,783	453,783	111,743	385,310	385,310
Children, Youth and Families	2,737,019	2,737,019	2,448,016	3,767,855	3,767,855
Health	8,757,716	8,757,716	7,862,105	10,088,106	10,088,106
Human Services	7,058,112	7,058,112	11,798,794	12,126,586	12,126,586
BHDDH	23,669,697	14,669,697	4,900,823	4,900,823	4,900,823
Elementary & Secondary Education	192,157	192,157	-	184,000	184,000
Higher Education	181,993	181,993	97,651	123,936	123,936
Corrections	49,577,752	49,577,752	78,581,441	123,299,812	130,200,904
Public Safety	24,410,112	24,410,112	37,230,247	59,533,237	59,533,237
Military Staff	-	-	-	28,080	28,080
Emergency Management	1,035,938	1,035,938	487,702	123,936	123,936
Environmental Management	1,231,124	1,231,124	1,598,908	-	1,598,908
Transportation	357,947	357,947	-	-	-
<b>Total</b>	<b>\$124,238,778</b>	<b>\$115,238,778</b>	<b>\$148,663,906</b>	<b>\$ 218,529,537</b>	<b>\$ 227,029,537</b>

- ***Sick Leave Policy Enforcement.*** The Governor’s budget assumes \$1.0 million from correctional officer overtime savings from changes to the Department of Corrections absenteeism policies by implementing a new discipline policy. The Department implemented these new policies in September 2019, but they were put on hold because an unfair labor practice charge was filed by the Rhode Island Brotherhood of Correctional Officers, which is still pending. The Department noted that the policy and enforcement changes will likely have some impact in FY 2022 and a greater impact in FY 2023. The Assembly concurred.

- ***Voluntary Retirement Incentive.*** The administration implemented a voluntary retirement incentive program during FY 2021, similar to the previous incentive offered during FY 2018. State employees eligible to retire on or before December 31, 2020 are eligible for the incentive, which is two times the employee’s longevity, capped at \$40,000. The incentive is being implemented in stages: employees with longevity of 20.0 percent must retire by April 15, 2021, employees with longevity of 15.0 percent or 17.5 percent no later than May 15, 2021, and employees with longevity of 5.0 percent or 10.0 percent must retire by no later than June 15, 2021. Eligible employees can obtain an extension, which must be approved by the State Personnel Administrator and must leave state service by September 30, 2021.

The administration indicated that there were 900 eligible state employees and the recommended budget includes \$8.2 million of undistributed savings. As of March 19, it appears that 237 individuals opted to receive the incentive payment and 39 extensions were approved. Based on the impact to the assessed fringe benefit fund, being used to pay the incentive, the Governor’s budget adds \$2.2 million from general revenues in associated benefit rate increases. The net general revenue savings is \$6.0 million. This assumes a delay in refilling the positions and that they are filled without paying the longevity bonus or otherwise upgraded from the current classification. Through May 20, a total of 372 individuals opted to receive the payment. The Assembly distributed the recommended savings to all agencies with participating employees.

- ***Laborers’ International Union of North America Settlement.*** At the time the Governor’s budget was submitted, the state was anticipating a settlement agreement with the Laborers’ International Union of North America which challenged the methodology used for calculation of longevity and overtime payments for members participating in its supplemental retirement system. The recommended budget reserves an estimated \$4.3 million from general revenues to correct for this, in anticipation of an agreement. Subsequently, the Governor requested an amendment to include \$4.7 million in FY 2021 pending a final settlement agreement in June 2021. The base adjustment to agency budgets for FY 2022 and beyond is estimated at \$0.5 million from all sources, including \$0.3 million from general revenues. The Assembly concurred and included these costs in agency budgets.

### **Recent Compensation and Benefit Revisions**

Recent budgets have included initiatives affecting personnel costs including savings from reducing retirement benefits, compensation and implementing pay reductions for state employees. These are described in the paragraphs that follow, along with the Assembly’s action on those items.

- ***Retirement Benefits.*** The 2009 Assembly adopted pension changes that apply to all state employees, including judges and teachers eligible to retire on or after October 1, 2009 and were not eligible before passage of the legislation. The 2009 changes include establishing a minimum retirement age of 62 with a proportional application of that minimum age to current members based on their current service as of October 1, 2009. Changes also include freezing service credits for those in Plan A, and shifting all future accrual to the lower accruals of Plan B. The cost-of-living adjustments were based on the Plan B model of the lesser of inflation or 3.0 percent on the third anniversary, and the salary basis for benefits is the five consecutive highest years, increased from three.

The 2010 Assembly enacted legislation to further limit the cost-of-living adjustments to the first \$35,000 of retirement allowance beginning on the third anniversary of the date of retirement or when the member reaches age 65, whichever is later, for state employees, teachers, and judges. Governor Carcieri had proposed to amend the retirement statutes to eliminate the cost-of-living adjustments for state employees, teachers, judges, and state police who were not eligible to retire before passage of the proposal. He also proposed adding language to subject any future cost-of-living adjustments to annual legislative action.

As part of a special session, the 2011 Assembly enacted legislation that suspended new cost-of-living adjustments to retirees' benefits until the system is better funded but provided for an intermittent cost-of-living adjustment every five years until the system in the aggregate is 80.0 percent funded. It moved all but public safety employees into a hybrid pension plan that includes a defined contribution plan. It increased the minimum retirement age for most employees not already eligible to retire and changed the benefit accruals to 1.0 percent per year of service beginning July 1, 2012. It reduced the vesting requirement from ten years to five years and preserved accrued benefits earned through June 30, 2012. It increased the minimum retirement age for teachers and state employees to Social Security Normal Retirement Age, not to exceed 67, applied proportionally to employees based on current years of service, but no less than 59.

Public labor unions challenged the constitutionality of the law subsequent to its enactment. To avoid what could have been a lengthy and costly trial, state and labor unions were ordered into federal mediation. In February 2014, a proposed settlement was announced, which maintained most of the pension changes; however, the retirement age was reduced from 67 to 65 and allowed employees who have worked at least 20 years to keep their defined-benefit pensions. Retirees would receive a one-time 2.0 percent cost-of-living increase upon the enactment of the agreement and intermittent cost-of-living increases would be given every four years instead of every five years. Additionally, the settlement needed the approval of retirees, state employees, as well as the General Assembly. If more than half of any one group were to vote against the settlement, the litigation would continue. Though most employees and retirees voted in support of the settlement, a majority of police officers voted against it; thereby rejecting the settlement in whole. The trial was originally scheduled for September 2014, and later rescheduled for April 2015.

In March 2015, a proposed settlement was announced. The Assembly enacted Article 21 of 2015-H 5900, Substitute A, as amended, to codify the pension settlement agreement signed by all the parties (except all municipal police and Cranston fire) in April 2015 and determined by the Court to be fair, adequate and reasonable in May 2015. The legislation does not exclude any parties. It preserves over 90 percent of the 2011 pension reform savings. The changes include providing a cost-of-living increase every four years instead of every five as well as two, one-time \$500 payments to all current retirees. It changes the formula for calculating the cost-of-living increase to use both investment returns and the consumer price index with a maximum of 3.5 percent; currently it is only based on investment returns with a 4.0 percent maximum. It also increases the base used for cost-of-living calculations from \$25,000 to \$30,000 for current retirees.

It returned state employees, teachers and Municipal Employees Retirement System (MERS) general employees with at least 20 years of service as of June 30, 2012 to a defined benefit plan with a 2.0 percent annual accrual and higher employee contribution rate. It increased the state's contribution to the defined contribution plan for those with between 10 and 20 years of service as of June 30, 2012. It increased accrual rates for correctional officers and municipal public safety employees. The legislation also included adjustments to the retirement age for all groups and allowed local municipalities to re-amortize the unfunded liability four additional years to 25 years for MERS plans and the local employer portion of teacher contributions.

- ***Retiree Health Benefits.*** The 2008 Assembly enacted legislation to change its provision of retiree health benefits from a pay-as-you-go system along with significant benefit reductions to future retirees effective October 1, 2008. Based on a recommendation in the Governor's FY 2009 revised budget, the



2009 Assembly enacted legislation to delay the move to a trust fund for two years. The trust fund was set up in FY 2011 and the state is now funding on an actuarial basis.

The 2012 Assembly adopted legislation establishing a Medicare exchange for eligible retirees that offers a wider array of health benefit choices at a lower cost through competition. The state sets up a Health Reimbursement Arrangement for each retiree and deposits the state subsidy into the account each month. It is the same percent subsidy that the retiree previously received. The maximum state contribution is set equal to the lowest cost plan, adjusted for age that is comparable to the highest former plan. A retiree can choose a lower cost plan and use the balance of funds for any approved expense including: purchasing a plan for a spouse, dental or vision plan, and payment of Medicare Part B premiums and Part D coverage.

As part of her FY 2016 recommended budget, Governor Raimondo proposed changing the requirements for what benefits must be included in early retiree health benefit plans. The Assembly did not concur.

It should be noted that the federal “Cadillac” tax was scheduled to take effect in 2018 for plans deemed high cost. The tax would be 40.0 percent of the cost above federally established thresholds. While final regulations had not been issued, it was widely assumed that the threshold would be \$10,200 for an individual plan and \$27,500 for a family plan. The current pre-65 rate plan costs \$11,300 for an individual plan and \$31,500 for a family plan. In January 2018, Congress again delayed the start of the tax to 2022. In December 2019, Congress repealed the tax.

- **Pay Reductions.** The budget enacted by the 2010 Assembly included two initiatives negotiated with employee unions to generate personnel savings. The first was to implement eight pay reduction days in FY 2010 and four pay reduction days in FY 2011. The Department of Administration entered into negotiations with collective bargaining units in the summer of 2009 to reach an agreement to achieve savings while avoiding layoffs. For each pay reduction day, an employee will accrue one and one quarter additional days of paid leave, for a maximum of ten days in FY 2010 and five days in FY 2011. The employee may request to discharge this leave during any pay period following the period in which it was earned, or the employee may elect to receive a cash payment upon termination of state employment.

The second savings initiative was to delay the 3.0 percent cost-of-living adjustment from July 1, 2010 to January 2, 2011. Together these initiatives were intended to save approximately \$29.5 million from all sources, including \$17.5 million from general revenues in FY 2011. In FY 2010, the initiatives accounted for savings of \$26.8 million from all sources, including \$15.0 million from general revenues. These savings ended in FY 2012, and the contract called for a 3.0 percent increase effective July 1, 2011.

The agreement with the collective bargaining units also gave agency directors the right to transfer employees between programs in order to transfer, reorganize, eliminate, or consolidate functions, programs, units, divisions, and departments within the Executive Branch, as long as the collective bargaining units are notified within 15 days and the transfers are based on seniority. This authority ended on June 30, 2011.

- **Longevity.** The 2011 Assembly ended new longevity payments for all state employees effective July 1, 2011, or upon the expiration of any current collectively bargained contract. Employees continue to receive the same longevity percentage they have already earned; however, no new longevity will be granted. Provisions for these payments are generally a matter of collective bargaining agreements for union employees or personnel policy for non-union staff. Non-classified employees of the former Board of Governors, Board of Regents and Public Telecommunications Authority received longevity payments of five percent after 10 years and ten percent after 20 years, pursuant to three different sections of the General Laws. Out-year estimates had projected \$4.0 million in annual costs from this provision.

Governor Raimondo proposed in her FY 2016 budget to freeze longevity payments currently expressed as a percent of salaries, at the amount earned by an employee as of June 2015, or the last pay period prior to

the expiration of applicable collective bargaining agreements, whichever occurs later. It also excluded longevity from an employee's base rate salary, which means longevity will not grow with other raises. She subsequently requested an amendment to rescind this proposal. The Assembly retained current law.

- ***Voluntary Retirement Incentive.*** In 2017, the Raimondo Administration implemented a voluntary retirement incentive under its own authority as part of an effort to achieve the \$25.0 million of undistributed savings in the FY 2018 enacted budget. State employees eligible to retire on or before December 31, 2017 were eligible for the incentive, which were two times the employee's longevity capped at \$40,000. The administration indicated that there were 941 eligible state employees and it assumed savings of \$6.5 million based on the assumption that 45 percent of eligible employees would retire by January 31 for five months of savings. Payouts would be made from the assessed fringe benefit fund, which is generated from all fund sources. The savings also assumed that only 60 percent of those vacated positions are filled for one month in FY 2018 and at 70 percent of the incumbent's cost in the first year.

The incentive program was implemented in stages based on the amount of longevity to allow the Retirement System time to process the applications. The most senior employees had until February 15 and the least senior had until April 15. The Governor's revised budget included savings of \$4.6 million from vacancies, but no comprehensive information was provided on how much savings was assumed to offset added costs. Much of the vacancy savings assumed in FY 2018 did not appear to repeat in FY 2019. Based on updated program participation data, the Assembly assumed additional savings in both FY 2018 and FY 2019. It appears that 364 employees received the payment. The total impact was unclear as a high level of the vacated positions appear to have been refilled. The administration again offered this incentive during FY 2021, as noted earlier in this report.

- ***Workshare.*** The Department of Administration instituted a program to allow non-essential state employees to participate in a program, whereby they work 60 percent of their regular weekly hours from June 14, 2020 through September 5, 2020 and claim federal WorkShare benefits for the remaining time. Benefits for such programs are fully paid with federal funds. Because of the extra \$600 weekly payment that accompanied all unemployment claims through the end of July, participants earning less than \$69,500 were not adversely impacted and likely experienced increased compensation. Statewide, this program produced savings of \$7.7 million in FY 2020 and \$9.0 million in FY 2021, including \$4.6 million from general revenues. Statewide, more than 1,300 employees opted to participate in the program.

### **Distribution of Positions**

The number of full-time equivalent positions authorized for each agency and department is contained in Article 1 of the annual appropriations act. The departments and agencies may not exceed the number of full-time equivalent positions authorized in any pay period. Full-time equivalent positions do not include seasonal or intermittent positions for which scheduled periods of employment do not exceed 26 consecutive weeks or for which scheduled hours do not exceed 925, excluding overtime, in a one-year period. Nor do they include individuals engaged in training, the completion of which is a prerequisite of employment.

For many years, the budget has also limited state employees whose funding is from non-state funds that are time limited to receive appointments limited to the availability of the non-state funding source.

- ***Transfer of State Employees.*** The practice of cost allocation may skew the distribution of positions by function. In this case, cost allocation refers to the practice of charging an agency for a portion of the costs for a position that is working in a different agency. There are also cases in which the entire cost of a position is being charged to one agency while the authorization for that position is in another agency.

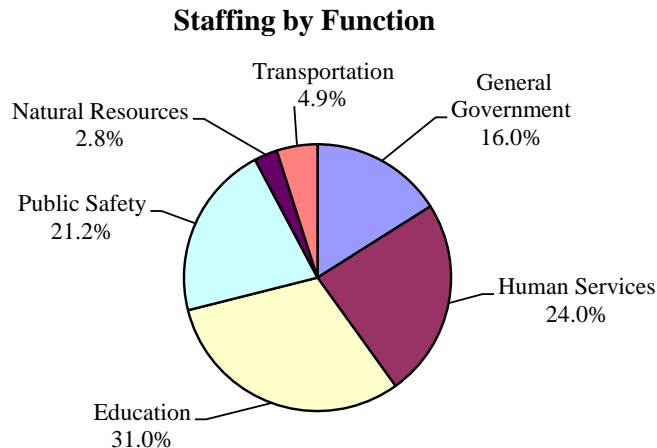
The 2017 Assembly adopted legislation in Section 6 of Article 5 of 2017-H 5175, Substitute A, as amended, requiring that the Personnel Administrator or any director of a department file a written report with the

Speaker of the House, the Senate President and the chairpersons of the House and Senate Finance Committees when transferring or extending the duration of a transferred employee. This report must be filed within seven days of making or extending the transfer. Since the adoption of this requirement, six reports identifying a total of five transfers have been received. The 2019 Assembly adopted legislation in Section 11 of Article 4 of 2019-H 5151, Substitute A, as amended, to clarify that reports be made on the transfer of all state employees, including those who are members of labor unions.

The following is a brief summary of the distribution of positions by function. A description of the position changes from the FY 2021 enacted budget follows. Most of the positions in state government are in the education and human services functions, which together account for 55.0 percent of all positions.

<b>Changes to Enacted</b>	<b>Gen. Gov't.</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Res.</b>	<b>Transp.</b>	<b>Total</b>
<i>FY 2021 Enacted</i>	2,441.9	3,571.6	4,742.2	3,190.0	424.0	755.0	15,124.7
New Positions	13.0	122.0	7.0	54.0	7.0	-	203.0
Program Reduction	-	(11.0)	-	-	-	-	(11.0)
Vacancy Reduction	(0.5)	-	(3.0)	-	-	-	(3.5)
<i>Total Change to Enacted</i>	12.5	111.0	4.0	54.0	7.0	-	188.5
<b>FY 2022 Enacted</b>	<b>2,454.4</b>	<b>3,682.6</b>	<b>4,746.2</b>	<b>3,244.0</b>	<b>431.0</b>	<b>755.0</b>	<b>15,313.2</b>

The Budget includes 2,454.4 full-time equivalent positions for general government agencies, 16.4 percent of the distributed positions. This is 12.5 positions more than FY 2021 to reflect additional staffing for various programs.



The Budget provides 3,682.6 full-time equivalent positions for human services, or 24.0 percent of all positions. This is 111.0 more than enacted, including 91.0 new positions in the Department of Children, Youth and Families to become accredited, 15.0 in the Department of Health for administration, financial oversight of Centers for Disease Control and Prevention grants and monitoring vaccination efforts and new outbreaks.

The Budget includes 4,746.2 full-time equivalent positions for education, 31.0 percent of all positions.

There are 3,244.0 full-time equivalent positions for public safety agencies, 21.2 percent of all positions.

The Budget includes 431.0 full-time equivalent positions for natural resources agencies, 2.9 percent of all positions.

The Budget includes the enacted level of 755.0 full-time equivalent positions for transportation.

## Program Changes to FY 2021 Enacted Staffing Levels

**Administration.** The Governor recommended FY 2022 staffing of 649.7 full-time equivalent positions, 2.0 more than enacted. This includes a position to support the Office of Risk Management to manage the state's insurance program and one position for the Division of Human Resources, to serve as a business partner to agencies. The latter position would be supported by internal service fund charges.

The 2020 Assembly included legislation in Article 1 requiring that 417.0 of the authorized amount would be for positions that support internal service fund programs; the Governor's recommendation increases this amount to 421.5 positions in FY 2022. This primarily reflects the transfer of 6.0 positions relating to payroll processing from the Office of Accounts and Control to the human resources internal service fund. The Assembly concurred with the Governor's subsequent amendment to add 1.0 equal opportunity administrator position, and authorized 650.7 full-time equivalent positions for FY 2022.

**Business Regulation.** The Governor recommended 176.0 full-time equivalent positions for FY 2022, 15.0 positions more than authorized. This includes one new position each for the Office of the Health Insurance Commissioner and Division of Building, Design and Fire Professionals, and 13.0 new positions for the Office of Cannabis Regulation. The recommendation also shifts three previously authorized, but vacant positions from the banking and securities divisions to Insurance Regulation. The Assembly excluded the positions for adult use marijuana and the additional position in the Office of the Health Insurance Commissioner, and authorized staffing of 162.0 full-time equivalent positions for FY 2022.

**Executive Office of Commerce.** The Governor recommended 16.0 full-time equivalent positions for FY 2022, including one new deputy secretary as part of the proposed restructuring of the state's housing policy and one new financial position. The Assembly concurred with adding the positions.

**Labor and Training.** The Governor recommended 462.7 full-time equivalent positions for FY 2022, or 37.0 positions more than enacted. This includes 2.0 new full-time equivalent positions to enhance the workplace fraud unit and increase associated collections, and 35.0 positions transferred from the Employer Tax Division at the Department of Revenue. The Assembly concurred.

**Revenue.** The Governor recommended 574.5 full-time equivalent positions for FY 2022, 28.0 fewer than authorized. The recommendation transfers 35.0 positions from the Employer Tax Division to the Department of Labor and Training, adds three positions in the Division of Motor Vehicles for Commercial Driver's License road testing, and four positions for taxation of adult use of marijuana. The Assembly excluded the positions for adult use marijuana and concurred with the remainder of the recommendation.

**Commission for Human Rights.** The Governor eliminated 0.5 of a long vacant position from the Commission, for FY 2022 staffing of 14.0 full-time equivalent positions. The Assembly concurred.

**Public Utilities Commission.** The Governor recommended 54.0 full-time equivalent positions for FY 2022, which is 2.0 more than enacted for new pipeline safety inspectors. The Assembly concurred.

**Executive Office of Health and Human Services.** The Governor recommended 190.0 full-time equivalent positions for FY 2022, 2.0 less than enacted. This includes the transfer of the Office of Medical Review and its 10.0 positions to the Department of Human Services. It also shifts one legal position from the Department of Human Services and adds 3.0 administrative positions: 1.0 position to support the Unified Health Infrastructure Program, 1.0 finance position for the Medicaid program and 1.0 attorney position. The recommendation also includes 2.0 positions for the long term services and supports resiliency and rebalancing proposal and 1.0 position for the program integrity proposal. The Assembly concurred.

**Children, Youth and Families.** The Governor recommended 627.5 full-time equivalent positions for FY 2022, which is 10.0 more than enacted. This includes 16.0 foster care licensing personnel and frontline staff, 1.0 position to conduct proper youth placement reviews, 2.0 paralegal positions, and 9.0 fewer positions for the Rhode Island Training School. The Assembly concurred and further increased staffing with 75.0 additional positions the Department identified as necessary to achieve accreditation.

**Health.** The Governor recommended FY 2022 staffing of 517.6 full-time equivalent positions, 4.0 more than enacted. This includes 6.0 new positions: a supervising accountant position, who will be responsible for developing a cost allocation plan on the amount to charge distributors, wholesalers, and manufacturers of opioids, 3.0 positions to support the Shellfish Docks Program and 2.0 positions to help the Department sustain its capacity to manage and maintain data systems to meet demands. The Governor proposed to eliminate two positions in the Office of Vital Records, including a principal research technician position who is responsible for training funeral directors, clinics, hospitals and physicians on data collection and submission and one position who supports the satellite office at the Division of Motor Vehicles branch in Cranston, which the Governor proposed to close.

The Governor subsequently requested an amendment to add 15.0 full-time equivalent positions for administration, financial oversight of Centers for Disease Control and Prevention grants and monitoring vaccination efforts and new outbreaks, bringing recommended staffing to 532.6. The Assembly concurred, with the exception of the health public data initiative, and authorized 530.6 full-time equivalent positions for FY 2022.

**Human Services.** The Governor recommended 1,047.1 full-time equivalent positions for FY 2022, which is 9.0 more than enacted. This includes 10.0 positions associated with transferring the Office of Medical Review from the Executive Office and transferring a legal position to the Executive Office. It also includes the transfer of 11.0 vacant positions from the Department's individual and family support program to the Rhode Island Veterans Home to allow backfilling of positions held for those on long-term leave, in lieu of using contracted staff, particularly nursing staff. The Assembly concurred.

**Behavioral Healthcare, Developmental Disabilities and Hospitals.** The Governor recommended 1,042.4 full-time equivalent positions for FY 2022, 146.0 less than enacted. The recommendation reflects the elimination of 100.0 positions from the reorganization of the Eleanor Slater Hospital system and 50.0 positions from the state-run system for adults with developmental disabilities. The recommended budget includes 2.0 new positions in the Division of Behavioral Healthcare Services for the adult use marijuana initiative and 2.0 new positions in the Division of Developmental Disabilities to assist with initiatives related to state compliance with the consent decree, including participation in the caseload estimating conference. The Governor subsequently requested an amendment to rescind the proposal for the hospital consolidation and restored 100.0 full-time time equivalent positions. The Assembly concurred with the amendment; it did not concur with the adult-use program or privatization of the state-run system for adults with developmental disabilities. It included 1,190.4 positions, two more than enacted, to assist with the consent decree.

**Elementary and Secondary Education.** The Governor recommended staffing of 325.1 full-time equivalent positions. While the total is consistent with the enacted budget, it includes 3.0 new positions for the Department's administration offset by vacancy reductions at Davies Career and Technical High School. The new positions include a communications manager, a social studies specialist, and a transformation specialist. The Assembly provided total authorization for 326.1 full-time equivalent positions. It did not concur with the recommendation for a communications manager and a transformation specialist, but did include funding and authorization for a world language position and two school spending analysts.

**Public Higher Education.** The Governor recommended 4,386.3 full-time equivalent positions for FY 2022, 2.0 more than enacted for the Northern Rhode Island Higher Education Center slated to open in July 2021. The Assembly concurred.

**Rhode Island State Council on the Arts.** The Governor recommended 9.6 full-time equivalent positions for FY 2022, one more senior administrative aide than enacted. The Assembly concurred.

**Office of the Attorney General.** The Governor recommended 243.1 full-time equivalent positions for FY 2022, 4.0 more than authorized, including two new attorneys and two new paralegals. The Governor subsequently requested an amendment to add 4.0 full-time equivalent positions and authority to retain multi-state settlement proceeds, bringing recommended staffing to 247.1 positions, consistent with the Attorney General's request. The Assembly concurred.

**Corrections.** The Governor recommended 1,424.0 full-time equivalent positions for FY 2022, which is 13.0 more positions than authorized, including 7.0 positions to administer discharge planning services, 4.0 positions associated with an initiative to reduce off-site medical visits, and 2.0 for job training to connect inmates with employers before release. The Assembly concurred.

**Emergency Management.** The Governor recommended 33.0 full-time equivalent positions for FY 2022, 1.0 more than authorized for a new finance position. The Assembly concurred.

**Public Safety.** The Governor recommended 622.6 full-time equivalent positions for FY 2022, which is 29.0 positions more than authorized. This includes 1.0 new capitol police to provide additional security at the Pastore Center and 28.0 new troopers expected to graduate from the State Police Training Academy in January 2022. The Assembly concurred.

**Public Defender.** The Governor recommended 99.0 full-time equivalent positions for FY 2022, which is 3.0 more than enacted for new attorneys to reduce caseload burden at the agency. The Assembly concurred.

**Environmental Management.** The Governor recommended 401.0 full-time equivalent positions for FY 2022; 7.0 positions more than authorized. This includes 3.0 new positions for the Division of Coastal Resources to enhance operations at the Ports of Galilee and Newport and 4.0 new positions in the Division of Parks and Recreation including a maintenance technician, a plumber, a clerk, and a civil engineer. The Assembly concurred.

## Medicaid

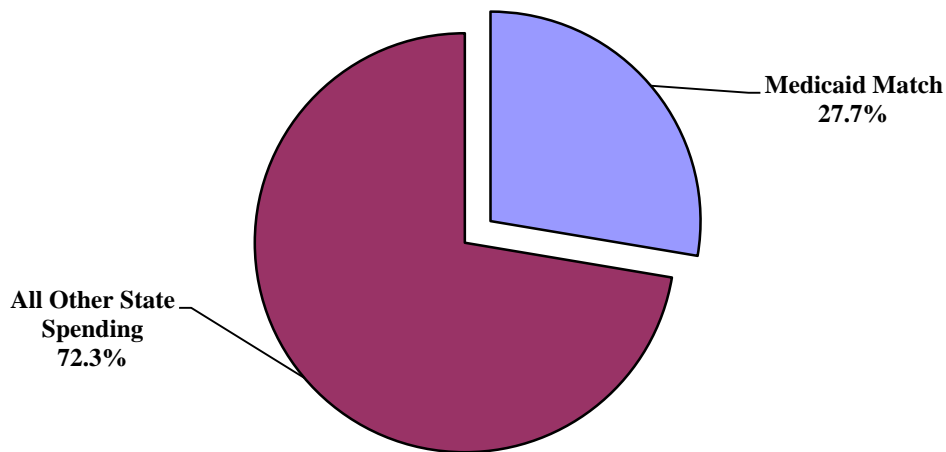
Medicaid is a health insurance program jointly funded by the federal government and the states to provide services to low-income children, pregnant women, parents of dependent children, elderly, and people with disabilities. The federal government’s share of expenditures for most Medicaid services is called the federal medical assistance percentage (FMAP). The remainder is referred to as the nonfederal or state share. With passage of the Patient Protection and Affordable Care Act of 2010, states have the option of expanding coverage to include certain low-income adults with the federal government paying all program costs for the first three years and eventually paying 90 percent of the total cost.

Rhode Island provides medical assistance, residential care, community based services and case management activities to individuals who meet the eligibility criteria established for the various assistance programs operated by the Executive Office of Health and Human Services and the four departments under its umbrella: the Departments of Human Services, Behavioral Healthcare, Developmental Disabilities and Hospitals, Children, Youth and Families, and Health. The following table shows Medicaid spending by department, including administrative costs and direct benefits, and by percent of the total Medicaid budget.

FY 2022 Enacted	General Revenues	All Funds	% of Medicaid
EOHHS	\$ 1,086,352,651	\$ 3,145,381,788	88.9%
BHDDH	131,078,209	295,229,915	8.3%
Children, Youth and Families	28,405,719	68,232,273	1.9%
Human Services	10,896,675	24,048,429	0.7%
Health	1,778,654	5,086,925	0.1%
<b>Total</b>	<b>\$ 1,258,511,908</b>	<b>\$ 3,537,979,330</b>	<b>100%</b>

**Medicaid as a Percent of the State Budget.** Programs supported by Medicaid are 27.0 percent of total spending in the FY 2022 enacted budget and 27.7 percent of spending from general revenues. The programs and recipients receiving Medicaid funded services are discussed separately in the pages that follow, including the state’s mandated coverage for these populations, the number of individuals receiving services and the costs, as well as other optional services provided through the health and human service agencies.

**FY 2022 State Medicaid Match vs  
All General Revenue Spending**

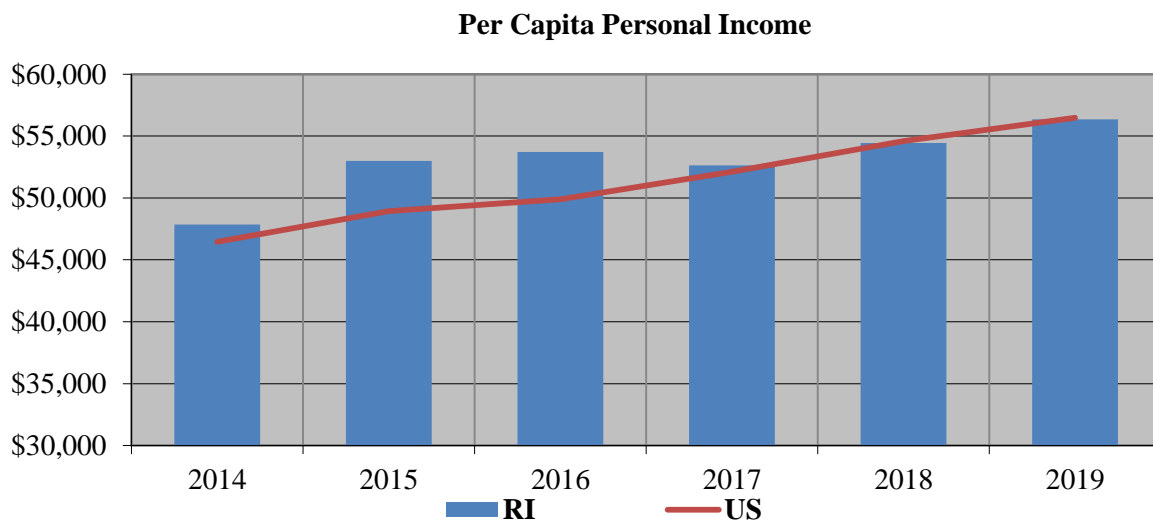


The 2012 Assembly concurred with the Governor’s FY 2013 budget recommendation to shift Medicaid benefits to the Executive Office of Health and Human Services from the Department of Human Services. The 2014 Assembly transferred Medicaid funded behavioral health services from the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to the Executive Office. The Executive Office’s budget also includes medical benefit expenses for children and youth in the care of the Department of Children, Youth and Families.

It should be noted that for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, a significant portion of the costs at Eleanor Slater Hospital, which prior to FY 2020 were matched by Medicaid for the entire hospital population, are paid for using general revenues. The Department acknowledged that it had compliance and billing issues that needed to be addressed in order to claim Medicaid for its eligible hospital population. The Centers for Medicare and Medicaid notified the state that it cannot claim Medicaid for its forensic population. This results in higher state only expenses and lowers expenses paid through Medicaid, increasing the percent of state spending on Medicaid programs.

**Medicaid Rate.** The federal medical assistance percentage (FMAP), also known as the federal Medicaid matching rate, is a calculation with significant impact on state health and human services spending. Each state has a Medicaid rate. The formula that determines an individual state’s Medicaid rate is based on that state’s three-year average per capita income relative to national per capita income and represents the portion of medical services delivered under the Medicaid program that the federal government will contribute. States with a higher per capita income level are reimbursed a smaller share of their costs.

By law, the Medicaid rate cannot be lower than 50 percent or higher than 83 percent. The federal contribution to any state’s administrative costs for Medicaid services is set at 50 percent. The following chart shows the state’s per capita income for the previous six calendar years compared to the national average. The FY 2022 rate is based on 2017 through 2019 data. The per capita income data is released by the federal Bureau of Economic Analysis and is used by the federal government to calculate each state’s Medicaid reimbursement rate.



The following table shows the Rhode Island Medicaid rates used from FY 2017 through the projected FY 2022 rate. Since the Medicaid rate is published for the federal fiscal year that starts on October 1, the state uses a blended rate for its fiscal year. For example, Rhode Island’s FY 2022 rate is based on one quarter of the federal fiscal year 2021 rate and three quarters of the federal fiscal year 2022 rate resulting in the different rate for budgetary purposes. As shown, the federal share has increased annually in recent years.



<b>Medicaid Rates</b>	<b>FFY</b>	<b>SFY</b>
2022	54.88%	54.68%
2021	54.09%	53.81%
2020	52.95%	52.86%
2019	52.57%	52.29%
2018	51.45%	51.34%
2017	51.02%	50.87%

**Families First Coronavirus Response Act - Enhanced Medicaid Rate.** On March 18, 2020, President Trump signed into law the Families First Coronavirus Response Act, which temporarily increases a state’s Medicaid match rate by 6.2 percent for services provided from January 1, 2020 until the end of the public health emergency. Rhode Island’s Medicaid match rate was increased to 59.15 percent from 52.95 percent for FY 2020, which resulted in savings of \$71.3 million across the health and human service agencies. When the FY 2021 budget was enacted, the public health emergency was set to expire on January 20, 2021. The FY 2021 enacted budget included general revenue savings of \$108.2 million across the agencies for three quarters of FY 2021. It was then extended through the fourth quarter of FY 2021.

The Biden Administration announced plans to continue renewing it through at least the end of calendar 2021. For state budget purposes, that means at least half of FY 2022. Any savings from the continued public health emergency are offset by the state having to keep individuals whose redetermination for Medicaid is pending enrolled in program. The FY 2021 final budget includes \$140.8 million in state savings and the FY 2022 budget includes savings of \$75.1 million through the second quarter. The Assembly also reserved \$39.0 million from general revenues in FY 2022 in the event the public health emergency ends before October 1, 2021, requiring a higher state match earlier than expected. This information is not likely to be final until August.

**Medicaid - CHIP Enhanced Rate.** The federal medical assistance percentage rate not only determines the state and federal share of Medicaid, the state’s largest health and human services program, but also applies to adoption assistance, foster care, and child care. The Medicaid rate is the basis for calculating the enhanced federal medical assistance percentage rate, the federal matching rate for the Children’s Health Insurance Program (CHIP). The enhanced Medicaid rate reduces the state share by 30 percent. For example, if a state’s Medicaid rate is 52 percent, its state share is 48 percent. That is lowered to 33.6 percent under the enhanced rate of 66.7 percent. A state’s Medicaid rate may increase or decrease depending on the adjustment to a state’s per capita income, as does the enhanced Medicaid rate.

The Affordable Care Act increased the already enhanced rate by another 23 percentage points until FFY 2020 when it was lowered 11.5 extra points to 78.57 percent. The regular enhanced rate returns in FFY 2021 at a rate of 67.28 percent and it is projected that FY 2022 will be 68.42 percent.

<b>CHIP Rates</b>	<b>FFY</b>	<b>SFY</b>
2022	68.42%	68.28%
2021	67.28%	70.10%
2020	78.57%	81.38%
2019	89.80%	89.61%
2018	89.02%	88.95%
2017	88.71%	88.61%

**The Patient Protection and Affordable Care Act of 2010.** On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act of 2010, commonly referred to as the Affordable Care Act, which provided for national health care reform. That was immediately followed by him signing a package of amendments called the Health Care and Education Reconciliation Act of 2010.

The act required most citizens and legal residents to have health insurance by January 1, 2014, or pay a tax penalty, and expanded Medicaid coverage to individuals and families up to 138 percent of the federal poverty level; the threshold is 133 percent, but the act includes a 5 percent disregard, essentially making the Medicaid eligibility threshold 138 percent. The Tax Cuts and Jobs Act of 2017 repealed the individual mandate to purchase health insurance, but did not make any changes to the expansion program.

The Affordable Care Act also provides for premium credits and cost-sharing subsidies for individuals and families between 139 percent and 400 percent of poverty; this also remains unchanged in the Tax Cuts and Jobs Act. The Act requires most employers to offer medical coverage, includes small business tax credits for employers with no more than 25 employees and provides for a temporary reinsurance program for employers providing health insurance coverage to individuals over 55 years of age but who are not eligible for Medicare. This provision remains in current law.

The Affordable Care Act allows young adults to remain on a parent's or guardian's health plan until age 26; this provision became effective September 23, 2010. Regulations state that young adults are eligible for this coverage regardless of any of the following factors: financial dependency, residency with parent, student status, employment or marital status. The law does not require that a plan or issuer offer dependent coverage, but that if coverage is offered, it must be extended to young adults up to age 26. Rhode Island requires insurance plans that cover dependent children to cover unmarried dependent children until age 19, or until age 25 if a student. If the dependent child is mentally or physically impaired, the plan must continue coverage after the specified age. This provision remains in current law.

Medicaid Expansion. Title II of the act expands eligibility for Medicaid to lower income persons and assumes federal responsibility for much of the cost of this expansion. Beginning on January 1, 2014, all children, parents and adults without dependent children who are not entitled to Medicare and who have family incomes up to 138 percent of poverty became eligible for Medicaid. The 2013 Assembly expanded coverage to this population.

States were required to maintain the same income eligibility levels through December 31, 2013 for all adults, and this requirement was extended through September 30, 2019, or FY 2020, for children currently on Medicaid. It was extended again until September 30, 2023 with the recent passage of the Healthy Kids Act that extended the Children's Health Insurance Program. For Rhode Island, this requirement applies to RIt Care eligibility for parents who are at or below 175 percent of poverty and children who are at or below 250 percent. The 2013 Assembly lowered the parent's threshold to 133 percent of poverty and included funding to assist in the transition to coverage through the health benefits exchange. The eligibility threshold for the parent was increased to 138 percent to match the threshold for the expansion program which is 133 percent of poverty after disregarding five percent of the annual income.

Similar to provisions in the American Recovery and Reinvestment Act of 2009, the Affordable Care Act prohibits states from lowering enrollment or make eligibility stricter. States can reduce provider rates, but must prove that the reduction will not make it harder for Medicaid patients to get needed care; states may eliminate optional benefits.

Between 2014 and 2016, the federal government paid 100 percent of the cost of covering newly-eligible individuals. On January 1, 2017, the Medicaid rate decreased to 95 percent. The rate was 94 percent for calendar year 2018; it dropped to 93 percent in 2019 and 90 percent on January 1, 2020 for all subsequent years, requiring a 10 percent state match.

Final FY 2017 expenses were \$453.9 million, including \$25.4 million from the state match. For FY 2018, those expenses were \$453.9 million, of which \$25.4 million was from general revenues, and FY 2019 totaled \$488.1 million, of which \$30.9 million was from general revenues. The FY 2020 final budget included \$505.0 million, of which \$40.1 million was from general revenues; however, preliminary actual

expenses totaled \$477.6 million, including \$43.3 million from general revenues. The FY 2021 final and FY 2022 enacted budgets and out-year estimates, including the state match, are shown in the following table. Both years account for the delay in any redeterminations while the state is receiving the enhanced Medicaid match authorized for the public health emergency.

<b>Medicaid Expansion</b>		
<b>FY</b>	<b>General Revenues</b>	<b>All Funds</b>
2021	\$ 71.4	\$ 665.9
2022	\$ 80.0	\$ 746.2
2023	\$ 81.0	\$ 810.0
2024	\$ 82.8	\$ 827.5
2025	\$ 84.5	\$ 844.9
2026	\$ 86.3	\$ 862.6

*\$ in millions*

HealthSource RI. In September 2011, Governor Chafee issued an executive order to establish the Rhode Island Health Benefits Exchange, renamed HealthSource RI, the marketplace for purchasing health insurance, known as the Exchange. The 2015 Assembly enacted Article 18 of 2015-H 5900, Substitute A, as amended, to establish the Health Benefits Exchange into general law as a division within the Department of Administration. It authorized HealthSource RI to operate a state-based exchange to meet the minimum requirements of the federal act. It also authorized an assessment be charged by the Department not to exceed revenues that would be raised through the federally facilitated marketplace upon those insurers offering products on the exchange. The assessment is anticipated to generate \$8.0 million for FY 2022.

The 2019 Assembly also included Article 11 of 2019-H 5151, Substitute A, as amended, to address federal changes decreasing the assessment from 3.5 percent to 3.0 percent. The article decouples the state's premium assessment from the rate charged for federally facilitated marketplaces. It establishes a fee of 3.5 percent in statute, effective January 1, 2020. The FY 2022 enacted budget includes \$2.8 million from general revenues to be used in conjunction with these revenues for the operations of HealthSource RI.

HealthSource RI, in addition to offering in-person assistance from professional health benefits navigators, also offers online tools to assist Rhode Island residents and small businesses with shopping for and purchasing health insurance. All plans offered through HealthSource RI meet minimum coverage requirements set by the federal government, including essential health benefits such as preventive care and annual physicals, doctor sick visits, hospitalizations, maternity care, emergency room visits, and prescription coverage.

Tools offered through HealthSource RI can be used by those who do not have coverage either through an individual plan or through an employer plan, are under-insured by their individual or employer plan, and those who are comparison shopping between their current plan and plans offered through the exchange. Small employers with fewer than 50 full-time employees may also use HealthSource RI to offer coverage options to their employees.

The Legislature required religious employers that purchase plans on the exchange to offer their employees a full-choice option. The employers would not be responsible for any additional costs of a plan selected by an employee. It also required that if an employer elects the religious exemption variation, it must provide written notice to enrollees that the plan excludes coverage for abortion services.

HealthSource RI began accepting applications on October 1, 2013. Health plans offered through the marketplace are categorized into tiers based on the level of benefits and cost sharing requirements.

Individuals in households with income below 400 percent of poverty who are not Medicaid eligible will receive federal subsidies to reduce the cost of commercial health plans purchased through the Exchange.

The 2013 Assembly lowered the state's threshold criteria for RIte Care parents to 133 percent of poverty and created a premium assistance program to aid in the transition to coverage through the Exchange with the state paying 50 percent of the cost of commercial coverage, after subtracting what the parents are currently paying for RIte Care coverage and any federal tax credits or subsidies that are available.

**Reinsurance Program.** The 2019 Assembly concurred with Governor Raimondo's proposal to establish a reinsurance program, which was envisioned to provide stability in the individual insurance market, legislation is contained in Article 11 of 2019-H 5151, Substitute A, as amended. It imposes a shared responsibility payment penalty for individuals who do not have health insurance coverage, with certain exemptions and became effective on January 1, 2020. For federal tax year 2017, the penalty per household was \$695 per adult and \$347.50 per child under 18 or 2.5 percent of the household's income; however, the penalty was capped at the national average premium for bronze level plans. It mirrors the federal penalty, with the exception of capping the penalty at the statewide average premium for bronze level plans offered on the state's health benefits exchange. This currently equates to \$2,388. The collections from tax year 2017 were approximately \$11.0 million.

The penalty is collected by the tax administrator and deposited into a restricted account titled the Health Insurance Market Integrity Fund. The funds are used to provide reinsurance or payments to health insurance carriers, as a means of ensuring that premiums do not increase drastically, and for administrative costs. Remaining funds from the penalty can be used for preventative health care programs in consultation with the Executive Office of Health and Human Services. The legislation prohibits the use of general revenues for reinsurance payments.

The FY 2022 enacted budget includes \$14.1 million from all sources, including \$5.2 million from federal funds and \$8.9 million in revenue from the Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions, effective on January 1, 2020. This includes \$13.6 million to make reinsurance payments to health insurance carriers and \$0.4 million is for program administration. The FY 2021 final budget includes \$1.2 million to make modifications to the State Tax Administration and Revenue System and operating expenses.

**Health System Transformation Program.** The 2015 Assembly enacted Section 10 of Article 5 of 2015-H 5900, Substitute A, as amended, for the hospital and nursing facility incentive programs and authorized the Secretary of Health and Human Services to seek the federal authority required to implement a hospital and nursing home incentive program. The program provided participating hospitals and nursing facilities the ability to obtain certain payments for achieving performance goals established by the Secretary.

The 2016 Assembly included Section 9 of Article 7 of 2016-H 7545, Substitute A, as amended, to seek federal authority to fund the Rhode Island Health System Transformation Program and the Designated State Health Programs to seek Medicaid match through a health workforce development partnership with the University of Rhode Island, Rhode Island College and the Community College of Rhode Island.

The state received approval on October 20, 2016 for a five-year grant totaling \$129.7 million for the Health System Transformation Project. The state, along with accompanying changes to its managed care contracts, will develop shared savings agreements between the managed care health plans and the certified affordable entities. The shared savings incentive programs are the Hospital and Nursing Home Incentive Program and the Accountable Entity Incentive Arrangement. The Executive Office spent \$7.0 million in FY 2017 in the Medical Assistance program for incentive payments to nursing facilities.

The second phase expanded opportunities through the Accountable Entities Incentive Arrangement and the FY 2018 final budget included \$9.3 million for the administrative expenses. The Executive Office entered into the following financial arrangements: \$2.0 million for its investment in the Healthcare Workforce Transformation initiative in coordination with the three state institutions of higher education, \$1.3 million for contracted evaluation and other oversight services through Conduent, and \$0.8 million for contracted staffing for project management, financial operations, analysis, evaluation and federal compliance.

The Assembly concurred with the Governor's proposal to establish a restricted receipt account in the general fund so that healthcare workforce development activities at the state's public institutions of higher education can receive the federal match that is available to the state's Medicaid program through its Executive Office of Health and Human Services' Designated State Health program. Aggregate expenditures from FY 2017 through the FY 2022 enacted budget totals \$190.1 million on programs and administrative expenses.

**Unified Health Infrastructure Project.** The state received approval from the Centers for Medicare and Medicaid Services in April 2015 to implement a nine-year, \$230.8 million project, including \$162.6 million from federal funds including Medicaid, matched by \$50.6 million from general revenues. The project is a joint venture among the Executive Office of Health and Human Services, Department of Human Services, and HealthSource RI. That initial plan was subsequently increased to \$363.7 million, including \$79.0 million for the state match, and would be a fully integrated system, RI Bridges, instead of two separate systems for its human services eligibility, application and worker accessibility activities in the affected agencies as originally planned. This was in July 2015 and the system was to be operational one year later. In September 2016, the old system was shut down; the new system became operational.

There have been continuing concerns from the United States Department of Agriculture's Food and Nutrition Service about the system's functionality. To receive federal approval for matching funds, the state is required to submit its project plan quarterly until instructed otherwise by the federal government.

The state has been approved for an updated project plan that totals \$681.7 million through federal fiscal year 2022. This includes \$519.7 million from federal funds and \$162.0 million from general revenues for design, development and implementation that totals \$398.6 million and \$283.1 million for maintenance and operations.

The FY 2020 enacted budget assumed the use of \$33.2 million from the Deloitte settlement to offset state expenses and \$16.8 million would be returned to the federal government. On February 12, 2019, the administration announced the final settlement of which the state retained \$30.1 million to offset its own costs. The final approval came the following year, in February 2020.

The state has been approved for a project plan that totals \$681.7 million through federal fiscal year 2022. This includes \$519.7 million from federal funds and \$162.0 million from general revenues for design, development and implementation that totals \$398.6 million and \$283.1 million for maintenance and operations.

The state entered into a new three-year contract with Deloitte on June 28, 2021. The contract is valid from July 1, 2021 through June 30, 2022 and will cost a total of \$99.4 million, including \$41.2 million from general revenues.

The following table includes spending from FY 2016 through the FY 2022 enacted budget.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted/TT Fund & HealthSource RI	Total
<b>FY 2016 through FY 2020</b>	<b>\$ 43,229,481</b>	<b>\$ 257,588,573</b>	<b>\$ 49,262,860</b>	<b>\$ 10,408,287</b>	<b>\$ 360,489,201</b>
<b>FY 2021 Enacted</b>					
EOHHS	\$ 9,591,685	\$ 41,118,584	\$ -	\$ -	\$ 50,710,269
DHS	6,179,260	14,624,414	-	-	20,803,674
HealthSource RI/Contact Center	526,160	-	-	4,592,582	5,118,742
<b>Total</b>	<b>\$ 16,297,105</b>	<b>\$ 55,742,998</b>	<b>\$ -</b>	<b>\$ 4,592,582</b>	<b>\$ 76,632,685</b>
<b>FY 2021 Revised Recommendation</b>					
EOHHS	\$ 9,593,556	\$ 42,284,451	\$ -	\$ -	\$ 51,878,007
DHS	6,188,151	14,648,533	-	-	20,836,684
HealthSource RI/Contact Center	526,160	-	-	4,593,022	5,119,182
<b>Total</b>	<b>\$ 16,307,867</b>	<b>\$ 56,932,984</b>	<b>\$ -</b>	<b>\$ 4,593,022</b>	<b>\$ 77,833,873</b>
<b>FY 2021 Final</b>					
EOHHS	\$ 10,846,507	\$ 41,138,119	\$ 166,125	\$ -	\$ 52,150,751
DHS	5,125,459	11,189,024	-	-	16,314,483
HealthSource RI/Contact Center	456,651	-	-	4,593,022	5,049,673
<b>Total</b>	<b>\$ 16,428,617</b>	<b>\$ 52,327,143</b>	<b>\$ 166,125</b>	<b>\$ 4,593,022</b>	<b>\$ 73,514,907</b>
<b>FY 2022 Recommendation</b>					
EOHHS	\$ 11,349,918	\$ 40,305,969	\$ -	\$ -	\$ 51,655,887
DHS	12,396,645	13,754,584	-	-	26,151,229
HealthSource RI/Contact Center	364,110	-	-	5,009,996	5,374,106
<b>Total</b>	<b>\$ 24,110,673</b>	<b>\$ 54,060,553</b>	<b>\$ -</b>	<b>\$ 5,009,996</b>	<b>\$ 83,181,222</b>
<b>FY 2022 Enacted</b>					
EOHHS	\$ 11,321,996	\$ 40,221,985	\$ -	\$ -	\$ 51,543,981
DHS	12,396,645	13,754,584	-	-	26,151,229
HealthSource RI/Contact Center	364,110	-	-	5,009,996	5,374,106
<b>Total</b>	<b>\$ 24,082,751</b>	<b>\$ 53,976,569</b>	<b>\$ -</b>	<b>\$ 5,009,996</b>	<b>\$ 83,069,316</b>
<b>FY 2016 through FY 2022 Enacted</b>	<b>\$ 83,740,849</b>	<b>\$ 363,892,285</b>	<b>\$ 49,428,985</b>	<b>\$ 20,011,305</b>	<b>\$ 517,073,424</b>

**Rhode Island Consumer Choice Global Compact Waiver.** The Rhode Island Consumer Choice Global Compact Waiver, or Medicaid Global Waiver, was approved by the Centers for Medicare and Medicaid Services on January 16, 2009. The Global Waiver establishes a new federal-state agreement that provides Rhode Island with the flexibility to provide services in the least restrictive, most cost effective way to meet the needs of its citizens. It was in effect until December 31, 2013, at which time the state applied for and received an extension until December 31, 2018, renaming it the 1115 Research and Demonstration Waiver. The state received approval to extend the waiver until December 31, 2023.

Programs under the waiver include RItE Care, Rhody Health Partners, Rhody Health Options, home and community based services to elderly residents, residential and community support programs to adults with behavioral health and developmental disabilities, and breast and cervical cancer treatments. It also allowed the state to leverage Medicaid for services that were previously state-only in the Departments of Human Services, Behavioral Healthcare, Developmental Disabilities and Hospitals, and Children, Youth and Families.

The Medicaid resolution language included in Article 13 of 2018-H 7200, Substitute A, as amended, granted legislative approval to seek extension of the waiver. The following table lists the new benefits that were included in the extension, approved by the Centers of Medicare and Medicaid Services, and included in the FY 2022 enacted budget.

The two programs under the Family Home Visiting program are Family First Connections to expand resources and services such as preventive health and prenatal care. The FY 2022 enacted budget adds \$226,800 from all sources, including new general revenue expenditures of \$95,755.

The second program is Parents as Teachers, which improves outcomes for families who reside in at-risk communities for which the FY 2022 enacted budget includes \$1.4 million, including new general revenue expenditures of \$0.6 million.

<b>Waiver Proposals Approved and Part of the FY 2022 Enacted Budget</b>	
<i>Program</i>	<i>Explanation</i>
Covering Family Home Visiting Program	<ul style="list-style-type: none"> <li>• Able to receive federal matching funds for evidence-based home visiting services for Medicaid eligible pregnant women and children up to age four who are at-risk for adverse health, behavioral, and educational outcomes</li> <li>• Aimed at improving maternal and child health outcomes, encouraging positive parenting, and promoting child development and school readiness</li> </ul>

The next table shows proposals that have been approved in the waiver that impact youth and families, but funding is not included in the FY 2021 or FY 2022 budgets.

<b>Waiver Proposals Approved and Not Funded as Part of the Budget</b>	
<i>Programs for Youth and Families</i>	<i>Explanation</i>
Facilitating Medicaid Eligibility for Children with Special Needs	<ul style="list-style-type: none"> <li>• Eligibility category established for children who meet the SSI disability criteria, but whose household income &amp; assets exceed the SSI resource limits, and who need care in a psychiatric residential treatment facility</li> <li>• Allows children who meet the SSI disability criteria and require care in a residential treatment facility to become Medicaid eligible and receive residential care without parents needing to voluntarily relinquish custody to the Department of Children, Youth and Families</li> </ul>
Enhancing Peer Support Services for Parents & Youth	<ul style="list-style-type: none"> <li>• Able to receive federal matching funds for peer mentoring services to children, youth, and young adults, and their families, who have complex behavioral health needs and are at risk of removal from their home due to child welfare or juvenile justice involvement, or who may need extended residential psychiatric treatment</li> </ul>

The next table shows proposals that have been approved impacting adults but not included in the FY 2021 or FY 2022 budgets.

<b>Waiver Proposals Approved and Not Funded as Part of the Budget</b>	
<i>Programs for Adults</i>	<i>Explanation</i>
Supporting Home- and Community-Based Therapeutic Services for the Adult Population	<ul style="list-style-type: none"> <li>• Expansion of current in-home/community-based skill building and therapeutic/clinical services offered to children and adults</li> <li>• Services may include but are not limited to: home-based specialized treatment; home-based treatment support; individual specific orientation; transitional service; lead therapy; life skill building; specialized treatment consultation by a behavioral health clinician; and treatment coordination</li> </ul>
Access to Care for Homebound Individuals	<ul style="list-style-type: none"> <li>• Cover home-based primary care services only for Medicaid eligible individuals who are homebound, have functional limitations that make it difficult to access primary care, or for whom routine office based primary care is not effective because of complex medical, social, and/or behavioral health conditions</li> </ul>
Waive the Institutions of Mental Disease (IMD) Exclusion	<ul style="list-style-type: none"> <li>• Waiver of the IMD exclusion to allow Medicaid coverage for residential treatment services in a facility with 16 or more beds for individuals who have substance use disorders</li> <li>• <b>CMS has approved a waiver of the IMD exclusion for substance abuse disorders only, not mental health</b></li> </ul>

One aspect that did change was the process that the state has to adhere to in order to amend the waiver. Previously, the process was dictated by the nature of the change and identified as either a Category I, II or

III change. The following table shows each separate category, gives brief explanations and examples, and identifies whether or not Assembly approval is required.

Category	Assembly Approval	Global Waiver Change	Examples Waiver Changes
I	No	Any administrative change that does not affect eligibility, benefits, healthcare delivery, payment methods or cost sharing	General operating procedures, instruments to determine level of care and prior authorization procedures
II	Yes	State plan amendment change that does not change the special terms and conditions of the global waiver or expenditure authority	Benefit packages, payment methods, and cost sharing levels that do not affect eligibility
III	Yes	Requires modifying the current waiver or expenditure authority	All eligibility changes, changes to spend down levels, aggregate changes to cost sharing that exceed current limit

As part of the waiver extension, the Centers for Medicare and Medicaid Services notified the state that the process to approve requested waiver changes would be streamlined and the separate categories eliminated. There is now one process to make formal amendment changes that were previously considered Category III. The Assembly included Section 9 of Article 13 of 2019-H 5151, Substitute A, as amended, to retain the requirement for Assembly approval for previous Category II and III changes which will now be identified as formal amendments and state plan changes, respectively.

**Medicaid Expenses - State/National Comparison.** The Medicaid report has compared national and state 2013 Medicaid spending using the Medicaid and Children’s Health Insurance Program Payment and Access Commission (MACPAC) MACStats Data Book (December 2015). The updated MACStats Data Book (December 2016 and 2017) includes national and state 2013 spending; however, certain information for Rhode Island is not listed because as footnoted: “*State was excluded due to data reliability concerns regarding completeness of monthly claims and enrollment data.*” The 2013 data have not been updated and as such is being excluded from this year’s edition of the report. Prior House Fiscal Advisory Staff analyses show the older data.

### Poverty Guidelines

The federal poverty guidelines are used for purposes of determining financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office. The 2021 guidelines are shown in the following table.

Percent of Federal Poverty Level based on Annual Income									
Family Size	100%	125%	133%	138%	150%	180%	185%	225%	250%
1	\$ 12,880	\$ 16,100	\$ 17,130	\$ 17,774	\$ 19,320	\$ 23,184	\$ 23,828	\$ 28,980	\$ 32,200
2	17,420	21,775	23,169	24,040	26,130	31,356	32,227	39,195	43,550
3	21,960	27,450	29,207	30,305	32,940	39,528	40,626	49,410	54,900
4	26,500	33,125	35,245	36,570	39,750	47,700	49,025	59,625	66,250
5	31,040	38,800	41,283	42,835	46,560	55,872	57,424	69,840	77,600
6	35,580	44,475	47,321	49,100	53,370	64,044	65,823	80,055	88,950
7	40,120	50,150	53,360	55,366	60,180	72,216	74,222	90,270	100,300
8	44,660	55,825	59,398	61,631	66,990	80,388	82,621	100,485	111,650

*For families with more than 8 members, add \$4,540 for each additional member for the 100 percent calculation.*

The poverty guidelines are based on the calculations made for the poverty threshold used by the United States Census Bureau mainly for statistical purposes, for instance, preparing the estimates of the number of Americans in poverty for each year’s report.



They are issued each year, generally in the winter, in the Federal Register by the United States Department of Health and Human Services. The guidelines are thresholds used to determine financial eligibility for certain federal programs. They are adjusted for families of different sizes.

Both the thresholds and the guidelines are updated annually for price changes using the Consumer Price Index for All Urban Consumers (CPI-U). The poverty guidelines are sometimes loosely referred to as the “federal poverty level” or “poverty line.”

### Medicaid Recipients

**Citizenship Requirements.** To be eligible to receive Medicaid funded services, an individual must generally either be a citizen or legal resident for at least five years. Individuals must also be a resident of the state in which they are applying for benefits.

**Pregnant Women.** Medical services are provided to pregnant women whose annual income is at or below 250 percent of the poverty level. States are mandated to provide services to women at or below 133 percent of poverty.

**Children and Parents.** Medical services are provided to children whose family income is at or below 250 percent of poverty and parents if the income is at or below 133 percent of poverty through the RItE Care and RItE Share programs. Medical services are also provided to children who are placed in foster care or an adoptive placement through the Department of Children, Youth and Families.

**Children with Special Health Care Needs.** Medical services are provided to children with special health care needs including children in the Department of Children, Youth and Families’ care who are in foster care and adoptive placement.

The following table shows the populations to which a state must provide medical benefits and the eligibility criteria established in Rhode Island. Each is discussed separately in the pages that follow.

Populations	
Mandatory	Optional
Low income Medicare beneficiaries up to 135% of poverty	Low income elderly or adults with disabilities and individuals eligible for home and community care waiver services
Children up to age 1 at or below 185% of poverty; Parents and children age 1 to 19 at or below 133% of poverty	Children to 250% of poverty
Supplemental Security Income or Social Security Disability Insurance recipients	Non-disabled adults, without dependent children, ages 19 through 64 with income at or below 138% of poverty
	Individuals who are medically needy
	Women eligible for breast and cervical cancer treatment services
Children in adoption assistance or who live in foster care under a Title IV-E program	Children under 18 who would otherwise need institutional care

**Low Income Elderly.** Individuals age 65 and older are eligible for medical benefits based on income and resources. They are eligible for community and/or long term care services if they meet income guidelines and the level of care requirements for the state’s programs.

**Medicaid Eligible Disabled Non-Elderly Adults.** The state provides medical and cash assistance benefits to an adult, under the age of 65, if that individual meets the Social Security Administration definition of disabled. A person is considered disabled if they have a physical or mental disability, expected to last longer than six months and result in their death.

There are two programs that provide a monthly cash assistance benefit to a disabled individual: Social Security Disability Insurance (SSDI) and/or Supplemental Security Income (SSI).

If an individual is determined to be disabled and has a work history of 40 quarters, he or she may first be eligible for Social Security Disability Insurance, which is not considered a public assistance program. This is a federal program where the individual receives a monthly payment.

The second program available to a disabled individual is the Supplemental Security Income program. This is a federal public assistance program for individuals with limited income and resources. Individuals may be eligible for both the Social Security Disability Insurance program and the Supplemental Security Income program if they meet the income eligibility requirements. States have the option of providing a state payment in addition to the federal payment. Rhode Island began to make this supplemental payment in 1987.

**Non-Disabled Adults without Dependent Children.** The 2013 Assembly expanded Medicaid coverage to non-disabled adults without dependent children between the ages of 19 and 64 at or below 138 percent of federal poverty, consistent with the changes under the Affordable Care Act.

**Breast and Cervical Cancer Treatment.** The state provides breast and cervical cancer treatment services through the Medicaid global waiver. A woman must first be screened through the Department of Health’s women’s cancer screening program before she can receive Medicaid covered treatment services and be at or below 250 percent of poverty.

### **Medicaid - Benefits**

States must provide mandatory benefits to certain populations. States can also choose to cover additional populations and provide additional benefits beyond what is mandated by the federal government. If a state chooses to extend coverage to additional populations, it must provide the same mandatory services it gives to its mandatory populations.

The most recently produced Executive Office of Health and Human Services’ Rhode Island Annual Medicaid Expenditure Report includes Medicaid spending by population and cost per person for FY 2019 as shown in the following table.

<b>Populations</b>	<b>Persons</b>	<b>% of Population</b>	<b>Costs*</b>	<b>% of Cost</b>	<b>Annual Cost/Person</b>
Children/Parents	164,630	53.4%	\$ 590	22.4%	\$ 3,504
Expansion	76,489	24.8%	\$ 477	18.1%	\$ 6,186
Elderly	22,645	7.3%	\$ 617	23.5%	\$ 29,124
Disabled - Children	12,362	4.0%	\$ 175	6.7%	\$ 14,052
Disabled - Adults	32,235	10.5%	\$ 771	29.3%	\$ 23,496
<b>Total</b>	<b>308,361</b>	<b>100%</b>	<b>\$ 2,630</b>	<b>100%</b>	

*\*in millions*

Previous versions of report had included a breakdown of cost by mandatory and optional populations and mandatory and optional services. The 2019 Assembly passed legislation that requires the Executive Office of Health and Human Services to include this information, as well as administrative expenses. The 2019

annual report includes Medicaid expenditures that total \$2,996.0 million from federal and state funds on both direct benefits and administrative expenses. Of this total, \$2,629 million, or 88 percent of the expenses, are for benefits for covered services for full enrollees. There is another \$213.0 million, or seven percent of expenses, for partial enrollees, uncompensated care payments made to hospitals, payments to local education agencies, Medicare premium payment the state makes on behalf of eligible individuals and the cost not otherwise matchable expenses. The report also includes \$154.0 million, or five percent of program costs, on administrative expenses. Of the total spent on Medicaid benefits, \$1,099.0 million, or 41.8 percent, was spent on mandatory services for mandatory populations.

<b>FY 2019 Medicaid Annual Report</b>		<b>All Funds</b>	<b>% of Total</b>
Mandatory Populations	Mandatory Services	\$ 1,099	41.8%
	Optional Services	388	14.8%
	<b>Subtotal - Mandatory Populations</b>	<b>\$ 1,487</b>	<b>56.6%</b>
Optional Populations	Mandatory Services	\$ 846	32.2%
	Optional Services	296	11.3%
	<b>Subtotal - Optional Populations</b>	<b>\$ 1,142</b>	<b>43.4%</b>
<b>Total Expenses</b>		<b>\$ 2,629</b>	<b>100%</b>

*\$ in millions*

The requirements to submit the annual report are contained in Rhode Island General Laws, Chapter 42-7.2 (5) and, starting in 2020, the report must include: expenditures, including administrative expenses, outcomes and utilization rates by population and sub-population served (e.g. families with children, persons with disabilities, children in foster care, children receiving adoption assistance, adults ages 19 to 64, and elders); expenditures, outcomes and utilization rates by each state department or other municipal or public entity receiving federal reimbursement under Medicaid; and expenditures, outcomes and utilization rates by type of service and/or service provider.

The report is also required to include expenditures by mandatory population receiving mandatory services and, reported separately, optional services, as well as optional populations receiving mandatory services and, reported separately, optional services for each state agency receiving Medicaid funds. The Assembly concurred with the Governor's recommendation to move the month the report is due to September which would make the FY 2020 report due September 15, 2021. The legislation to do so is in Section 8 of Article 12 of 2021-H 6122, Substitute A, as amended.

The following table shows both the mandatory and optional benefits provided through the state's Medicaid program for acute care services. Acute care services are direct medical benefits provided to eligible individuals including doctor visits, hospital services, rehabilitation, and prescription coverage.

<b>Acute Care Benefits</b>	
<b>Mandatory</b>	<b>Optional</b>
Physician services	Prescriptions
Lab & X-ray	Rehabilitation & other therapies
In/outpatient hospital services	Clinical Services
Early, Periodic, Screening Diagnostic and Treatment (EPSDT) Services	Dental, dentures, prosthetic devices & eyeglasses
Family planning services and supplies	Case management
Federally qualified health centers and rural health clinic services	Durable medical equipment
Nurse midwife as state law permits	Tuberculosis related services
Certified pediatric & family nurse practitioner services	Medical remedial care provided by other licensed professionals

In addition, the next table includes both the mandatory and optional benefits provided through the state's Medicaid program for long term care and home and community care services.

<b>Long Term Care Benefits</b>	
<b>Mandatory</b>	<b>Optional</b>
<b>Institutional</b>	
Nursing facility services for those 21 or older needing that level of care	Intermediate Care Facility for the Developmentally Disabled (ICF/DD)
	Individuals 65 or older in an institute of mental disease
	Inpatient psychiatric hospital service for those under 21
<b>Home and Community Care Services</b>	
Home health care services for those entitled to nursing home care	Home & community based care/other home health care
	Targeted case management
	Hospice/Personal care
	Respiratory care services for ventilator dependent individuals
	PACE Program

### **Medicaid Programs**

The state provides medical benefits, residential, and home and community based services to qualified individuals. These programs are described in the sections that follow.

### **Medical Benefits**

**RItE Care/RItE Share.** The state provides medical benefits to children and their parents who meet the eligibility criteria for the RItE Care program. The federal government mandates that states provide Medicaid benefits to children up to age 19 whose family income is at or below 133 percent of poverty, children in foster care and adoptive assistance, and parents whose income is at or below 50 percent of the poverty level.

The federal government allows states to provide medical benefits to individuals beyond the populations it mandates and that coverage is provided through Medicaid waivers. Rhode Island chooses to provide benefits to children whose family income is at or below 250 percent of poverty (for example, a family of four with an income that does not exceed \$66,250) and to parents if the family income is at or below 133 percent of poverty (for that same family of four, an income that is not above \$35,245). If a family's income is at or below 200 percent of poverty, the child (or children) would receive RItE Care benefits, but the parent (or parents) would not because the annual income is too high. The Centers for Medicare and Medicaid Services issued a ruling that requires states to use the new methodology mandated under the Affordable Care Act for verifying income that uses a family's modified adjusted gross income (MAGI) instead of family income with certain disregards.

Under the methodology conversion, states have a higher income threshold for certain populations because the disregards are adjusted using the new calculation with the intent to not make any person ineligible for benefits because of the conversion. For Rhode Island, this conversion changes the income threshold for children, increasing it from 250 percent with the disregards to 261 percent. For Rhode Island, the income threshold for parents was raised to the mandatory level of 138 percent which is not impacted by the MAGI conversion.

RIte Share participants are eligible for RIte Care but have access to employer sponsored insurance for which the state pays monthly cost sharing requirements and deductibles. The 2019 Assembly added Section 7 of Article 13 of 2019-H 5151, Substitute A, as amended, to require a plan be submitted by October 1, by the Executive Office of Health and Human Services to identify Medicaid eligible individuals who have access to employer sponsored health insurance included in the medical assistance report after that. The objective was to increase enrollment in the lower cost benefit that enrolls Medicaid beneficiaries in employer sponsored insurance to levels that existed prior to the launch of the Unified Health Infrastructure Project which totaled approximately 8,400. The November 2020 and May 2021 caseload testimony reported enrollment of less than 2,000, roughly half the prior year level. The 2021 Assembly enacted a new reporting requirement for the Executive Office of Health and Human Services to report employer sponsored insurance plans that meet the cost effectiveness criteria for RIte Share, discussed in the next section.

**RIte Share Outreach and Reporting.** As noted, prior to the September 2016 launch of the Unified Health Infrastructure Project (UHIP), there were 8,400 individuals covered through RIte Share compared to the 2,000 reported in November 2020. In response to a proposal from Governor Raimondo that would have implemented a new fee for large employers whose workers were on Medicaid, public testimony at the House Finance Committee hearing revealed that there were many instances where the employer was not aware that an employee was on RIte Care.

The Assembly adopted Section 7 of Article 13 of 2019-H 5151, Substitute A, as amended, for the Executive Office to submit a plan by October 1, 2019 to revisit the existing RIte Share program to maximize enrollment and identify who has access to other health insurance. After that, the Executive Office is required to submit the following information in its monthly medical assistance report starting January 1, 2020: the number of individuals with access to third party insurance, the number of plans that meet the cost effectiveness criteria, and the enrollment in RIte Share. The Executive Office has not complied with this, citing lack of data availability.

It should be noted that under current law, RIte Share enrollment is a condition of eligibility for anyone over age 19, except in limited circumstances. If the state has approved an employer sponsored plan, the family is required to participate in RIte Share. If a family does not sign up for the employer sponsored health insurance, the adults will have their Medicaid eligibility terminated and any children will remain on RIte Care with the full Medicaid benefit.

Governor Raimondo's FY 2021 recommended budget proposed a significant change to the way the RIte Share program currently operates by having employers with at least 50 workers, excluding non-profits, submit employee-specific information to the Executive Office and Division of Taxation so a determination can be made if a Medicaid eligible individual has access to employer sponsored insurance. Any employer who does not comply in a timely manner would be assessed a \$2,500 penalty by the Division of Taxation; one who does not comply at all or an employer who provides false information would be assessed a \$5,000 penalty. The current public health emergency has affected employment and, with it, access to employer sponsored insurance. The Executive Office also noted during the November 2020 caseload conference that the delay in enacting the FY 2021 budget and the current pandemic would delay implementation and any savings from this proposal to FY 2022. The Assembly did not adopt this proposal.

Governor McKee recommended the same proposal for his FY 2022 budget and assumed savings of \$2.7 million, including \$0.7 million from general revenues, representing six months. The Assembly did not concur with these changes but did include Section 5 of Article 12 of H-6122, Substitute A, as amended, to require the Executive Office of Health and Human Services to report employer sponsored insurance plans that meet the cost effectiveness criteria for RIte Share. Information in the report is to be used for screening for Medicaid enrollment to encourage RIte Share participation. By October 1, 2021, the report shall include any employers with 300 or more employees. By January 1, 2022, the report shall include employers with

100 or more employees. The January report is to be submitted to the chairpersons of the house and senate finance committees as well as the house fiscal advisor, the senate fiscal advisor, and the state budget officer.

**RIte Share Cost Sharing Requirement.** RIte Share recipients with annual incomes above 150 percent of the federal poverty pay a monthly cost sharing requirement that is no more than five percent of their annual income. The following chart shows the three separate payments based on a family's annual income, approximately three percent.

<b>RIte Share Co-Pays</b>	
<b>Poverty Level</b>	<b>Current Payments</b>
150% up to 185%	\$61
185% up to 200%	\$77
200% up to 250%	\$92

The 2013 Assembly eliminated the monthly cost sharing requirement for families whose children receive coverage through RIte Care so that a family receiving coverage through the Exchange will not have two monthly premiums: one for the child(ren) in RIte Care and the monthly cost for commercial health coverage.

**Extended Family Planning.** The state provides extended family planning services to post-partum women with an income at or below 250 percent of poverty, for up to 24 months, if the mother loses RIte Care coverage 60 days after having a child.

**Foster Care.** The state provides RIte Care benefits to a child in a foster care placement. The state does not provide benefits to the biological parent or the foster parent. The child is also covered by Medicaid if determined to be eligible for disability through the Supplemental Security Income program.

**Adoptive Assistance.** The state provides RIte Care benefits to a child in adoptive assistance. The child is also covered by Medicaid if determined to be eligible for disability through the Supplemental Security Income program.

**Children with Special Health Care Needs - Katie Beckett Option.** The state chooses to provide home care and other services to children under the age of 18 who would require an institutional level of care. The income eligibility is based on the child's income and not the family's income. States can also choose to provide this service as a waiver, which would include a limited number of placements, or as an option under the Medicaid state plan, which is not limited. Rhode Island provides the services under the state plan option allowing for an unlimited number of program participants.

**Early Intervention.** The state provides services to children from birth to age three who have presented with a disability through the early intervention program. The services include physical, speech and occupational therapies.

**Rhody Health Partners.** For adults who are disabled but not receiving Medicare, the state provides medical benefits through Rhody Health Partners. This is a managed care system with plans through either Neighborhood Health Plan of Rhode Island, UnitedHealthcare or Tufts.

**Rhody Health Options.** For adults who are eligible for both Medicare and Medicaid, the state contracts with Neighborhood Health Plan of Rhode Island to manage the acute care and long term care services for these individuals through its Integrity program.

**Fee-for-Service System.** Individuals who are eligible for both Medicare and Medicaid, known as dual eligibles, receive medical benefits through the traditional fee-for-service system.

**Telemedicine Services.** The Centers for Medicare and Medicaid Services permit states broad flexibility to cover telehealth services through the Medicaid program, including the methods of communication, such as telephonic, video technology commonly available on smart phones and other devices, to use. As a result, a state does not need federal approval to reimburse providers for telehealth services in the same way or pay at the same rate that its pays for face-to-face services.

Governor Raimondo signed an Executive Order that allowed health care providers to be reimbursed by health insurers for telemedicine services during the public health emergency. For services delivered by in-network providers, the rates paid can be no lower than if the services had been delivered through traditional (in-person) methods. This action suspended the prohibition on this activity included in Rhode Island General Law, Section 27-81-4 (b). The Assembly enacted 2021-H 6032, Substitute A, as amended, which was signed by the Governor on July 6, 2021, to require coverage for telemedicine services in certain circumstances for both commercial insurers and the Medicaid program at the same rates as face-to-face visits. The Office of the Health Insurance Commissioner will promulgate the necessary rules and regulations.

### **Long Term Care Residential and Community Care Services**

**Nursing Homes.** The state reimburses 84 nursing homes that provide long term residential care to elderly and disabled individuals who require a nursing home level of care.

**Hospice Services.** Hospice services are provided to the terminally ill if there is a medical prognosis that life expectancy is six months or less. Services are provided in either the home setting, a nursing home, or other institutional setting.

**Assisted Living Facilities.** The state provides eligible residents access to assisted living facilities, a less expensive alternative to residing in a nursing home. Individuals can access this option, available through the Medicaid Global Waiver.

**Home and Community Care Services.** Through the Medicaid Global Waiver, the state provides home care and community care services to allow individuals to remain in their home instead of moving into a nursing home.

**Eleanor Slater Hospital.** The Eleanor Slater Hospital is the state's only public hospital and provides long-term care services with the support of acute medical services. It is a 495-bed facility licensed by the Department of Health, accredited by the Joint Commission on the Accreditation of Healthcare Organizations, and certified by the Centers for Medicare and Medicaid Services. It is a two-campus hospital consisting of the Pastore campus in Cranston and the Zambarano unit in Burrillville. The state provides long term services to individuals with disabilities, court ordered psychiatric patients, and those with behavioral health issues. As of May 28, 2021, there were 196 patients between both campuses: 124 patients at the Cranston campus and 72 patients at Zambarano.

As previously noted, it was determined that the state was not in compliance with billing practices that were required in order to bill Medicaid for services provided at the hospital. There were three separate issues for patients at the state hospital disclosed over several months by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and Office of Management and Budget beginning in March 2020.

The first issue was that Rhode Island was not in compliance with the federal rule regarding Medicaid funding for facilities that have more psychiatric patients than medical ones. If a facility has more than 16 beds and provides services to more psychiatric patients than medical ones, it is considered an Institute of Mental Disease and Medicaid does not fund these facilities. Eleanor Slater Hospital falls into this category and must adhere to this patient mix rule. It was revealed in a March 4, 2020 letter from the Office of

Management and Budget that the state was not in compliance with this rule from August 2019 through February 2020. During this process, other issues relating to the proper regulatory processes were revealed and rectified.

The second issue was the appropriateness of the state's practice of billing Medicaid for expenses incurred serving its forensic population. This court ordered population includes individuals: not guilty by reason of insanity, incompetent to stand trial or transferred from the Department of Corrections to receive specialized services. The state sought clarification from the Centers for Medicare and Medicaid Services which eventually issued guidance that Rhode Island could not bill Medicaid for these patients. This information was reported as part of the May 2020 hearing before the House Finance Committee that included an update on the progress being made concerning billing issues. This means that these 50 patients must be paid for with only general revenues.

At the June 2020 House Finance Committee hearing, the Department reported a third billing issue uncovered after a review of the remaining non-forensic patients. The Department reported that it could not bill Medicaid, or Medicare, for an unidentified number of patients because their conditions did not warrant a hospital level of care. The state had been billing Medicaid an aggregate cost of approximately \$1,500 a day/per patient for hospital expenses assuming the patient needed that level of care. After the initial review, the Department found that there were patients who could receive necessary services in other placements, such as a nursing home for which reimbursements are considerably lower. It may be the case that the state can bill for some, but not all, of the services patients receive in the hospital before another placement is found. The Executive Office filed a Medicaid state plan amendment to formalize how the state can bill Medicaid for patients currently receiving services at the state hospital but are not in need of a hospital level of care. That process started in March 2020 and federal authority was granted late March 2021.

The Department engaged the consulting firm Alvarez and Marsal in October 2019 for a hospital assessment and reengaged the firm in July 2020 to work on the redesign of the hospital.

Governor Raimondo requested an amendment on October 23, 2020 to provide \$64.9 million, including \$53.6 million from Rhode Island Capital Plan funds, to build a new nursing facility on the Zambarano campus. It also included \$1.3 million for a hospital information system and \$7.9 million to continue renovation work on the Regan building. The Assembly did not include that proposal in the FY 2021 budget. Governor McKee resubmitted this proposal in his FY 2022 recommended budget and included in Article 4 of 2021-H 6122. The Assembly did not concur with the new building, pending a future recommendation from the Governor who paused his previous reorganization proposal.

Governor McKee's FY 2022 recommended budget includes \$38.2 million in general revenue savings from a reorganization of the hospital system. In cooperation with Alvarez and Marsal, the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals is reviewing its options for the next step as it transitions to an appropriately licensed facility for its patients at both campuses. A portion of the savings is from transitioning patients to other placements when appropriate, closing the Adolph Meyer building and adjusting staffing expenses for a smaller hospital setting. On June 6, 2021, the Governor requested an amendment reversing this proposal and the Assembly concurred.

The Governor also requested an amendment that adjusted Medicaid funds available for FY 2021 and FY 2022. For FY 2021, the enacted budget assumes \$10.0 million from Medicaid would be available to offset general revenue expense once there was federal approval of the state plan amendment. The Governor's revised recommendation inadvertently adds \$1.6 million for total Medicaid funding of \$11.6 million. On March 25, 2021, the federal government approved the pending Medicaid billing proposal retroactive to April 2020.



The Governor requested several amendments to adjust Medicaid funding at the state hospital while continued billing issues are resolved. The recommended budget assumes the state would remain in compliance, as it was reported to be in December 2020, with the required ratio of medical to psychiatric to avoid designation as an Institute for Mental Disease and the related disqualification from most Medicaid billing. On April 12, 2021, the Governor requested an amendment that added \$5.3 million from Medicaid funds for FY 2021.

Soon thereafter, in May 2021, the Department reported that recent reviews of patient medical records resulted in changes to previously reported diagnoses that moved the facility back out of compliance on its patient mix, putting the Medicaid billing back in jeopardy. During the review, it was also reported that expenses related to patients who are either under age 22 or 65 or older continue to be eligible for Medicaid match even if the state is out of compliance. This exception allows the state to realize \$2.2 million in federal Medicaid funds. In response to this uncertainty, the Governor requested an amendment on June 6 to lower the Medicaid funding to \$2.2 million for FY 2021. For his FY 2022 recommendation, the Governor did not initially include any Medicaid funds and subsequently requested an amendment to recognize \$2.0 million in Medicaid for specific expenses related to these populations. The Assembly concurred and included \$2.2 million for FY 2021 and \$2.0 million for FY 2022.

The loss of federal Medicaid and related funds has impacted the FY 2020, FY 2021 and FY 2022 budgets. Using FY 2019 as a baseline for allowable Medicaid funded expenses, the state has had to use general revenues to replace approximately \$62.0 to \$63.0 million annually over those three years for a total of approximately \$190 million. There was also a loss of \$15.0 million in Medicaid funds related to prior year billings that were pending resolution because of issues with the Unified Health Infrastructure Project to bring the cumulative state costs related to this ongoing issue to over \$200 million. This estimate excludes the loss of additional general revenue relief from an opportunity for enhanced Medicaid match that would have been available throughout the public health emergency.

### **Residential Services and Other Programs**

**Foster Care.** The state provides foster care services to children in its custody.

**Group Homes.** The state provides placement in group home settings to children in its custody.

**Bradley Hospital Psychiatric Hospitalization.** The state provides short-term treatment and crisis stabilization for children in acute distress, comprehensive evaluations, and long-term treatment. The state pays for psychiatric hospitalization services for Medicaid eligible children and children who are uninsured at the Emma Pendleton Bradley Hospital in East Providence.

**Bradley Hospital Group Homes.** There are five group homes that are run by Bradley Hospital for children ages 4 to 21, located in East Providence (Rumford House and Swan House), East Greenwich (Greenwich House), North Providence (Hill House), and Warwick (Heritage House).

**HIV Treatment Services.** The state provides treatment and supportive services to HIV positive individuals who are uninsured and with income up to 400 percent of poverty. As of January 1, 2014, individuals are either eligible for the Medicaid expansion program or benefits through the Exchange. Benefits will still be provided using the Ryan White federal grant and any rebate funding the state receives from drug purchases through that grant.

**Mental Health Treatment Services.** The state provides mental health treatment services through the Medicaid waiver. For Medicaid funded services, managed care organizations must adhere to the requirement of the Mental Health Parity and Addiction Equity Act of 2008, which was later amended by the Affordable Care Act.

**Substance Abuse Treatment Services.** As an option under Medicaid, states can also choose to provide substance abuse treatment services to Medicaid eligible individuals. For Medicaid funded services, managed care organizations must adhere to the requirement of the Mental Health Parity and Addiction Equity Act of 2008, which was later amended by the Affordable Care Act.

**Adults with Developmental Disabilities.** States are mandated to provide Medicaid funded medical benefits to developmentally disabled adults who require a nursing home level of care and to those who are Supplemental Security Income recipients. The state operates a state-run system for about 120 adults with developmental disabilities and the remaining 3,800 individuals receive residential and community based services through private developmental disability organizations. The Governor’s FY 2022 recommended budget assumes the closure of the state-run system and transfer of program recipients to the community based one. The Assembly did not concur.

Services provided under the Medicaid Global Waiver are optional with mandated medical benefits being paid for through the Executive Office of Health and Human Services’ budget. The federal regulations governing the waiver mandate that in order to receive services a person must meet three eligibility criteria: diagnostic, functional and financial.

Medicaid funded services, provided through the waiver, for this eligible population include residential care, day programming and supportive services. The Assembly adopted Section 7 of 2018-H 7200, Substitute A, as amended, to update the Medicaid waiver to reflect its current practice for services to developmentally disabled adults. The following table shows the tiers and description of options and supports.

<b>DD/ID Needs-Based Service Tier Classifications and Options</b>		
<b>Tier</b>	<b>Service Options</b>	<b>Available Supports</b>
<b>Tier D and E (Highest):</b> <i>Extraordinary Needs</i>	<ul style="list-style-type: none"> <li>• Living with Family/Caregiver</li> <li>• Independent Living</li> <li>• Shared Living</li> <li>• Community Support Residence</li> <li>• Group Home/Specialized Group Home</li> </ul>	<ul style="list-style-type: none"> <li>• Community Residential Support or Access to Overnight Support Services</li> <li>• Integrated Employment Supports</li> <li>• Integrated Community and/or Day Supports</li> <li>• Transportation</li> </ul>
<b>Tier C (Highest):</b> <i>Significant Needs</i>	<ul style="list-style-type: none"> <li>• Living with Family/Caregiver</li> <li>• Independent Living</li> <li>• Shared Living</li> <li>• Community Support Residence</li> <li>• Group Home</li> </ul>	<ul style="list-style-type: none"> <li>• Community Residential Support or Access to Overnight Support Services</li> <li>• Integrated Employment Supports</li> <li>• Integrated Community and/or Day Supports</li> <li>• Transportation</li> </ul>
<b>Tier B (High):</b> <i>Moderate Needs</i> <b>Tier A (High):</b> <i>Mild Needs</i>	<ul style="list-style-type: none"> <li>• Living with Family/Caregiver</li> <li>• Independent Living</li> <li>• Community Support Residence</li> <li>• **Shared Living</li> <li>• *Group Home</li> </ul>	<ul style="list-style-type: none"> <li>• Access to Overnight Support Services</li> <li>• Integrated Employment Supports</li> <li>• Integrated Community and/or Day Supports</li> <li>• Transportation</li> </ul>

*\*Tier A or B individuals will have access to residential services in a group home if they meet at least one defined exception*

*\*\*Tier A will have access to shared living services if they meet at least one defined exception*

For an individual to meet the *diagnostic* criteria, he or she must have mental retardation, defined as an intelligence quotient that is 70 or less, or another type of developmental disability. States have the ability to define developmental disabilities differently using a more expansive definition and consequently serve different populations. Rhode Island uses an expanded developmental disability definition. Section 40.1-21-4.3 of the Rhode Island General Laws defines a developmentally disabled adult as someone who is 18 years of age or older, not under the jurisdiction of the Department of Children, Youth and Families, and who is either a developmentally disabled adult or is a person with a severe, chronic disability.

*Functional* eligibility requires an individual to have a substantial functional limitation in three or more of the following life activities: self-care, receptive and expressive language learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency.

*Financial* eligibility requires a person to be income eligible for services. In most cases, the only source of income for individuals with developmental disabilities is a \$774.92 monthly Supplemental Security Income check, which places them below the 135 percent of the federal poverty level required for the program.

### **Department of Justice Consent Decree**

On January 14, 2014, Rhode Island entered into an interim settlement with the federal government and on April 8, 2014, signed a consent decree to settle *United States v. State of Rhode Island and City of Providence*, which addressed the statewide day activity service system for individuals with intellectual and developmental disabilities. State agency parties to the agreement are: Department of Behavioral Healthcare, Developmental Disabilities and Hospitals; Department of Human Services; Department of Elementary and Secondary Education; and the Office of the Attorney General. The Department of Justice finding applies to those who meet the state's definition of an individual with a disability pursuant to Rhode Island General Laws.

The populations addressed in the consent decree are individuals with intellectual and developmental disabilities that include: the Rhode Island Youth Transition Target Population that are transition-age youth attending Rhode Island secondary schools; the Rhode Island Exit Target Population that are transition age youth during the 2013-2014, 2014-2015, or 2015-2016 school years; the Rhode Island Sheltered Workshop Target Population that perform sheltered workshop tasks or have received day activity services in the previous year; and the Rhode Island Day Target Population that receive day activity services in facility-based day program settings or have received such services in the previous year.

The consent decree has two fiscal components: a monitor and a trust fund. Charles Moseley from the National Association of State Directors of Developmental Disabilities Services had been assigned as the monitor until he resigned in the fall of 2019. District Court Judge John J. McConnell ordered an interim monitor and the state failed to choose a new monitor or submit to the Court three candidates for the replacement. The new monitor, Dr. A. Anthony Antosh, started December 1, 2019.

The consent decree stipulates that the monitor will be paid no more than \$300,000 for his oversight and compliance activities. This was originally budgeted in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' budget but was transferred to the Executive Office's budget when it assumed responsibility for oversight and reporting requirements of the Consent Decree. The Executive Office increased funding to \$450,000 for the court monitor explaining that there were expenses related to oversight of the Interim Settlement Agreement that were not funded. Consistent with the enacted budget, the Governor's revised recommendation includes the \$450,000 but funding is reduced to \$400,000 for FY 2022. The court monitor's contract totals \$282,500 leaving a balance of \$167,500 for work that has not been identified. Included in that amount is \$60,000 for five consultants to review pre-employment transition services, employment practices and policies and career development plans. The work will also include reviewing person-centered plans and services and supports for individuals in the target populations under the consent decree.

The monitor is responsible for approving the training component of the consent decree related to career development and transition plans and will also approve outreach and education programs. The monitor conducts investigations and verifies data and documentation that is necessary to determine if the state is in compliance with the consent decree.

There was another cost of \$100,000 added in the FY 2019 enacted budget for a consent decree coordinator to support the court monitor by gathering information needed for the quarterly submissions to the District Court. The FY 2021 final budget includes \$292,000 for the court monitor and coordinator to reflect current year expenses. The FY 2022 enacted budget includes \$300,000 for the monitor and \$100,000 for the coordinator.

The state complied with the consent decree by establishing and distributing funds from an \$800,000 Workshop Conversion Trust Fund, which was to be administered by the Paul V. Sherlock Center on Disabilities at Rhode Island College. The fund supported start-up costs for agencies who converted services to supported employment and will be administered by the director of the Department of Human Services and the associate director of the Office of Rehabilitation Services. There were nine agencies that took part in this opportunity.

The state also created an employment first task force that included but is not limited to: the Community Provider Network of Rhode Island, the Paul V. Sherlock Center on Disabilities at Rhode Island College, the Rhode Island Disability Law Center, the Rhode Island Developmental Disabilities Council, the Rhode Island Parent Information Network, individuals with intellectual and developmental disabilities and parent and family representatives.

The state must ensure available funding for services and reallocate resources expended on the sheltered workshop plans and segregated day programs to fund supported employment and/or integrated day services as individuals transition to supported employment and/or integrated day only placements, in order to have funding “follow the person.”

Starting in February 2020, Judge John J. McConnell issued a series of court orders that included Dr. Antosh conducting a comprehensive review of the current status of the consent decree. The court monitor established five working groups that were assigned specific issues to address. Dr. Antosh filed his report with the court on November 30, 2020 and Judge McConnell issued a court order on January 6, 2021 for the state to develop a three-year budget addressing the issues in the analysis.

Judge McConnell issued a subsequent court order on March 16, clarifying the January 6 court order, instructing the state to continue to develop a negotiated three-year budget strategy that will support the requirements of the consent decree. The plan will include addressing the problem of low compensation and turnover that prevent the ability to maintain a stable and competitive workforce. It should also include transitioning to a community-based model, aligning funding and reimbursements to the provider and aligning with federal standards for Medicaid eligible services. It also includes finding ways to develop individualized plans and budgets to promote access to employment and other integrated activities, providing adequate transportation and funding for technology purchases. The court order also establishes consistent data collection and reporting requirements to facilitate proper forecasting of program costs.

The order indicates that final budget plan may take a different approach to bring the state into compliance with the consent decree. The state must report the progress being made on April 30, May 31 and June 30, 2021. There was an initial status hearing on April 27, 2021, where it was reported that the state met with providers and discussed a minimum rate reimbursement of \$15 an hour for direct support professionals. The Governor’s FY 2022 initial recommended budget includes \$15.0 million, of which \$10.0 million is from general revenues, for a fund to assist the community-based providers to comply with the consent decree and improve the quality of, and access to, integrated community day and employment support programs. On June 7, 2021, he requested an amendment to increase the minimum hourly rate reimbursements for direct support professionals to \$15.75 and supervisors to \$21.99 to reflect the negotiations between the state and the providers. The amendment uses \$13.0 million of funding and added another \$27.7 million. The FY 2022 enacted budget includes \$39.7 million for rate increases. The remaining \$2.0 million is for program support.

The Governor also proposed legislation in Sections 5 and 6 in Article 3 of 2021-H 6122, to add expenses for the community based system for adults with developmental disabilities to the semi-annual medical assistance and public assistance caseload conference, effective on July 1, 2022. On June 6, he requested an amendment to move it up one year to July 1, 2021. The Assembly included Sections 6 and 8 of Article 3 of 2021-H 6122, Substitute A, as amended, for the change and added that the Executive Office of Health and Human Services provide direct assistance to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to facilitate compliance with reporting requirements and preparation for the caseload conferences.

#### Monthly Report

The 2016 Assembly expanded the information required in the monthly report being submitted by the Department to include any reports that have been submitted to the federal court related to the consent decree along with the number of unduplicated individuals employed, the place of employment and the number of hours working. The Department must also report transitions to and from 24-hour residential placements, collection of patient liability, approvals and funding for services above the resource allocation levels.

As previously noted, the Governor proposed adding the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to the semi-annual medical assistance and public assistance caseload conference and includes a reporting requirement for information to be submitted by the Department by the 15<sup>th</sup> of each month beginning July 1, 2022. He subsequently requested an amendment to move the change one year to July 1, 2021. The monthly information is to include, but not be limited to, caseload and expenses for the community based system for adults with developmental disabilities. The Assembly concurred.

#### Coronavirus Impact

The public health emergency has limited the ability of the agencies to provide community based services to individuals outside of their residences. Individuals living either in a 24-hour group home, shared living, an apartment or home with family have stayed home. This meant that the providers could not be reimbursed for day activities. The state took several actions to address the effect on providers. For FY 2020, the Department provided a temporary ten percent rate increase in April, May and June totaling \$3.0 million, and provided retainer payments totaling \$15.6 million.

The FY 2021 enacted budget includes \$3.0 million from Coronavirus Relief funds for one-time payments to 40 agencies to be passed through to direct support staff who make less than \$20 an hour. This includes a one-time payment of \$1,200 for staff working 30 hours or more. For staff working between 15 and 21 hours, the payment is \$540 and \$750 between 22 and 29 hours a week.

In late December, the administration provided another \$10.0 million from Coronavirus Relief funds for community based providers to supplement the state's effort in responding to the public health emergency and addressing any business interruptions, including loss of revenue. The funds can be used for payroll, rent or mortgage payments, equipment, personal protective equipment, cleaning supplies and other operating expenses. The final FY 2021 budget includes the funding.

### **Human Service Agencies**

The Executive Office of Health and Human Services is the umbrella agency for the four health and human service departments and each agency is analyzed separately in the *House Fiscal Advisory Staff Budget as Enacted FY 2022*. The following table shows the services provided by population and the department that is responsible for the expenses.

Medical benefits are those primarily provided through the three managed care plans, Neighborhood Health Plan of Rhode Island, UnitedHealthcare and Tufts Health Plan. Benefits include: doctor's office visits,

prescriptions, lab tests, hospital and emergency care, drug and alcohol treatment, mental health services and referrals to specialists and are funded through the Executive Office of Health and Human Services. The plans also pay for short-term and long-term residential treatment services for those with behavioral health issues and/or substance use disorders.

Residential and other community based services are those provided outside the medical benefit through the department budgets.

<b>Programs</b>	<b>EOHHS</b>	<b>DHS</b>	<b>BHDDH</b>	<b>DCYF</b>	<b>DOH</b>
<b>Medical Benefits</b>					
Children and parents	X				
Elderly	X				
Disabled and adults, without dependent children	X				
<b>Residential and Other Services</b>					
Nursing and hospice services	X				
Assisted living; home & community based services to the elderly	X	X			
Foster care and group home placements				X	
Community based services - developmentally disabled			X		
Mental health and substance abuse treatment services	X			X	
Eleanor Slater Hospital			X		
HIV surveillance and treatment services	X				X

# Mergers and Consolidations

## Introduction

Merger and consolidation proposals have appeared regularly in budgets. The FY 1991 budget presented to the 1990 General Assembly listed 72 state agencies and departments. The Governor's FY 2022 recommendation includes the same number, but reflects some proposed changes. The FY 2022 budget adopted by the 2021 General Assembly maintains 38 agencies, and the Assembly's actions on the Governor's proposals are noted below and followed by 10 years of historical information on such proposals. Prior publications have included information back to 1991 and that can still be accessed in online publications.

## FY 2022

**RICLAS Transfer to Private Providers.** The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals operates a state-run residential system with the capacity to provide services to 140 adults with developmental disabilities. In January 2021, there were 116 individuals receiving services in 23 group homes and two apartments. There are 267.0 full-time equivalent positions assigned and 232.0 filled as of January, including 185.0 direct care workers.

The Governor recommended that these operations be transferred to the private agencies that provide residential and community based day and employment services to about 3,800 individuals, as well as day services to 44 individuals in the state-run system. The Governor's FY 2022 recommendation lowers the Department's staffing authorization by 50.0 full-time equivalent positions to start the transfer. The change would take effect by October 1, 2021. The Assembly did not concur with the proposal.

**Office of Medical Review.** The Assembly concurred with the Governor's proposal to transfer the Office of Medical Review and its 10.0 full-time equivalent positions from the Executive Office of Health and Human Services to the Department of Human Services' Long Term Care Unit to streamline the process of reviewing and processing applications for long term care services.

**State Housing Policy and Planning Restructuring.** The Governor's budget proposed adding two members to the Rhode Island Housing board and restructures and expands the Housing Resources Coordinating Committee from four members to seven. It also restructures and reduces the Housing Resources Commission from 28 members to 20, including the membership of the coordinating committee. A new deputy secretary from the Executive Office of Commerce will serve as the Commission's executive director. The Assembly established a new Deputy Secretary position but excluded the remainder of the proposal.

**Employer Tax Division.** The Assembly concurred with the Governor's proposal to transfer the responsibilities of the collection of taxes for temporary disability insurance, employment security, and the Job Development Fund from the Department of Revenue Division of Taxation to the Department of Labor and Training. This includes the transfer of 35.0 full-time equivalent positions associated with these employer tax collection duties. The division was last housed at the Department of Labor and Training in 1996 when it was transferred to Taxation.

**Commercial Driver's Licenses.** The Assembly concurred with the Governor's proposal to transfer the responsibility to administer the Commercial Driver's License road test from the Community College of Rhode Island to the Division of Motor Vehicles, as of January 1, 2022.

## History

### *FY 2021*

**RICLAS Transfer to Private Providers.** The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals operates a state-run residential system with the capacity to provide services to 140 adults with developmental disabilities. Approximately 120 individuals received services in FY 2020 that include 23 group homes and two apartments. Governor Raimondo recommended that these operations be transferred to the private agencies that provide residential and community based day and employment services to about 3,800 individuals, as well as day services to 60 individuals in the state-run system. The Governor's FY 2021 recommendation lowered the Department's staffing authorization by 204.0 full-time equivalent positions to account for this change. The Assembly did not concur with the proposal.

**State Housing Policy and Planning Restructuring.** Governor Raimondo's budget eliminates the 28-member Housing Resources Commission and its related four member coordinating committee. Under current law, the Housing Resources Commission is the lead entity for housing policy and planning, and coordinates responsibilities with Rhode Island Housing through a memorandum of agreement. In place of the Housing Resources Commission, the recommendation establishes a seven-member coordinating council similar to the existing coordinating committee, and elevates the council to be the state's lead housing entity. The council would be permitted to assume control of Rhode Island Housing staff by memorandum of agreement. The budget renames the Office of Housing and Community Development as a division, and recommends a 19-member steering committee with similar membership to the existing commission to advise the council, but does not specifically enumerate entities for inclusion. The Assembly did not concur with the proposal.

**Commercial Driver's Licenses.** Governor Raimondo recommended transferring the responsibility to administer the Commercial Driver's License road test from the Community College of Rhode Island, to the Division of Motor Vehicles, as of January 1, 2020. The Assembly did not concur with the proposal.

### *FY 2020*

**Employer Tax Division.** Governor Raimondo recommended transferring the responsibilities of the collection of taxes for temporary disability insurance, employment security, and the job development fund from the Department of Revenue to the Department of Labor and Training. This includes the 37.0 full-time equivalent positions associated with these employer tax collection duties from the Department of Revenue to the Department of Labor and Training. The Assembly did not concur with this proposal.

**Office of Veterans' Affairs.** Governor Raimondo proposed to transfer the Office of Veterans' Affairs and its staff from the Department of Human Services to the Executive Office of Health and Human Services. This includes 252.1 positions. She requested an amendment to rescind her recommendation and rename it the Office of Veterans Services. The Assembly concurred and included a separate staffing authorization.

**Division of Elderly Affairs.** Governor Raimondo proposed to transfer the Division of Elderly Affairs and its staffing level of 31.0 positions to the Executive Office of Health and Human Services creating an Office of Elder Affairs. She subsequently requested an amendment to rescind the proposal and rename it the Office of Healthy Aging. The Assembly concurred and included a separate staffing authorization.

**Water Resources Board.** The Governor proposed to transfer the Water Resources Board and its staff to the Public Utilities Commission. Operating costs for the Water Resources Board would be charged to regulated utilities. The legislation designates the Department of Administration as the agency that will be responsible for the Big River Management area, which must be maintained for future development of groundwater wells. Prior to 2011, the Water Resources Board was a stand-alone agency. The 2011



Assembly adopted legislation merging the Board into the Division of Planning to more closely align the water planning aspects of the Board with the statewide planning process. The Assembly did not concur and maintained the Water Resources Board in the Department of Administration.

**Child Care Facilities Licensing.** Governor Raimondo's budget transfers the Child Care Facilities Licensing unit to the Department of Human Services. It added 8.0 new full-time equivalent positions for the Department of Human Services and 1.0 new legal position for the Executive Office of Health and Human Services. Current staff doing this work at the Department of Children, Youth and Families would be reassigned within the Department. The Department of Human Services would now be responsible for licensing; the shift would centralize transactions with child care providers. The Assembly concurred but reduced staffing authorization for the Department of Children, Youth and Families by 8.0.

**Office of Grants Management.** Governor Raimondo proposed to transfer functions of federal grants management from the Office of Management and Budget to Accounts and Control. The 2012 Assembly adopted Governor Chafee's recommendation to establish the Office of Management and Budget within the Department of Administration to serve as the principal agency of the executive branch for managing budgetary functions, performance management, and federal grants management. The Assembly concurred.

**Department of Behavioral Healthcare, Developmental Disabilities and Hospitals.** Governor Raimondo's FY 2020 through FY 2024 capital plan shifts funding and project oversight for capital projects related to the Eleanor Slater hospital system at both the Cranston and Burrillville campuses, and Barry and Simpson administrative halls to the Department of Administration's Division of Capital Asset Management and Maintenance. In addition, she transferred those functions for community facilities for those with developmental disabilities and behavioral health issues as well. She requested an amendment to transfer the substance abuse asset protection project to the Department of Administration. The Assembly concurred.

**Small Business Ombudsman.** Governor Raimondo proposed to transfer the staffing authorization for the Small Business Ombudsman from the Office of Regulatory Reform within the Department of Administration to the Department of Business Regulation in accordance with a proposed streamline and simplify initiative. It should be noted that the enacted budget assumes a cost allocation for the position paid from the Commerce Corporation's resources; the recommendation does not alter that assumption. The Governor proposed a substantially similar initiative in FY 2018; the Assembly did not concur. The Assembly did not concur with the streamline and simplify initiative; however, it did transfer the position, and shifted the funding for the position from the Commerce Corporation to the Department of Business Regulation.

**State Building Office.** Governor Raimondo's recommended budget includes a proposal for an efficiency commission tasked with identifying \$10.0 million of general revenue savings. Subsequently, the Governor requested an amendment which proposed consolidating the Contractors' Registration and Licensing Board and State Building Code Commission of the Division of Building, Design and Fire Professionals into a new State Building Office, as of January 1, 2020 for savings of \$0.1 million. The Assembly concurred.

**Office of Postsecondary Commissioner - Department of Elementary and Secondary Education Co-Locate.** The Budget removed \$1.0 million from general revenues from the Office of Postsecondary Commissioner based on a proposal from the Efficiency Commission and recommended by Governor Raimondo to co-locate the Office and the Department of Elementary and Secondary Education with the goal to encourage shared administrative support and allow for closer collaboration. The Office would still do planning support for the Council on Postsecondary Education and focus on strategy and policy. The Department of Elementary and Secondary Education would provide the administrative support for the Councils and also provide legal, finance and support functions. Savings are based on the funding for several positions being eliminated from sharing administrative support and the Budget reduces the Office's staffing authorization by 6.0 full-time equivalent positions.

## *FY 2019*

**Water Resources Board.** Governor Raimondo proposed transferring the Water Resources Board and its staff to the Public Utilities Commission. Operating costs for the Water Resources Board would be charged to regulated water suppliers. The legislation designates the Department of Administration as the agency that will be responsible for the Big River Management area, which must be maintained for future development of groundwater wells. Additional statutory changes are required; however, the legislation calls for those changes to be submitted to the 2019 Assembly. A Memorandum of Understanding, signed on October 20, 2017, between the Department of Administration and the Public Utilities Commission was used to allow the transfer for FY 2018.

Prior to 2011, the Water Resources Board was a stand-alone agency. The 2011 Assembly adopted legislation merging the Board into the Division of Planning to more closely align the water planning aspects of the Board with the statewide planning process. The Assembly did not concur and maintained the Water Resources Board in the Department of Administration.

**Building, Design and Fire Professionals.** The Assembly concurred with Governor Raimondo's proposal to consolidate professions relating to building and construction design, inspection, and enforcement of building and fire codes. The Budget reflected the transfer of several programs, funding and staffing of 59.0 full-time equivalent positions to the Department of Business Regulation. These include the State Fire Marshal from the Department of Public Safety, the Building Code Commission, Contractors' Registration and Licensing Board, and the Fire Code Safety Board of Appeal and Review from the Department of Administration.

A Memorandum of Understanding between the Department of Administration and the Department of Public Safety, was signed on January 12, 2018 to allow the transfer for FY 2018.

**Health Professional Licensing to Business Regulation.** Governor Raimondo proposed transferring the licensure of several professionals from the Department of Health to the Department of Business Regulation. These include: barbers, cosmeticians, manicurists and estheticians; electrolysis; funeral directors and embalmers; opticians; speech pathologists and audiologists; hearing aid dealers; athletic trainers; interpreters for the deaf; and music therapists. The budget also assumes the transfer of \$0.2 million from general revenues and two positions for the administration of licensing functions from the Department of Health to the Department of Business Regulation. The Assembly did not concur with any of the proposed transfers.

**Centralized Services.** The 2017 Assembly authorized the establishment of internal service funds for centralized services including information technology, capital asset management and maintenance, and human resources to maximize available non-general revenue sources. Prior to this change, these costs were budgeted in the Department of Administration. The state uses internal service funds to reimburse one agency for services provided to another. Agencies receiving these services will reimburse the internal service funds for the costs. Governor Raimondo's budget transfers \$48.3 million from the Department of Administration to state agencies and the Assembly concurred.

**Consolidation of Medical Marijuana Oversight at Business Regulation.** Governor Raimondo proposed expanding the regulatory role of the Department of Business Regulation, including centralizing the registration and regulation of authorized purchasers, compassion center cardholders, primary caregivers, issuance or renewal of registry identification cards, and eliminating the role of the Department of Health to define the equivalent amounts of medical marijuana. The program is staffed by 5.9 full-time equivalent positions in the Department of Health; the Department of Business Regulation had 4.0 full-time equivalent positions, but the Governor's budget proposed to add 4.0 more positions in FY 2019. The Assembly did not concur with this proposal.

## *FY 2018*

**Public Safety Consolidation.** Governor Raimondo proposed legislation to replace the director of the Department of Public Safety with a civilian commissioner, who will be appointed by the Governor with the advice and consent of the Senate. Under current law, the Department of Public Safety is administered by a director who also serves as Superintendent of the State Police. The Governor also proposed to merge the Emergency Management Agency and establish it as the seventh division within the Department of Public Safety. The director of the Emergency Management Agency would be appointed by the Governor; however, the Commissioner may prescribe other duties and responsibilities. The Assembly did not concur.

**Lead Poisoning Prevention.** Governor Raimondo proposed legislation to repeal the Lead Hazard Mitigation Act and amend the Lead Poisoning Prevention legislation to centralize lead poisoning prevention activities, which are currently performed by the Department of Health and the Rhode Island Housing Resources Commission, under the purview of the Department of Health. The proposal would have allowed the Department to oversee interagency coordination activities and it would be responsible for adopting rules and regulations to certify lead safe compliance for all residential units and permitting lead inspectors. The Department is also required to maintain a registry of lead safe certificates.

The Governor proposed legislation to amend the disposition of the real estate conveyance tax to transfer five cents of the current 30 cents that the Housing Resources Commission receives to the Department of Health for lead poisoning prevention activities. The recommended budget includes \$0.6 million from these resources for the Department of Health to fund 3.0 additional positions, including two lead inspectors and one data manager as well as operating costs. She subsequently requested an amendment to require an annual transfer of not less than \$590,000 from the Real Estate Conveyance Tax. The Assembly did not concur and maintained current law.

**Health Care Utilization Review Transfer.** Previously, the Department of Health certified health plan and utilization review entities, monitored obligations of health plan provider contracts, investigated and tracked complaints against health plan and utilization reviews by enrollees. The Office of the Health Insurance Commissioner reviews denial of benefits and accuracy of claims processing and is also responsible for the adequacy of network coverage in terms of access to and availability of providers and the continuity of care available to consumers.

Governor Raimondo proposed to transfer the oversight of the health care utilization review from the Department of Health to the Office of the Health Insurance Commissioner. The Budget also reflected the transfer of funding and staffing of 2.0 full-time equivalent positions. The Assembly concurred.

**Health and Human Services - Finance Staff.** Governor Raimondo transferred 91.0 finance positions to the Executive Office of Health and Human Services from agencies under its umbrella in her FY 2018 recommendation; this is consistent with current law. The transfer includes: 39.0 positions from the Department of Human Services, 33.0 positions from the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, 12.0 positions from the Department of Children, Youth and Families, and 7.0 positions from the Department of Health. Funding would remain with the individual agencies. Functions include finance administration, billing and data entry. This increases the level of 17.0 finance positions in the Executive Office to 108.0 positions. The Assembly concurred.

**Eleanor Slater Hospital Reorganization.** Governor Raimondo's FY 2018 recommendation assumes savings of \$12.2 million, \$5.7 million from general revenues from reorganizing the state hospital. This includes transferring youth currently at the 54-bed Youth Assessment Center to the Youth Detention Center and moving the adult forensic population at the Pinel Building into the newly vacated space. It includes privatizing laboratory services, closing one intermediate care facility, downsizing medical services and administrative staff and closing one of the two remaining intermediate care facilities. The plan also includes

transferring medical patients to the Zambarano campus in Burrillville and converting recently vacated space into a step-down unit to increase capacity for psychiatric patients. The Assembly included savings of \$11.2 million, \$5.2 million from general revenues. It did not concur with privatizing laboratory services.

**Eisenhower House.** The Assembly concurred with Governor Raimondo's proposal to transfer the management of the Eisenhower House, a historic state-owned property in Newport, from the Historical Preservation and Heritage Commission to the Department of Environmental Management. The Budget included \$188,150 from all funds for staff and operations of the facility. This includes \$50,000 from general revenues and \$138,150 from new restricted receipts, which would be derived from booking fees of the facility. FY 2016 expenditures for the facility were \$135,536.

#### *FY 2017*

**Office of Diversity, Equity and Opportunity.** Governor Raimondo proposed legislation to establish the Office of Diversity, Equity and Opportunity in statute; the Office is currently operating under an executive order. The legislation places the State Equal Opportunity Office under the administrative supervision of the Office of Diversity, Equity and Opportunity instead of the Division of Human Resources, and requires the Office of Personnel Administration to consult with the Office in preparing a comprehensive plan to maintain and secure equal opportunity. The legislation adds the associate director of the Office as a member of the Labor Relations Committee. The Assembly concurred.

**Division of Enterprise Technology Strategy and Services.** Governor Raimondo proposed legislation to replace the current Division of Information Technology, which was created by an executive order with the Division of Enterprise Technology Strategy and Services to be managed by the chief of digital excellence. The legislation amends current law to establish the Office of Library and Information Services within the Division and places the chief of library services under the supervision of the chief of digital excellence. The Division will also consist of the following offices: Information Technology and Digital Excellence. The Assembly concurred.

**Division of Capital Asset Management and Maintenance.** Governor Raimondo proposed legislation to create the Division of Capital Asset Management and Maintenance, which will assume the responsibilities of the current divisions of Facilities Management and Capital Projects and Property Management. Both divisions were created by an executive order in 2004. The legislation allows the Director of the Department of Administration to appoint a director of the division. Some of the responsibilities of the division director include: reviewing agency capital budget requests to ensure that requests are consistent with strategic and master facility plans of the state; managing and maintaining state owned facilities; overseeing new construction and rehabilitation projects; maintaining an inventory of all state properties; and responding to facilities emergencies. The Assembly concurred.

**Office of Internal Audit.** Governor Raimondo proposed legislation to repeal the Bureau of Audits and establish the Office of Internal Audit within the Office of Management and Budget. The Office will be managed by a chief of internal audit, who must be appointed by the Director of the Department of Administration. The Office is authorized to conduct audits of any state department, agency or private entity that is a recipient of state funding or state grants. The Office is also tasked with evaluating the efficiency of operations and internal controls, preventing and detecting fraud, waste, abuse or mismanagement of funds.

The Budget reflected the consolidation of internal auditing functions and staff from the Departments of Transportation and Human Services, the Office of Postsecondary Commissioner and the University of Rhode Island are transferred to the Office. The Assembly concurred.

**Women, Infants, and Children Nutrition Program.** Governor Raimondo proposed legislation to transfer the administration and management of the Women, Infants, and Children nutrition program from the Department of Human Services to the Department of Health. The Department of Health previously managed the program; however, the 2009 Assembly adopted legislation to transfer the program to the Department of Human Services. This was to consolidate management and nutrition benefits. There have been issues with the United States Department of Agriculture regarding the designation of the administrating state agency. The Assembly concurred.

**Department of Health.** Governor Raimondo's budget reflects a reorganization of functions within the Department of Health. Certain programs such as the Health Laboratories and the Office of State Medical Examiners were merged. It reflects the creation of the Division of Customer Services and includes the operations of Vital Records, which was previously under the Public Health Information program, and the operations of Licensing, Professional Boards and Commissions and the Center for Health Facilities Regulation, previously under the Environmental and Health Services Regulation program. The Assembly concurred.

**Governor's Commission on Disabilities.** Subsequent to her budget submission, Governor Raimondo requested legislation to designate the Governor's Commission on Disabilities as the state agency responsible to apply for and receive federal funds under the Workforce Innovation and Opportunity Act for the State Independent Living Plan, effective October 1, 2016. She also requested an amendment to transfer funding from the Department of Human Services to the Commission. The Assembly concurred.

**Office of Veterans' Affairs.** Governor Raimondo included legislation to create the Office of Veterans' Affairs within the executive branch, reporting directly to the Governor. This removed it as a Division in the Department of Human Services; however, for administrative purposes, funding for the Office of Veterans' Affairs will remain in the Department of Human Services' budget. The Assembly concurred.

#### *FY 2016*

**Higher Education Assistance Authority Merger.** Governor Raimondo's budget transfers all of the powers, duties, authority and resources of the Rhode Island Higher Education Assistance Authority to the Council for Postsecondary Education and the Office of the General Treasurer and established a new Division of Higher Education Assistance in the Office of Postsecondary Commissioner. The budget reflects the transfer of \$19.1 million and 15.0 full-time equivalent positions to the Office of Postsecondary Commissioner. Administrative responsibility for the state's tuition savings program would be transferred to the Office of the General Treasurer. The recommendation represents direct program positions as well as overhead support. Remaining direct functions will require fewer staff with the efficiencies provided for in a merger; therefore, the Assembly eliminated 5.0 positions and \$0.8 million. One position and \$0.3 million was shifted to the Office of the General Treasurer to administer the *CollegeBoundfund*.

**Executive Office of Commerce.** The 2013 Assembly created the Executive Office of Commerce to be administered by a secretary of commerce, effective February 1, 2015. The Office oversees and serves as the lead agency of the Executive Branch for managing the promotion of commerce and the state's economy. Pursuant to 2013-H 6063, Substitute B, on or about February 1, 2015, the Executive Office of Commerce has powers to operate functions from the Department of Business Regulation and, subsequently, various functions from the Department of Administration. Consistent with the legislation, Governor Raimondo's budget includes the transfer of Housing and Community Development functions to the Executive Office of Commerce. It also transfers the Film and Television Office from the Department of Administration to Commerce. It did not, however, transition Department of Business Regulation functions, leaving it as a stand-alone department. The Assembly concurred, with the exception of transferring the Film and Television Office to the Arts Council.

**Capital Projects Consolidation.** Governor Raimondo proposed consolidating construction property and asset management functions into the Department of Administration. It appears that the positions are kept in their respective agencies, including the Departments of Behavioral Healthcare, Developmental Disabilities and Hospitals, Environmental Management, Corrections, and Transportation. The Assembly concurred; however, transferred funding back for the Department of Environmental Management, consistent with the Governor's requested budget amendment.

**Division of Advocacy.** Governor Raimondo's budget proposed consolidating the Governor's Commission on Disabilities, the Commission on the Deaf and Hard of Hearing, the Office of the Child Advocate, and the Office of the Mental Health Advocate under a newly created Division of Advocacy within the Executive Office of Health and Human Services. The consolidation was for administrative and budget purposes only, and all agencies would maintain their responsibilities as mandated by current law. The Governor subsequently requested an amendment that rescinded the proposed legislation, maintained the offices as separate agencies, and restored operating savings assumed to be achieved through the merger. The Assembly concurred.

**Non-Prescribing Boards Consolidation.** Governor Raimondo proposed consolidating all of the non-prescribing health professional boards into one board. There are 25 professional boards that include a variety of professions, such as dietitians, physical therapists, occupational therapists, optometrists, social workers and funeral home directors. The Department of Health approves all written and practical examinations, and issues licenses and permits for these professions. The proposed legislation would create a single board of review for appeals, discipline and advisory functions. This would allow for the elimination of 2.0 positions that support the boards and \$0.2 million from general revenues. The Assembly did not concur.

**RI Film and Television Office.** The Budget transferred the Rhode Island Film and Television Office, including \$0.3 million from general revenues and 2.6 full-time equivalent positions, from the Department of Administration to the Rhode Island State Council on the Arts. The Film and Television Office works with filmmakers to identify filming sites, vendors, and promote the benefits of working in Rhode Island. Governor Raimondo's FY 2016 recommendation transferred the Office to the Executive Office of Commerce. The Office was transferred to the Department of Administration from the Council as part of the FY 2013 budget.

**Bays, Rivers and Watersheds Coordination Team.** The Assembly concurred with Governor Raimondo's proposal to abolish the Bays, Rivers and Watersheds Coordination Team, which was responsible for the coordination of the environmental agencies in the state to restore and develop both freshwater and marine waters and watersheds. The work is funded by an \$80,000 transatlantic cable fee, a \$1 per hundred gallons charge on septage disposal in the state, and a \$250,000 annual allocation from the Oil Spill, Prevention, Administration and Response Fund. The restricted receipts will be utilized by the Department of Environmental Management for efforts relating to watershed and marine monitoring, water pollution abatement, and climate change.

#### *FY 2015*

**Office of Diversity, Equity and Opportunity.** The Budget reflected the creation of the Office of Diversity, Equity and Opportunity within the Department of Administration. Existing staff of 7.0 full-time equivalent positions and funding will be transferred from the Division of Purchasing's Minority Business Enterprise Office and the Division of Human Resources' Outreach and Diversity Office.

In May 2013, Governor Chafee issued Executive Order 13-05 entitled "Promotion of Diversity, Equal Opportunity and Minority Business Enterprises in Rhode Island." The Executive Order required that the Department of Administration review all divisions and offices within the Department that are charged with

facilitating equal opportunity employment and make recommendations to improve collaboration between these offices. The creation of the Office of Diversity, Equity and Opportunity reflects the Department of Administration's recommendation.

**Rhode Island Emergency Management Agency.** The Budget reflected the Emergency Management Agency and the National Guard as two stand-alone agencies. They were two distinct programs in the Military Staff under the control of the Adjutant General. This action was recommended to reflect the individual agency missions as well as their operational structures. There were no major changes to funding levels or positions.

**Executive Office of Commerce.** Governor Chafee proposed to delay the creation of the Executive Office of Commerce and the transfer of the functions of the Department of Business Regulation from February 1, 2015 to July 1, 2015. The Assembly did not concur with the delay.

The Governor also proposed maintaining the Office of Regulatory Reform in the Office of Management and Budget instead of transferring it to the new Executive Office of Commerce. The Assembly concurred.

**Department of Environmental Management Customer Service Unit.** The Budget created in statute a customer service unit within the Department of Environmental Management. The Department already includes an Office of Customer and Technical Assistance, but the legislation codifies a requirement that the agency have a customer service unit and program to provide technical assistance to customers and help them to comply with environmental regulations and requirements. This section also mandated that the Department and the Office of Regulatory Reform collaborate on a report detailing an alternative compliance approaches plan, which would be due to the General Assembly and the Governor by May 1, 2015.

**Higher Education Assistance Authority.** The Budget included legislation that requires the administration to include a plan for allocating Higher Education Assistance Authority programs to other agencies as part of the FY 2016 budget.

**Behavioral Healthcare Services to EOHHS.** The Budget transferred Medicaid-funded behavioral healthcare services from the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to the Executive Office of Health and Human Services so that mental health and substance abuse treatment services for disabled individuals will be appropriated to one agency and includes \$60.8 million, of which \$30.1 million is general revenues.

#### *FY 2014*

**EDC/Commerce Corporation.** The Budget delayed the creation of the Executive Office of Commerce and the transfer of the functions of the Department of Business Regulation from February 1, 2015 to July 1, 2015. It maintains the Office of Regulatory Reform in the Office of Management and Budget instead of transferring it to the new Executive Office of Commerce. As contained in 2013-H 6063, Substitute B, on or about February 1, 2015, the Office is empowered to assume functions from the Department of Business Regulation and, subsequently, various functions from the Department of Administration. The legislation further required that the Office submit a comprehensive review of the roles, functions and programs of the Department of Administration and the Department of Labor and Training to the House of Representatives and the Senate before September 1, 2015. Additionally, the Office shall make recommendations and a business plan for the integration of these entities with the Office, and the Governor may include these recommendations as part of the FY 2017 budget.

**Renewable Energy Fund Program Transfer.** Governor Chafee's budget transfers the Renewable Energy Fund from the Economic Development Corporation to the Office of Energy Resources. The Office previously managed the fund and the 2007 Assembly enacted legislation to transfer the fund to the

Corporation, effective FY 2008. The Governor's recommended budget includes expenditures of \$2.5 million and staffing of 2.0 positions from the Corporation. The Assembly did not concur and maintained the program in the Corporation.

**Office of Regulatory Reform.** Subsequent to the enactment of the FY 2013 budget, the Assembly adopted legislation contained in Chapter 445 of the 2012 Public Laws to transfer the Office of Regulatory Reform from the Economic Development Corporation to the Office of Management and Budget in the Department of Administration. Governor Chafee's revised budget reflects this transfer as well as the 2.0 positions that support the Office. The Office was created in 2010 to improve the state's business climate by making it easier for businesses to navigate through state and local permitting and regulatory issues. The Assembly adopted legislation in 2013-H 6063, Substitute B, requiring that the Office of Regulatory Reform to report to the Secretary of Commerce within the Executive Office of Commerce, effective February 1, 2015.

**Rhode Island Health Benefits Exchange.** The Budget reflected the transfer of the Rhode Island Health Benefits Exchange from the Office of the Governor to the Department of Administration. In September 2011, Governor Chafee issued an executive order to establish the Office as the centrally accountable office for operational and financial implementation, including policy development.

**Construction Permitting, Approvals and Licensing.** The Budget reflected the creation of a new program in the Department of Administration: Construction Permitting, Approvals and Licensing, consisting of the State Building Code Commission, Contractors' Registration Board, and Fire Code Board of Appeal. Staffing and funding were transferred from Capital Projects and Property Management. The Department indicated that the program change was necessary to avert the appearance of a conflict of interest between the Office of Capital Projects and the aforementioned offices.

**Rhode Island Public Telecommunications Authority.** The Budget included the statutory authority to end state support to the Authority as of July 1, 2013 and abolish it as a public agency, as the Authority has been transferred to the Rhode Island PBS Foundation.

**Assisted Living and Home Care Waiver Services.** The Budget shifted assisted living and home care waiver services in the Division of Elderly Affairs within the Department of Human Services to the Executive Office of Health and Human Services for FY 2014, consistent with Governor Chafee's requested amendment, in order to locate all Medicaid assisted living and home care expenditures in the Executive Office's budget.

### *FY 2013*

**Energy Program Transfers.** Governor Chafee included the transfer of the Low Income Home Energy Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources to the Department of Human Services consistent with current law. He also proposed the transfer of the Regional Greenhouse Gas Initiative from the Department of Environmental Management, and the Renewable Energy Program from the Economic Development Corporation to the Office of Energy Resources. The Assembly concurred, with the exception of the Renewable Energy Program transfer, which it retained at the Economic Development Corporation.

**Office of Management and Budget.** The Assembly adopted legislation to create a new Office of Management and Budget to assume the functions of the State Budget Office and the responsibilities of the Office of Economic Recovery and Reinvestment. It included a Federal Grants Management Office to coordinate federal grant applications. The legislation also required the Office to perform a study on transportation programs to be submitted to the Governor and the General Assembly by November 1, 2012. The Budget included 11.0 new positions, including a director to be appointed by the Director of the Department of Administration. Governor Chafee's original proposal called for eliminating the Bureau of



Audits, allowing the new Office to absorb some of those functions. The Assembly retained the Bureau of Audits as is.

**Human Resources Restructure.** Governor Chafee's FY 2013 budget recommendation includes savings of \$0.8 million from the elimination of 12.0 positions in the Division of Human Resources. This consists of 2.0 positions from the Employee Services Unit and 10.0 positions in the Classification and Examination Unit, about half of the current staff. The Governor's FY 2012 revised budget includes \$0.3 million for a personnel study of the merit system to be accomplished in the current year to make the proposed reductions possible. The Assembly restored \$0.4 million of the general revenue savings and shifted funding for the personnel study from FY 2012 to FY 2013 to reflect a delay in the work proposed.

**RI Film and Television Office.** The Assembly transferred the Film and Television Office from the Arts Council to the Department of Administration. It provided general revenue funding of \$0.3 million and 2.6 full-time positions, consistent with Governor Chafee's recommendation.

**Office of Digital Excellence.** The Assembly adopted legislation to create the Office of Digital Excellence within the Department of Administration. It authorized a chief digital officer, who must be appointed by the Director of the Department of Administration, with approval from the Governor. The Office shall coordinate its efforts with the Division of Information Technology. The legislation required the chief digital officer to report to the Governor, the Speaker of the House of Representatives, and the Senate President, every January 31, the status of all technology infrastructure projects, website improvements, number of e-government transactions and revenues generated and projects supported by the Information Technology Investment Fund.

**Rhode Island Health Benefits Exchange.** The Budget reflected the Rhode Island Health Benefits Exchange in the Office of the Governor. In September 2011, Governor Chafee issued an executive order to establish the Office as the centrally accountable office for operational and financial implementation, including policy development. The Exchange will report to the Board of the Rhode Island Health Benefits Exchange and will work with the Department of Health, the Office of the Health Insurance Commissioner and the Office of the Lieutenant Governor. The Budget included 6.0 positions, including a director to oversee the Exchange.

**Medicaid Benefits Program.** Governor Chafee's budget transfers the Medicaid medical benefits program from the Department of Human Services to the Executive Office of Health and Human Services. The administrative staff was transferred in FY 2012 and the eligibility application process will remain with the Department of Human Services since applicants are often eligible for other benefits in addition to Medicaid, such as the supplemental nutrition assistance program, the Rhode Island Works program and child care through that department. The Assembly concurred.

**HIV Care and Treatment Program.** Governor Chafee requested an amendment to transfer the HIV care and treatment program from the Department of Human Services to the Executive Office of Health and Human Services, effective July 1, 2012 consistent with his proposal for the medical benefits program. The Assembly concurred and transferred 5.0 positions.

**Higher Education Assistance Authority Merger.** Governor Chafee's budget includes the transfer of \$27.8 million and 39.6 out of the authorized 41.6 full-time positions from the Rhode Island Higher Education Assistance Authority to the Office of Higher Education. He proposed legislation that would terminate the Authority and its corporate existence on September 1, 2012 and all of its rights, obligations and properties would be transferred to the Board of Governors for Higher Education. The Assembly did not concur with the proposed merger and provided \$27.7 million and 38.6 positions, maintaining the Higher Education Assistance Authority as a stand-alone agency.

**Board of Education.** The Assembly enacted legislation to abolish the Board of Governors for Higher Education and the Board of Regents, effective January 1, 2013, and create a new Rhode Island Board of Education. It also abolished the Office of Higher Education, effective January 1, 2014, and created an executive committee of education comprised of the three institutions of public higher education, and the commissioners of higher education and elementary and secondary education.

**Rhode Island Public Telecommunications Authority.** The Budget included legislation to require the Administration to submit a plan to the Chairpersons of the House and Senate Finance Committees by November 1, 2012 to transition the Rhode Island Public Telecommunications Authority from the state to a privately supported entity by July 1, 2013. The Administration also must include any statutory changes required for the transition as part of the FY 2014 budget.

**Dispatch Unit and Port Security.** The Budget did not include the transfer of the dispatch and port security surveillance units from the Department of Environmental Management to the Department of Public Safety. The 2012 Assembly enacted legislation to reverse its prior mandate for the transfer.

**Program Review.** Governor Chafee recommended a review of environmental and coastal programs in the Department of Environmental Management and the Coastal Resources Management Council to be conducted by a new Office of Management and Budget, which would be charged with developing a plan that includes strategies to reorganize or centralize environmental and coastal resource management programs in order to improve efficiencies. A report detailing this plan would be due to the General Assembly and the Governor by November 1, 2012. The Assembly did not concur and instead required that the new Office of Management and Budget perform a study on transportation programs.

#### *FY 2012*

**State Aid Transfer.** Governor Chafee's budget transfers some of the appropriations for the State Aid program from the Department of Administration to the Department of Revenue. These include the distressed communities' relief fund, motor vehicles excise tax, payment in lieu of taxes program, and the newly proposed Municipal, Accountability, Stability and Transparency Fund. State aid for library operations and library construction remain in the Department of Administration. The Assembly concurred.

**Sheriffs to Department of Public Safety.** Governor Chafee recommended the transfer of \$16.7 million and 180.0 full-time positions for the Sheriffs program from the Department of Administration to the Department of Public Safety. This proposal was initially included in the legislation the 2007 Assembly enacted to consolidate a number of public safety agencies into a single department. However, the 2008 Assembly included the Sheriffs within the Department of Administration. Governor Carcieri proposed this as part of his FY 2011 budget; however, the Assembly did not concur and maintained the Sheriffs in the Department of Administration. The Assembly concurred.

**Office of the Health Insurance Commissioner.** Governor Chafee recommended the creation of a new program within the Department of Business Regulation for the Office of the Health Insurance Commissioner. Previously, the Office was part of the Division of Insurance Regulation. The Assembly concurred.

**Training School - Girls' Facility.** Governor Chafee recommended the consolidation of the girls' training school into the existing boys' facility. The girls temporarily reside in the Mathias Building; however, the approved capital plan assumes renovating the Adolph Meyer building for this population. The Governor did not recommend the renovations and included a plan for the girls to move into one of the four residential pods in the Youth Development Center. The Department indicated that based on current population trends, three of the four residential pods are sufficient to house the male population. The Assembly concurred.

**Elderly Affairs to Human Services.** The Assembly merged the Department of Elderly Affairs with the Department of Human Services and created the Division of Elderly Affairs within the Department of Human Services.

**Department of Veterans' Affairs.** The Assembly maintained the Division of Veterans' Affairs within the Department of Human Services and created a new position, Director of Veterans' Affairs. The 2009 Assembly included legislation to create a Department of Veterans' Affairs and the 2010 Assembly delayed this by one year, from July 1, 2010 to July 1, 2011. Governor Chafee's FY 2012 budget recommendation includes the creation of the Department of Veterans' Affairs.

**HIV/AIDS.** The Assembly shifted the HIV/AIDS direct services program and all resources, including 4.0 full-time positions, from the Department of Health to the Department of Human Services.

**Women, Infants and Children Transfer.** Governor Chafee recommended repeal of the statute transferring the Women, Infants and Children supplemental nutrition program from the Department of Health to the Department of Human Services. The Assembly did not concur and retained the program and all resources within the Department of Human Services. The United States Department of Agriculture informed the state that the Department of Human Services did not meet the standard established for state agencies that could administer the program.

The Assembly adopted legislation to transfer the Women, Infants, and Children program from the Department of Health initially to the Executive Office of Health and Human Services effective March 1, 2010, but then amended that to the Department of Human Services effective October 1, 2010 to coincide with the beginning of the new federal fiscal year.

**Higher Education Administration.** The Assembly included legislation that requires the Director of Administration to submit a revised plan for the organizational structure for higher education administration, staff support and resource allocation. The plan shall address the goal of improving affordability and accessibility to public higher education and maximizing efficiencies while providing sufficient support to the governance structure of public higher education. The Director of Administration is required to report findings, recommendations and alternative designs to the General Assembly no later than November 1, 2011.

**Rhode Island State Crime Lab.** Governor Chafee recommended shifting the general revenue funding for the Rhode Island State Crime Lab from the Department of Health to the University of Rhode Island. The Assembly concurred.

**Dispatch Unit and Port Security.** Governor Chafee's budget did not include the transfer of the dispatch and port security surveillance units from the Department of Environmental Management to the Department of Public Safety. He proposed legislation to reverse the 2010 Assembly action that required the transfer to occur no later than January 1, 2011. The Assembly did not concur with the reversal, and instead delayed the transfer until January 1, 2012.

**Water Resources Board.** The Assembly enacted legislation to merge the State Water Resources Board into the Department of Administration's Division of Statewide Planning, effective July 1, 2011. The merger transfers three of the six positions from the Board to the Division, while maintaining the Water Resources Board Corporate.

**Weatherization and Low Income Home Energy Assistance Programs.** The Assembly adopted legislation to transfer the weatherization assistance and the low income home energy assistance programs from the Office of Energy Resources within the Department of Administration to the Department of Human Services, effective July 1, 2012.

**Westerly Branch.** The Assembly provided \$37,800 from general revenues for the operations of a registry of motor vehicles branch in the Town of Westerly.

## COVID-19 Relief Rhode Island Impacts and Opportunities

On March 6, 2020, President Trump signed into law the Coronavirus Preparedness and Response Supplemental Appropriations Act. On March 13, 2020, President Trump declared that a nationwide emergency exists as a result of COVID-19 beginning on January 20, 2020. The Families First Coronavirus Response Act and Coronavirus Aid, Relief, and Economic Security (CARES) Act were signed into law by the President on March 18 and 27, 2020, respectively. A fourth act, the Paycheck Protection Program and Health Care Enhancement Act, was signed by the President on April 24, 2020. On December 27, President Trump signed into law a consolidated appropriations act for FY 2021 that contains \$900 billion in additional COVID-19 relief.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021. This report summarizes funding available from the six acts with particular emphasis on provisions that impact Rhode Island's state and local budgets and citizens. This memo updates the memo contained in the *Budget Analysis Fiscal Year 2022*. The staff notes that these figures are subject to frequent change as updated information becomes available.

<b>Federal Coronavirus Relief Projections for Rhode Island</b>	
<b>Granting Federal Agency</b>	<b>Amount</b>
Treasury	\$ 3,488.9
Federal Emergency Management Agency	446.4
Department of Education	1,046.3
Administration for Children and Families	185.2
Administration for Community Living	16.2
Centers for Disease Control and Prevention	270.4
Health Resources and Services Administration	80.6
Labor	181.0
Justice	4.6
United States Department of Agriculture	10.5
Commerce	13.1
Homeland Security	4.3
Housing and Urban Development	67.9
Transportation	235.8
Independent Agencies	8.7
Health and Human Services	639.2
<b>Total</b>	<b>\$ 6,699.1</b>
<i>\$ in millions</i>	

There are estimates that these federal actions provide \$6.7 billion to Rhode Island, not including optional tax changes for individuals and businesses or the direct stimulus payments to individuals. It should be noted that this total does not include direct unemployment insurance benefit payments to Rhode Island residents as a result of the several acts.

The following table shows the 58 items that combine to produce that total, in addition to funding that may be awarded through existing law regarding disaster declarations. It is followed by numbered explanations of each that correspond to the table, including notes where funding may be available through the most recently enacted legislation.

<b>Federal Coronavirus Relief Projections for Rhode Island</b>				
<b>Item #</b>	<b>Item</b>	<b>Amount</b>	<b>Award Through</b>	<b>Act</b>
1	Federal Disaster Declaration	\$ 446.4	State	Stafford Act
	<b>Treasury</b>			
2	Coronavirus Relief Fund	1,250.0	State	CARES
3	Rental Assistance	352.0	State	CCA 2021; ARP
4	State and Local Government Aid	1,780.6	State & Local	ARP
5	State Small Business Credit Initiative	56.2	Provider	ARP
6	Homeowner Assistance Fund	50.0	State	ARP
	<b>Department of Education</b>			
7	Governor's Fund	25.9	State	CARES; CCA 2021; ARP
8	K-12 Fund	646.3	State	CARES; CCA 2021; ARP
9	Rethink K-12 Education Models Grant	10.9	State	CARES
10	Higher Education Fund - General	349.5	State & Private	CARES; CCA 2021; ARP
11	Children with Disabilities & Homeless Youth	13.8	State	ARP
	<b>Administration for Children and Families</b>			
12	Child Care and Development Block Grant	126.4	State	CARES; CCA 2021; ARP
13	Community Services Block Grant	5.5	State	CARES
14	Low Income Home Energy & Water Assistance Program	40.3	State	CARES; ARP
15	Family Violence Prevention	0.9	State	CARES; ARP
16	Child Welfare Services	3.4	State	CARES; CCA 2021; ARP
17	Head Start	6.0	Provider	CARES; CCA 2021; ARP
18	Emergency Assistance to Children & Families	2.7	State	ARP
	<b>Administration for Community Living</b>			
19	Supportive Services	3.5	State	CARES; ARP
20	Congregate and Home Delivered Meals	8.2	State	Families First; CARES; CCA 2021; ARP
21	Family Caregivers	1.2	State	CARES; ARP
22	Protection of Vulnerable Older Americans	2.1	State	Families First; CARES; CCA 2021; ARP
23	Centers for Independent Living	0.9	Provider	CARES
24	Aging and Disability Resource Centers	0.3	State	CARES
	<b>Centers for Disease Control and Prevention</b>			
25	CDC Grants	270.4	State	CPR; CARES; PPP & Health Care; CCA 2021; ARP
	<b>HRSA</b>			
26	Community Health Centers	45.0	Provider	CPR; CARES; ARP
27	Workforce Programs	0.2	Provider	CARES
28	Community Mental Health Centers & Behavioral Healthcare Programs	35.3	State & Provider	CARES; ARP
	<b>Labor</b>			
29	Unemployment Insurance	178.7	State	Families First; CARES; CCA 2021; Presidential Directive; ARP
30	WIOA Dislocated Workers Funding	2.3	State	CARES
	<b>Justice</b>			
31	State and Local Law Enforcement	4.6	State & Local	CARES

**Federal Coronavirus Relief Projections for Rhode Island**

<b>Item #</b>	<b>Item</b>	<b>Amount</b>	<b>Award Through</b>	<b>Act</b>
	<b>USDA</b>			
32	Food & Nutrition Assistance Programs	7.8	State	Families First; CARES; CCA 2021; ARP
33	Supplemental Nutrition Program for Women, Infants, and Children (WIC)	2.7	State	Families First; ARP
	<b>Commerce</b>			
34	Awards to Fishery Participants <sup>1</sup>	6.3	Provider	CARES
35	Economic Adjustment Assistance	6.8	State	CARES
	<b>Homeland Security</b>			
36	Emergency Performance Management Grant	1.9	State	CARES
37	Emergency Food and Shelter Program	2.3	State	CARES
38	Assistance to Firefighters Grant (AFG) Program	0.1	Local	CARES
	<b>Housing and Urban Development</b>			
39	Community Development Fund (CDBG)	22.2	State & Local	CARES
40	Homelessness Assistance Grants	11.2	State & Local	CARES
41	Public Housing Operating Fund	5.9	Local	CARES
42	Tenant-Based Rental Assistance	4.7	Provider & Local	CARES
43	Housing Opportunities for Persons with AIDS <sup>2</sup>	0.6	State & Local	CARES
44	Supportive Housing for Persons with Disabilities	0.2	Local	CARES
45	HOME Investment Partnerships <sup>2</sup>	23.1	Provider & Local	ARP
	<b>Transportation</b>			
46	Federal Transit Funding	134.7	State	CARES; CCA 2021; ARP
47	Grants-in-Aid for Airports	46.8	Airports	CARES; CCA 2021; ARP
48	Highway Infrastructure Programs	54.3	State	CCA 2021
	<b>Independent Agencies</b>			
49	Election Security Grants	3.0	State	CARES
50	National Endowment for the Arts	1.2	State	CARES;ARP
51	National Endowment for the Humanities	1.0	Provider	CARES;ARP
52	Institute of Museum and Library Services	2.4	State	CARES;ARP
53	COVID-19 Telehealth Program	0.2	Provider	CCA 2021
54	State Veterans Homes <sup>3</sup>	0.8	State	CAA 2021
	<b>Health and Human Services</b>			
55	FMAP Rate Increase	301.0	State & Local	Families First
56	Provider Relief Funds	333.2	Provider	CARES
57	Hospital Preparedness	2.9	State & Provider	CARES
58	STAR Health Information Exchange Program	0.1	State & Provider	CARES
59	Advancing Health Literacy to Enhance Equitable Community Responses to COVID-19	2.0	State	CARES
	<b>Total</b>	<b>\$6,699.1</b>		

*\$ in millions. Totals do not include competitive grants or loans for which RI might be eligible. Estimates from FFIS unless otherwise noted. <sup>1</sup> National Oceanic & Atmospheric Administration, <sup>2</sup> HUD, <sup>3</sup> Department of Veterans Affairs*

**1. Federal Disaster Declaration.** Under current federal law, the Stafford Act authorizes the President to provide federal assistance when the magnitude of an incident or threatened incident exceeds the affected state, territorial, Indian Tribal, and local government capabilities to respond or recover. On March 13, 2020, the President declared that an emergency exists nationwide as a result of COVID-19 beginning on January 20, 2020. The Stafford Act constitutes the statutory authority for most federal disaster response activities, especially as they pertain to Federal Emergency Management Agency (FEMA) programs. Under this declaration, Rhode Island would qualify for reimbursement of 75 percent of certain expenses.

On April 13, 2020, Rhode Island requested that its share be waived and the Agency reimburse 100 percent of qualifying expenses. The request was denied; however, on February 2, 2021, President Biden directed the Federal Emergency Management Agency to retroactively increase the federal share from 75 percent to 100 percent beginning in January 2020 and extending through September 30, 2021. Federal guidelines suggest that these reimbursements will not duplicate assistance provided by the United States Department of Health and Human Services or any other federal agencies.

The FY 2020 audited closing shows \$111.0 million of expenses eligible for reimbursement from the Federal Emergency Management Agency and Governor McKee's FY 2021 revised and FY 2022 budget recommendations include \$362.1 million and \$156.3 million, respectively, for total spending of \$629.3 million over the three years. It should be noted that the \$111.0 million receivable was disallowed in FY 2020 and was moved to a general revenue expense. The administration expected to recognize Federal Emergency Management Agency revenue in FY 2021 to offset the general revenue expense.

The table below shows budgeted amounts of COVID-19 related expenditures and the respective funding sources from FY 2020 through the Governor's FY 2022 recommended budget.

	<b>CRF</b>	<b>FEMA</b>	<b>Other Federal</b>	<b>General Revenues</b>	<b>Total</b>
FY 2020	\$ 255.0	\$ 111.0	\$ -	\$ -	\$ 366.0
FY 2021	995.0	362.1	314.2	14.2	1,685.5
FY 2022	-	156.3	171.8	-	328.0
<b>Total</b>	<b>\$ 1,250.0</b>	<b>\$ 629.3</b>	<b>\$ 485.9</b>	<b>\$ 14.2</b>	<b>\$ 2,379.5</b>

*\$ in millions*

The 2021 Assembly added \$13.3 million to the FY 2021 final budget. The majority of this, \$17.4 million, represents emergency relief for higher education from the Coronavirus Response and Relief Supplemental Appropriation Act. The Assembly added \$1,299.3 million to the FY 2022 enacted budget, mostly to reflect inclusion of funding from the Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act.

The table below shows budgeted amounts of COVID-19 related expenditures and the respective funding sources from FY 2020 through the FY 2022 enacted budget.

	<b>CRF</b>	<b>FEMA</b>	<b>Other Federal</b>	<b>General Revenues</b>	<b>Total</b>
FY 2020	\$ 246.9	\$ 0.1	\$ -	\$ -	\$ 247.1
FY 2021	1,001.5	363.3	327.5	12.5	1,704.8
FY 2022	1.5	82.9	1,471.1	-	1,555.6
<b>Total</b>	<b>\$ 1,250.0</b>	<b>\$ 446.4</b>	<b>\$ 1,798.6</b>	<b>\$ 12.5</b>	<b>\$ 3,507.4</b>

*\$ in millions*



## Treasury

**2. Coronavirus Relief Fund.** The CARES Act provides \$150.0 billion for FY 2020 for states, tribal governments, and local governments. Payments to states are based on population; however, the act does include a minimum payment of \$1,250.0 million, which applies to Rhode Island. Funds can be used for “necessary” expenditures incurred related to COVID-19 that were not accounted for in the budget most recently approved, and were incurred between March 1, 2020 and December 30, 2020. Local governments with populations of at least 500,000 are eligible for direct payments from the state’s allotment; no Rhode Island municipality meets that threshold.

Guidance on the allowable uses of funds was released by the Department of the Treasury on April 22, 2020. It identifies expenditures that qualify as those used for actions taken to respond to the public health emergency. These may include expenditures incurred to respond directly to the emergency, such as medical or public health needs, as well as expenditures incurred to respond to “second-order” effects, such as providing economic support to those suffering from employment or business interruptions due to COVID-19 related business closures. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses as are those to facilitate compliance with COVID-19 related public health measures. These funds cannot be used for the state’s share of Medicaid expenses and expenditures otherwise reimbursed through other federal programs. The guidance is very clear that funds may not be used to fill shortfalls in government revenue. Costs must be incurred between March 1, 2020, and December 30, 2020. Revised federal guidance issued in September further clarified and broadened eligible costs.

The Coronavirus Response and Relief Supplemental Appropriations Act extends the date by which state and local governments are able to make expenditures from the Coronavirus Relief Fund from December 30, 2020 to December 31, 2021. The state spent \$246.9 million in FY 2020; the FY 2021 final budget includes \$1,001.5 million and the remaining \$1.5 million is budgeted in FY 2022.

**3. Rental Assistance.** The Coronavirus Response and Relief Supplemental Appropriations Act, provides \$25.0 billion for states, tribal governments and local governments to provide support for rent and certain utilities expenses, prospectively or in arrears. Funding to the states and Washington D.C. is distributed in accordance with the formula for the Coronavirus Relief Fund including a minimum payment of \$200.0 million, which applies to Rhode Island.

States can use up to 10.0 percent of their allocations for supportive services to secure housing stability such as case management. Provided that recipients do not already receive a duplicative federal housing subsidy, households with income up to 80.0 percent of area median income that rent are eligible provided that an individual is qualified for unemployment benefits or has an income reduction due to the pandemic, and is determined to be at risk for homelessness or housing instability for past-due rent or utilities, unsafe or unhealthy living conditions, or other evidence as determined by the state. Grants can be used for rent or utilities prospectively or in arrears; payments are to be made to property owners or utility providers if possible. Grants are to be awarded on a quarterly basis, and can be reapplied for each quarter for 12 months. In certain instances, three additional months can be provided.

Priority goes to households with income under 50 percent area median income or where a member has been unemployed for 90 days. Based on Housing and Urban Development rates for 2020, the most current data available, 50 percent area median income for Rhode Island is \$31,450 to \$59,250 depending on family size. Based on that same data, 80.0 percent area median income is \$50,300 to \$94,850 depending on family size. The legislation provides for a reallocation of awards beginning September 30, 2021 from grantees which have not obligated at least 65 percent of the allocation; for Rhode Island, the threshold is \$130.0 million. Subsequent guidance from the U.S. Department of the Treasury stipulates that to determine income

threshold eligibility, the state may use annual income as defined by U.S. Housing and Urban Development or adjusted gross income as defined by the Internal Revenue Service for income tax purposes. The Governor’s recommended budget funds this initiative through the Department of Administration, and includes \$80.0 million for FY 2021 and \$120.0 million for FY 2022. The program is being administered by RI Housing and began taking applications on March 31, 2021.

The American Rescue Plan Act provides \$21.6 billion, of which \$2.5 billion is allocated at the discretion of the secretary for high need grantees, to continue this program. Grantees may grant awards through September 30, 2025; payments may be made to grantees through September 30, 2027. High need grantees are defined by criteria for housing cost burdens, living condition quality and density, and employment changes since February 2020. The act also extends the use of funds from the first rental assistance program from December 31, 2021 to September 30, 2022.

Initial payments to states are 40.0 percent of the total allocation with subsequent payments made over time; the initial allocation should be \$60.8 million for Rhode Island. Additional disbursements are provided when 75.0 percent of funding previously disbursed is obligated. Beginning March 31, 2022, unpaid funding may be reallocated among recipients that have obligated 50 percent of their total funding. After October 1, 2022, recipients that have obligated 75.0 percent of their total allocation may use the remaining funds for affordable housing and eviction prevention services. The total from all acts is \$352.0 million. 2021-H 6122, Substitute A, as amended includes \$314.0 million, including \$80.0 million for FY 2021 and \$234.0 million for FY 2022. The FY 2022 funding includes \$120.0 million from the CARES Act, and \$114.0 million from the American Rescue Plan Act. As of July 16, 2021, 7,019 applications totaling \$34.1 million of funding have been received, with 641 applications approved, totaling \$5.3 million of awards.

**4. State and Local Government Aid.** The American Rescue Plan Act provides \$360.0 billion to assist states and local governments to cover expenditures incurred from, and provide government services impacted by, coronavirus related revenue losses until December 31, 2024. From a state fiscal year perspective, this means funds will be available for use from FY 2021 through FY 2025. On May 10, 2021, the U.S. Department of the Treasury announced that the allocation to Rhode Island totals \$1.8 billion from three sources, the State Fiscal Recovery Fund, Local Fiscal Recovery Fund and Coronavirus Capital Projects Fund. The estimate assumes the state will receive \$1.1 billion from the recovery fund and \$112.7 million for capital expenses, and local governments will receive \$536.8 million; this is \$1.0 million more than previously estimated. The act provides that the capital funds and half of the state and local government funds be disbursed within 60 days of certified attestation from the state regarding the use of funds, with the remainder not to be paid within one year of the first disbursement. The allocated amounts anticipated are shown in the following table.

	<b>Total</b>	<b>Year 1</b>	<b>Year 2</b>
<b>State</b>	\$ 1,131,061,057	\$ 565,530,528	\$ 565,530,528
<b>Local Governments</b>	\$ 536,834,915	\$ 268,417,458	\$ 268,417,458
<i>Entitlement</i>	\$ 272,919,729	\$ 136,459,865	\$ 136,459,865
<i>Non-Entitlement</i>	58,146,731	29,073,366	29,073,366
<i>Counties</i>	205,768,455	102,884,228	102,884,228
<b>Capital</b>	\$ 112,728,834	\$ 112,728,834	\$ -
<b>Grand Total</b>	<b>\$ 1,780,624,805</b>	<b>\$ 946,676,820</b>	<b>\$ 833,947,986</b>

The Local Fiscal Recovery Fund provides allocations to three distinct divisions of local government: \$272.9 million for direct support to defined entitlement communities consistent with the Community Development Block Grant fund allocations, \$58.1 million for non-entitlement communities, and \$205.8 million for county governments. Entitlement communities in Rhode Island include Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket. For the county government funds, the state is required to disburse

those funds to each government within each county on a per capita basis with respect to the county population.

Funds are intended to respond to the coronavirus pandemic and its negative economic impacts, and may be provided to households, small businesses, nonprofits, essential workers, or to impacted industries including tourism, travel, and hospitality, or infrastructure supports for water, sewer, or broadband systems. The FY 2022 enacted budget includes \$132.0 million of pass-through funding to locals. None of the state allocations including capital funds are authorized in the FY 2022 budget. This reflects the first tranche of non-entitlement and county funding. The entitlement community funding does not pass through the state's budget.

**5. State Small Business Credit Initiative.** The American Rescue Plan Act provides \$10.0 billion to recapitalize the State Small Business Credit Initiative established by the Small Business Jobs Act of 2010, to support small businesses impacted by the economic effects of the coronavirus pandemic. Funding is allocated by formula and distributed in one-third increments to states, territories, and eligible municipalities to expand existing or create new state small business investment programs, including state capital access programs, collateral support programs, loan participation programs, loan guarantee programs, and venture capital programs. The act provides that \$1.5 billion be allocated to support businesses controlled by the socially and economically disadvantaged, and \$1.0 billion set aside to increase the second and third incremental disbursements to recipients that “demonstrate robust support” for the socially and economically disadvantaged from the initial incremental disbursement. It also provides \$500.0 million each for businesses with fewer than ten employees and for technical assistance with priority to socially and economically disadvantaged businesses. The U.S. Department of Treasury updated preliminary allocations on May 4, 2021; Rhode Island's preliminary allocation is estimated at \$56.2 million; however, the notice of intent to apply for funding is anticipated to be available on May 10, and applications from states are due on December 11, 2021. The FY 2022 budget includes \$56.2 million.

**6. Homeowner Assistance Fund.** The American Rescue Plan Act provides \$10.0 billion through September 30, 2025 to establish a Homeownership Assistance Fund for eligible recipients that applied by April 25, 2021. The act includes a minimum allocation of \$50.0 million. The U.S. Treasury has allocated the minimum amount to Rhode Island as of April 14, 2021; however, the funding request portal was not available until April 16. The fund provides resources to assist homeowners of single to four family residences experiencing a pandemic-related hardship since January 21, 2020 with mortgage and other financial assistance including insurance, utility, internet, or other expenses to remain in their homes, or for reimbursement to state and local governments for homeowner assistance consistent with the aforementioned aid. The act requires 60.0 percent of the aid to be allocated to recipients with incomes up to 100.0 percent of the greater of area median income or United States median income, and requires the remaining funding be directed towards socially disadvantaged individuals. The FY 2022 budget includes \$25.0 million.

## Education

The CARES Act includes \$30.8 billion for an Education Stabilization Fund, nearly all of which will be distributed to states through three separate funds described below. The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$81.9 billion for the Education Stabilization Fund, nearly all of which will be distributed to states in the same manner as the CARES Act. *Federal Funds Information for States* indicates that Rhode Island will receive \$431.7 million for local education agencies and institutions of higher education, both public and private. To be eligible for these funds, states must first provide support for both elementary and secondary education and public higher education at no less than the three-year average for fiscal years 2017, 2018 and 2019 for both FY 2020 and FY 2021. This is referred to as maintenance of effort; the Secretary of Education has discretion to waive it.

Determining maintenance of effort requires a number of steps and decisions. For higher education, this includes funding for institutions and need-based financial aid, but excludes expenditures for research and development, tuition and fees, or capital projects. The Governor’s revised budget exceeded that threshold by \$83.1 million for elementary and secondary education and by at least \$15.9 million for higher education. The final FY 2020 budget exceeded the threshold by \$41.9 million for elementary and secondary education and by \$1.3 million for higher education.

<b>Maintenance of Effort Calculations</b>					
<b>State Support</b>	<i>K-12</i>	<i>K-12 Share of State Spending</i>	<i>Public Higher Education</i>	<i>Higher Ed. Share of State Spending</i>	
FY 2017	\$ 1,093.1	29.8%	\$ 172.1	4.69%	
FY 2018	\$ 1,141.2	30.1%	\$ 178.5	4.70%	
FY 2019	\$ 1,166.6	29.7%	\$ 185.5	4.73%	
<b>Three-Year Average</b>	<b>\$ 1,133.7</b>	<b>29.85%</b>	<b>\$ 178.7</b>	<b>4.71%</b>	
FY 2020 Final	\$ 1,096.4	27.69%	\$ 180.0	4.55%	
Chg. to 3-Yr. Average	\$ (37.3)	-2.2%	\$ 1.3	-0.16%	
FY 2021 Final	\$ 1,260.5	31.65%	\$ 189.3	4.75%	
Chg. to 3-Yr. Average	\$ 126.8	1.8%	\$ 10.6	0.05%	
FY 2022 Enacted	\$ 1,306.5	28.71%	\$ 212.6	4.67%	
Chg. to 3-Yr. Average	\$ 172.8	-1.14%	\$ 33.8	-0.03%	

*\$ in millions*

The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$81.9 billion for the Education Stabilization Fund, nearly all of which will be distributed to states in the same manner as the CARES Act. Unlike the CARES Act, which required state support for education be at least equal to average state spending from general revenues on those programs during the three-year period, the new maintenance of effort requirement is based on a share of spending rather than a specific dollar amount. The requirement is now based on the proportion of state spending on education compared to all state spending in those same years. For example, state spending on elementary and secondary education comprised 27.7 percent of state spending in FY 2017 through FY 2019, therefore spending in FY 2022 must comprise at least 27.7 percent of all state spending.

Consistent with the CARES Act, the Secretary of Education has the authority to waive this requirement. Based on the final FY 2021 budget, the maintenance of effort requirement would be met for both elementary and secondary education and for higher education. However, neither agency would meet the requirement based on the enacted FY 2022 budget. Despite significant increases in funding for both agencies, the state’s overall general revenue budget is \$568.2 million more for FY 2022 than the final FY 2021 budget. Information provided by the Department of Administration indicates that the state will apply for a waiver for FY 2022.

On March 11, 2021, President Biden signed the American Rescue Plan Act, which includes \$122.8 billion for emergency relief for elementary and secondary schools. This is in addition to both appropriations noted above. Funding is available for use through September 30, 2023, state education agencies will have to award funding within one year of receiving it. At least 90.0 percent must be distributed to local education agencies in the same manner as the prior bills. However, local education agencies must use at least 20.0 percent of their funds specifically to address learning loss.

Maintenance of effort requirements are consistent with the Consolidated Appropriations Act but for FY 2022 and FY 2023. Unlike prior legislation, the American Rescue Plan Act includes new maintenance of equity requirements. This requires that state funding for high need and high poverty local education agencies on a per-pupil basis for FY 2022 and FY 2023 be at least consistent with FY 2019. Additionally,

the bill includes a local maintenance of effort requirement for local education agencies; high poverty schools must maintain per-pupil funding and per-pupil full-time equivalent staff for FY 2022 and FY 2023. Consistent with prior legislation, the Secretary of Education is authorized to waive it. Rhode Island is estimated to receive a total of \$1,021.7 million from education stabilization funds across elementary, secondary, and higher education through the three acts.

**7. Governor's Fund.** The Education Stabilization Fund includes \$2.95 billion for the Governor's Emergency Education Relief Fund for which Rhode Island is eligible for \$8.7 million. States must apply for funds, which will be awarded based on two formulas. Funds are for grants to local education agencies, higher education institutions and other education related entities within the state that have been most affected by the coronavirus.

The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$4.1 billion for the Governor's Emergency Education Relief Fund, of which \$2.8 billion would be set aside for grants for non-public schools. On January 8, the federal Department of Education published funding distributions by state; Rhode Island received \$10.9 million. Of this amount, \$3.8 million is flexible and \$7.1 million must be distributed to private schools.

In total, Rhode Island received \$19.7 million from Governor's Emergency Education Relief funds, of which \$12.5 million is flexible. Governor Raimondo decided that \$0.9 million would be used to increase student access to mental health professionals, including through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, \$2.5 million to expand prekindergarten, \$5.3 million to expand access to the Community College in a manner similar to the Promise program, and \$3.9 million for the Office of Postsecondary Commissioner. The Office will use funds to: improve access to higher education and education training opportunities, support innovation of ongoing operations of those institutions of higher education that have been most impacted by COVID-19, and to protect education related jobs and increase the quality of child care programming. Governor McKee included the \$12.5 million in his FY 2022 budget recommendation. The Budget includes the funds as recommended.

The American Rescue Plan Act includes an additional \$2.8 billion for the Governor's Emergency Education Relief Fund. Funds must specifically be distributed to non-public schools. *Federal Funds Information for States* estimates Rhode Island will receive \$6.2 million. In total, the state is estimated to receive \$25.9 million from Governor's Emergency Education Relief funds from all three acts. The Budget includes a total of \$13.4 million for support to non-public schools, including funding from both the Consolidated Appropriations Act and the American Rescue Plan Act.

**8. K-12 Fund.** The Education Stabilization Fund includes \$13.2 billion for emergency relief for elementary and secondary schools. State education agencies must apply for funds which will be awarded in proportion to Title I-A grants. Rhode Island received \$46.4 million; at least 90.0 percent must be distributed to local education agencies, proportionally to Title I-A funds. Funds can be used for preparedness and response activities related to and resulting from coronavirus, such as sanitizing school buildings and planning for long-term closures. Funds can also be used for educational activities, addressing the needs of special populations, and purchasing technology for students. The Department of Elementary and Secondary Education made funding distribution estimates available to local education agencies on May 8, totaling \$41.7 million. No more than \$0.2 million or 0.5 percent of the total award may be used on administrative costs. These funds were included in the final FY 2020 budget.

The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$54.3 billion for emergency relief for elementary and secondary schools. Consistent with the CARES Act, new funds will be awarded to states in proportion to Title I-A funds, of which at least 90.0 percent must be distributed directly to local education agencies. Recipients must use the funds by September 30, 2023 for educational activities, addressing the needs of special populations, and physical improvements related to

air quality. State education agencies have one year from receiving funds to make the awards. On January 5, the federal Department of Education published funding distributions by state; Rhode Island is anticipated to receive \$184.8 million, of which at least \$166.3 million must be distributed to local education agencies.

The American Rescue Plan Act includes an additional \$122.8 billion for emergency relief for elementary and secondary schools. This includes \$800.0 million for grants to identify and address the needs of homeless youth and \$122.0 billion to states in proportion to Title I-A funds, of which at least 90.0 percent must be distributed directly to local education agencies. Recipients must use funds by September 30, 2023 for educational activities and at least 20.0 percent of distributions to local education agencies must address learning loss. However, state education agencies have one year from receiving funds to make the awards. *Federal Funds Information for States* estimates Rhode Island will receive \$415.1 million, at least \$373.5 million of which must be directly distributed to local education agencies.

The state is estimated to receive a total of \$646.3 million from Elementary and Secondary Education Emergency Relief funds across the three stimulus bills. The FY 2022 enacted budget includes a total of \$600.0 million authorized under the Consolidated Appropriations Act and the American Rescue Plan Act.

**9. Rethink K-12 Education Models Grant.** The CARES Act appropriates 1.0 percent of the \$30.8 billion allotted to the Education Stabilization Fund to be awarded through a grant process by the federal Department of Education for a Rethink K-12 Education Models grant. States can apply for funding under one of three priorities: continued learning parent microgrants, statewide virtual learning and course access programs, and field-initiated projects for educational models for remote learning to improve student outcomes. The Rhode Island Department of Elementary and Secondary Education was one of 11 states to be awarded grant funding. The state received \$10.9 million to be spent over three-years and will be used to increase access to high-quality remote learning. The Budget includes \$1.0 million for FY 2021 and \$6.9 million for FY 2022 based on projected spending. Remaining funds would be available for use in FY 2023.

**10. Higher Education Fund - General.** The CARES Act appropriates 46.3 percent of total Education Stabilization funds, or approximately \$14 billion for emergency relief for higher education institutions. Of the total, 90.0 percent of the funds will be awarded on a formula basis that accounts for a state's share of full-time equivalent Pell students. At least 50 percent must provide emergency financial aid to students to cover eligible expenses such as food, housing, course materials, technology, health care and child care. Remaining funds may be used by institutions to defray expenses, such as lost revenue and technology costs associated with a transition to distance education. The final FY 2020 budget includes \$29.5 million for the state's public higher education institutions; the United States Department of Education indicated that the state's private institutions will receive \$36.0 million.

Additionally, 7.5 percent of the total funds will be allocated to minority serving institutions to be used to defray expenses; it may also be used for grants to students for any component of the student's cost of attendance, including food, housing, course materials, technology, health care, and child care. Rhode Island institutions received \$1.7 million, including \$0.9 million for public institutions. The remaining 2.5 percent of funds will be allocated to institutions with the greatest need as determined by the Secretary of Education; *Federal Funds Information for States* indicates that a private Rhode Island institution received \$0.4 million.

The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$21.2 billion for emergency higher education relief. In data published on June 29, 2021, *Federal Funds Information for States* indicates that Rhode Island Institutions will receive \$103.0 million. The information shows that public institutions will receive \$52.9 million of which \$14.3 million must be used for student aid, private institutions will receive \$50.1 million.

The American Rescue Plan Act includes an additional \$39.6 billion for higher education. In data published on June 29, 2021, *Federal Funds Information for States* indicates that Rhode Island Institutions will receive

\$179.6 million. The information shows that public institutions will receive \$90.8 million and private institutions will receive \$77.2 million. At least half of the funding must be spent on emergency financial aid to students to help with tuition and basic needs like food, housing, and healthcare. The other half is for institutions to offset lost tuition revenue and increased costs from declining enrollment, transition to online, learning, the closure of revenue-producing auxiliary enterprises, cleaning, and personal protective equipment. This brings to the total from all acts to \$349.5 million.

The final FY 2021 budget includes \$17.4 million for the University based on information that these funds had been spent. The FY 2022 enacted budget includes the remaining \$128.0 million from Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act. Over the two acts, the allocation by institution are \$48.5 million for the University of Rhode Island, \$34.6 million for Rhode Island College, and \$62.3 million for the Community College of Rhode Island.

**11. Children with Disabilities & Homeless Youth.** The American Rescue Plan Act includes \$3.0 billion for grants for students with disabilities. This includes \$2.6 billion for grants under part B of the Individuals with Disabilities Education Act, which establishes guidelines for school age children ages three to 21. It also includes \$200.0 million for preschool grants and \$250.0 million for infants and toddlers with disabilities, also under the Individuals with Disabilities Act. *Federal Funds Information for States* estimates Rhode Island will receive \$11.0 million, including \$9.0 million for school age children, \$0.9 million for preschool, and \$1.2 million for infants and toddlers. Based on traditional grant awards, funding will likely be available for 27 months from the award. The FY 2022 enacted budget includes \$11.7 million.

The American Rescue Plan Act also includes \$800.0 million for students experiencing homelessness. Funding can be used to identify homeless children, provide wraparound services, and provide assistance enabling them to attend school and participate fully in school activities. *Federal Funds Information for States* estimates Rhode Island will receive \$2.7 million.

### Children and Families

**12. Child Care and Development Block Grant.** The CARES Act includes \$3.5 billion for child care assistance programs for low-income families. Funds can be used for payments to child care providers in the case of decreased enrollment or closures related to coronavirus, as well as ensuring providers are able to remain open or reopen. Funds can also be used to provide child care assistance to health care and other essential workers during coronavirus response efforts. Rhode Island is estimated to receive \$8.2 million from block grant funds, which can be used to offset Child Care Assistance Program payments that the state has continued to make while day care providers are closed. This funding is in addition to the state's FY 2020 block grant award of \$24.3 million including discretionary and restricted funds. Unspent funds may be carried forward into the next fiscal year.

The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$10.0 billion for the Child Care and Development Block Grant. This is in addition to the state's FY 2021 block grant award. *Federal Funds Information for States* estimates Rhode Island will receive \$23.9 million. The final FY 2021 budget includes \$18.8 million for direct grant awards to child care providers. Funds will be used to offset expenses incurred as a result of the public health emergency.

The American Rescue Plan Act includes \$39.0 billion for child care providers, including \$24.0 billion from child care stabilization funds which must be used to provide grants to child care providers with operating expenses during the pandemic. The Rhode Island Department of Human Services will distribute these funds through an application process. The act also adds \$15.0 billion for the Child Care and Development Block Grant, which can be used for the state's child care assistance program. *Federal Funds Information for States* estimates that Rhode Island will receive \$35.7 million from block grant funds and \$57.3 million from stabilization funds. Block grant funds may be obligated in federal FY 2021 and the following two

fiscal years; while, stabilization funds are available only through September 30, 2021. Total funding to Rhode Island from the three acts would be \$126.4 million. The FY 2022 enacted budget includes the \$57.3 million for direct grants to providers. It also includes \$6.2 million from block grant funds for increased reimbursement rates to child care providers and \$0.5 million to limit the family share of child care assistance program expenses to 7.0 percent of income.

**13. Community Services Block Grant.** The CARES Act includes \$1.0 billion for the Community Services Block Grant with Rhode Island estimated to receive \$5.5 million to support programs and services, including those targeting low-income families. The supplemental appropriation is in addition to the state's annual \$4.1 million block grant award, nearly all of which is distributed to providers including community action agencies. The Budget includes \$4.1 million from the new federal funds for FY 2021 and the remaining funds for FY 2022.

**14. Low Income Home Energy & Water Assistance Programs.** The CARES Act includes \$900.0 million for the Low Income Home Energy Assistance Program or LIHEAP. Rhode Island is estimated to receive \$5.9 million to assist low income households meet the increasing costs of home energy and reduce the severity of an energy related crisis. This is in addition to the FY 2020 award of \$24.2 million. Eligibility for the program is unchanged. The Department of Human Services will work with local community action agencies to enroll recently eligible residents in the program. The enacted FY 2021 budget includes the \$5.9 million. The Budget shifts \$3.3 million from FY 2021 to FY 2022 based on projected expenditures.

The American Rescue Plan Act includes an additional \$4.5 billion for the Low Income Home Energy Assistance Program. The FY 2022 enacted budget includes total awards of \$30.8 million, though funds are available for use until September 30, 2022. Total funding from the two acts would be \$36.7 million.

The Consolidated Appropriations Act of 2021 also includes \$638.0 million in emergency funding to assist low-income households with water and wastewater bills. Rhode Island is estimated to receive \$2.0 million to assist low income households. The American Rescue Plan Act includes an additional \$500.0 million for the program, of which Rhode Island is estimated to receive \$1.7 million. Across both acts, the state is estimated to receive \$3.7 million; however, the funding is not included in the Budget.

**15. Family Violence Prevention.** The CARES Act includes \$45.0 million for family violence prevention grants. Rhode Island's Department of Human Services received \$0.2 million to be awarded to local organizations to provide temporary housing and assistance to victims of family, domestic, and dating violence. The FY 2021 budget includes an additional \$0.1 million, as some funds were spent in FY 2020.

The American Rescue Plan Act includes an additional \$200.0 million to carry out activities authorized under the Family Violence Prevention and Services Act. It includes \$18.0 million specifically for 309 grants to Native American tribes and \$2.0 million specifically for the national domestic violence hotline. Rhode Island's Department of Human Services is expected to receive \$0.4 million to be awarded local organizations as well as \$0.3 million for state domestic violence coalitions. Across both acts, the state is expected to receive a total of \$0.9 million.

**16. Child Welfare Services.** The CARES Act includes \$45.0 million for child welfare services. Rhode Island is estimated to receive \$0.1 million for services to prevent neglect, abuse or exploitation of children, support at-risk families through services which assist with youth returning to their families, promote the safety of youth in foster care or adoptive families, and provide training and professional development for Department of Children, Youth and Families staff. Rhode Island receives \$0.8 million annually; the additional funding represents an increase of approximately 17 percent.



The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$400.0 million for child welfare services. *Federal Funds Information for States* estimates Rhode Island will receive \$2.3 million, which is available through September 30, 2021.

The American Rescue Plan Act includes an additional \$350.0 million for child welfare programs authorized under the Child Care Abuse Prevention and Treatment Act, including funding for community-based prevention services. *Federal Funds Information for States* estimates Rhode Island will receive \$1.0 million which will remain available through September 30, 2023. In total, \$3.4 million is provided. The FY 2021 final budget includes \$1.8 million from federal Chafee funds. The FY 2022 enacted budget includes \$1.5 million from all other grants, including \$0.7 million for community-based child abuse prevention, \$0.3 million for Chafee education and training vouchers, \$0.3 million for child abuse prevention and \$0.2 million for family preservation and support.

**17. Head Start.** The CARES Act includes \$750.0 million for Head Start programs, of this amount \$500.0 million is for providers that can support supplemental summer learning programs and \$250.0 million is for expenses incurred resulting from the coronavirus. Seats in the summer program are to be prioritized for currently enrolled students entering kindergarten in the fall of 2020 and those with individualized education plans. *Federal Funds Information for States* estimates that Rhode Island will receive a total of \$2.2 million to be distributed directly to the state's six current providers.

The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$250.0 million for Head Start providers, which will be distributed directly to the state's providers. *Federal Funds Information for States* estimates Rhode Island received \$0.7 million. The American Rescue Plan Act includes an additional \$1.0 billion for Head Start providers. *Federal Funds Information for States* estimates Rhode Island providers will receive \$3.0 million, which will be directly distributed to them. This would bring total funding to \$6.0 million from the three acts.

**18. Emergency Assistance for Children and Families.** The American Rescue Plan Act includes \$1.0 billion to be distributed to states through a Pandemic Emergency Assistance Fund. Funds must be used for one-time, non-recurring benefits to children and families and cannot be used to supplant existing funds. Funds could be used to provide cash benefits, for example. *Federal Funds Information for States* estimates Rhode Island will receive \$2.7 million.

### Community Living

**19. Supportive Services.** The CARES Act includes \$200.0 million for supportive services for older and disabled individuals; Rhode Island is estimated to receive \$1.0 million which will be awarded to the Office of Healthy Aging. Funds can be used for program administration and distributed to providers for a variety of activities outlined in Title III-B of the Older Americans Act. These activities include health education, counseling, screenings, housing services, home modification, home security, transportation, elder abuse prevention and response activities, and in-home services, among others. The FY 2021 enacted budget includes \$0.8 million from the additional funds; the remaining \$0.2 million is included in the Governor's FY 2022 budget. Based on projected expenditures the Assembly shifted the \$0.8 million to FY 2022 which now includes the full grant award of \$1.0 million.

The American Rescue Plan Act includes an additional \$460.0 million for supportive services. *Federal Funds Information for States* estimates Rhode Island will receive \$2.3 million. The act also includes \$44.0 million for disease prevention and health promotion programs for older Americans. *Federal Funds Information for States* estimate Rhode Island will receive \$0.2 million for preventative services. There does not appear to be a state match requirement. Legislation indicates that funding is available until spent; however, guidance from the Administration for Community Living has not yet been released. Total funding from the two acts would be \$3.5 million.

**20. Congregate and Home Delivered Meals.** The federal government has appropriated \$750.0 million for nutrition programs serving elderly and disabled individuals in response to the coronavirus. This includes \$250.0 million under the Families First Coronavirus Response Act and \$500.0 million under the CARES Act to support home-delivered meals, congregate meal services, and nutrition services. Rhode Island is estimated to receive a total of \$3.6 million for nutrition services, of which \$1.2 million has already been awarded. As of April 1, 2020, the Office of Healthy Aging distributed \$0.8 million for home-delivered meals to community providers and has since received federal approval to use the remaining \$0.4 million, which was designated for congregate meals, for that purpose as well. The FY 2021 enacted budget includes the \$2.2 million from the additional funds; \$1.4 million was spent in FY 2020.

The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$168.0 million for congregate and home-delivered meals for elderly and disabled individuals. Rhode Island will receive \$840,000, which was distributed by the Office of Healthy Aging; the FY 2022 budget includes the funding. The American Rescue Plan Act includes an additional \$750.0 million for congregate and home-delivered meals. *Federal Funds Information for States* estimates Rhode Island will receive \$3.6 million. Legislation indicates that funding is available until spent; however, guidance from the Administration for Community Living has not yet been released. The Budget does not include these funds as the Office had not received notification of award prior to June 2021. Total funding from the two acts would be \$8.2 million.

**21. Family Caregivers.** The CARES Act includes \$100.0 million for family caregiver support services, of which Rhode Island is projected to receive \$0.5 million. Funds can be used for activities outlined in Title III-E of the Older Americans Act, including providing information to caregivers on available support, assisting caregivers in accessing that support, individual counseling and caregiver training, respite care, and, on a limited basis, services that supplement the care provided by caregivers. Funds will be awarded to the Office of Healthy Aging and are limited for use to the previously mentioned activities, which includes respite services provided through the CareBreaks program. The FY 2021 enacted budget includes \$0.4 million; however, based on projected expenditures, the Assembly shifted \$0.3 million to FY 2022. Total funding available for FY 2022 is \$0.4 million.

The American Rescue Plan Act includes an additional \$145.0 million for family caregiver support. *Federal Funds Information for States* estimates Rhode Island will receive \$0.7 million. Legislation indicates that funding is available until spent; however, guidance from the Administration for Community Living has not yet been released. Total funding from the two acts would be \$1.2 million.

**22. Protection of Vulnerable Older Americans.** The CARES Act includes \$20.0 million for elder rights protection activities, of which Rhode Island is projected to receive \$0.1 million. Funds are to support state Ombudsman programs and can be used to expand their virtual presence to residents and their families. There is no state match requirement. The FY 2021 budget includes \$0.1 million.

The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$100 million to address abuse, neglect and exploitation of the elderly, including adult protective services and long-term care Ombudsman activities. *Federal Funds Information for States* estimates Rhode Island will receive \$20,000 for the state Ombudsman program and \$704,000 for adult protective services. Guidance from the Administration for Community Living states that funding for both programs must be committed by September 30, 2022. Additionally, *Federal Funds Information for States* estimates that the state will receive \$553,842 for vaccine access to older individuals, including for advocacy and outreach.

The American Rescue Plan Act includes an additional \$10.0 million for state Ombudsman programs. *Federal Funds Information for States* estimates Rhode Island will receive \$50,000. Legislation indicates that funding is available until spent; however, guidance from the Administration for Community Living has

not yet been released. Total funding would be \$1.4 million. The FY 2022 enacted budget includes \$30,000 for the Ombudsman program, \$0.4 million for vaccine access and \$0.7 million for adult protective services.

**23. Centers for Independent Living.** The CARES Act includes \$85.0 million for independent living centers, of which Rhode Island is projected to receive \$0.9 million. Funds will be awarded directly to the state's only center, the Ocean State Center for Independent Living located in Warwick. The Center provides a variety of services for elderly and disabled individuals, including assessment services, assistance with assistive technologies, advocacy and training, and independent living skills, among others.

**24. Aging and Disability Resource Centers.** The CARES Act includes \$50.0 million to be awarded as competitive grants to aging and disability resource centers. The Administration for Community Living will award funds to improve long term services and supports, beginning with grants to states to launch aging and disability resource center programs. Funding is also available to oversee active programs as well as No Wrong-Door systems. Rhode Island received notification on April 28, 2020 that it had been awarded \$0.3 million. The Budget includes \$0.2 million for FY 2021 and remaining funds are included for FY 2022.

### **Disease Control and Prevention**

**25. CDC Grants.** The Coronavirus Preparedness and Response Supplemental Appropriations Act provides \$2.2 billion to the Centers for Disease Control and Prevention for "CDC-Wide Activities and Programs." The funds may be used through federal fiscal year 2022 to prevent, prepare for, and respond to coronavirus, domestically or internationally. Of the total, \$950.0 million is for grants or cooperative agreements with states, municipalities and other entities for surveillance, laboratory capacity or other preparedness and response activities. The CARES Act includes an additional \$1.5 billion for surveillance, laboratory capacity, infection control and other response activities. *Federal Funds Information for States* indicates that Rhode Island's share from both sources will be \$11.5 million.

The Paycheck Protection Program and Health Care Enhancement Act provides an additional \$1.0 billion to the Centers for Disease Control and Prevention. The act also provides \$11.0 billion for additional testing capacity for states, local entities, territories, and tribal organizations. Based on guidance issued, funding will go to existing grant recipients for epidemiology and laboratory capacity for prevention and control of emerging infectious diseases. Recent estimates from *Federal Funds Information for States* suggest Rhode Island will receive \$87.6 million for the state testing component. Some of the requirements for the grant award include: a plan for testing a minimum two percent of the state's population each month, and how that will be increased by Fall 2020; a list of established and proposed laboratories that will be conducting tests; and plans for testing at non-traditional sites. Information obtained from *Federal Funds Information for States* shows that the Department of Health will receive an additional \$2.8 million from various grants, including \$1.2 million for COVID-19 vaccine preparedness.

The FY 2021 enacted budget includes \$76.9 million from these funds, including \$54.2 million for testing, \$16.9 million for contact tracing, \$3.4 million to purchase a building and equipment for the Office of State Medical Examiners, and \$2.4 million for data, modeling and analytics.

The Coronavirus Response and Relief Supplemental Appropriations Act provides an additional \$8.8 billion to the Centers for Disease Control and Prevention to prepare for, promote, distribute, administer, monitor, and track coronavirus vaccines to ensure broad-based distribution and vaccine coverage. The funds are available through federal fiscal year 2024. Of this amount, \$4.5 billion will be made available to states, municipalities and other entities. *Federal Funds Information for States* indicates that Rhode Island's share of that appropriation will be \$70.5 million, including \$61.0 million for testing and \$9.6 million for vaccine preparedness. The FY 2021 enacted budget included \$73.0 million from general revenues, including \$12.5 million for a vaccine campaign and \$60.5 million for testing. The Governor's FY 2021 revised budget excludes all but \$0.1 million of the general revenues because of the availability of these federal funds.

The American Rescue Plan Act provides an additional \$56.3 billion to the Centers for Disease Control and Prevention. This includes \$47.8 billion for testing, contact tracing and mitigation activities, \$7.5 billion to plan, prepare for, promote, distribute, administer, monitor and track COVID-19 vaccines, and \$1.0 billion to improve rates of vaccination. These funds are to remain available until expended. *Federal Funds Information for States* indicates that Rhode Island's share will be \$78.3 million, including \$31.9 million for school testing, \$32.6 million for vaccine preparedness, \$1.5 million for genomic sequencing, \$5.0 million for disease intervention specialists, to do contract tracing and case management, and \$7.2 million to support new hiring to support COVID-19 response efforts.

Of the \$270.4 million allocation from the various Centers for Disease Control and Prevention, the budget include \$145.2 million for FY 2021. The FY 2022 enacted budget includes \$188.0 million based on available federal funds, including \$111.0 million from the American Rescue Plan Act.

### **Community Health Centers**

**26. Community Health Centers.** The CARES Act provides \$1.3 billion for FY 2020 for COVID-19 related expenses incurred by federally qualified health centers. Rhode Island has nine health centers and its \$7.3 million share has been awarded directly to the eight federally qualified health centers. The health centers received \$3.7 million to expand COVID-19 testing with awards ranging from \$0.2 million to \$1.0 million for Providence Community Health Centers. There is also \$79.0 million for rural health centers. The act also supports telehealth networks and resource centers and provides \$29.0 million for FY 2021 through FY 2025 along with a new reporting requirement. The Coronavirus Preparedness and Response Supplemental Appropriations Act provides an additional \$7.8 million.

The American Rescue Plan Act includes an additional \$6.1 billion to expand access to vaccines. According to *Federal Funds Information for States*, Rhode Island centers will receive \$33.6 million for expanded access to vaccines and for information and education activities related to the vaccinations. Total funding from the two acts would be \$45.0 million.

**27. Workforce Programs.** The CARES Act provides \$4.4 million for the establishment of programs to support training health professionals to meet health care needs of high-risk populations, such as older individuals and those with chronic diseases. *Federal Funds Information for States* indicates that the University of Rhode Island will receive \$0.1 million. The act also includes \$23.7 million through competitive grants for each federal fiscal year 2021 through 2025 to reauthorize health profession workforce programs that plan, develop, operate, and evaluate projects to improve preventive medicine, health promotion and disease prevention, or access to, and quality of, health care services in rural or medically underserved communities. According to *Federal Funds Information for States*, \$0.1 million has been awarded to Brown University.

**28. Community Mental Health Centers and Behavioral Healthcare Programs.** The CARES Act includes \$425.0 million to support activities related to behavioral healthcare and substance abuse issues. According to *Federal Funds Information for States*, Rhode Island will receive \$6.0 million through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals including \$4.0 million provided to the state's seven community mental health centers to increase access to mental health services. Funding also includes \$2.0 million for emergency response grants to provide flexible funding to address mental health and substance use disorders, as well as to provide resources and support to youth and those who are homeless. It also includes \$0.8 million for suicide prevention activities.

The Coronavirus Response and Relief Supplemental Appropriations Act adds \$1.7 billion for substance abuse prevention and treatment and mental health block grants and up to \$600 million for the Certified Community Behavioral Health Clinic Expansion Grant. According to *Federal Funds Information for States*, Rhode Island will receive \$10.2 million from the substance abuse and mental health block grants,

\$4.0 million from the expansion grant and another \$2.9 million in emergency grants. The Assembly included \$1.3 million for the expansion grant and \$2.9 million in FY 2022 for the emergency grant. The American Rescue Plan Act includes an additional \$3.0 billion for substance abuse prevention and treatment and mental health block grants. According to *Federal Funds Information for States*, Rhode Island will receive \$11.5 million in grant funds. The FY 2022 enacted budget assumes use of \$8.7 million from the mental health services block grant and \$13.5 million from the substance abuse block grant.

## Labor

**29. Unemployment Insurance.** The Families First Coronavirus Response Act provides \$1.0 billion for emergency grants to states for activities related to processing and paying unemployment insurance benefits. State allocations are proportional to each state's relative taxable unemployment insurance wages. To be eligible for an additional grant, a state's unemployment claims must be at least 10.0 percent higher than the same quarter in the previous calendar year. For Rhode Island, \$3.3 million was available as the state meets the eligibility requirements. Prior to the health crisis, Rhode Island's unemployment rate was around 3.4 percent; the Department of Labor and Training reported 4.6 percent for March 2020.

April 2020 data suggested Rhode Island unemployment had reached at least 15 percent which qualified the state for both initial and supplemental grants. For states that receive both the initial and additional emergency unemployment insurance administration grants, the act provides full federal funding rather than the normal 50.0 percent cost share of extended benefits, including the first week for states with no waiting week, and for weeks of unemployment beginning after the date of enactment. The act also provides interest-free loans to states to help pay benefits through December 31, 2020, if needed. The Coronavirus Response and Relief Supplemental Appropriations Act extends these deadlines to March 14, 2021 and the state received an additional \$0.7 million in administrative grants to implement the extensions.

The CARES Act also provides \$100.0 million for grants for short-time compensation programs, where employers maintain their workforce through a reduction in hours and unemployment benefits make up for the reduction. Rhode Island already has such a program called workshare through the Department of Labor and Training. The state received \$0.3 million; \$0.1 million is for improving the administration of short-time compensation programs while \$0.2 million is for promoting and enrolling employers in these programs. States must apply for grants by December 31, 2023.

Additionally, on August 8, 2020, President Trump authorized the Federal Emergency Management Agency to use Stafford Act disaster relief funds to provide supplemental payments for lost wages; up to \$44.0 billion was authorized. According to data provided by the Department of Labor and Training, \$172.1 million has been provided to the state through December 27, 2020. The assistance provided a federally funded \$300 supplemental payment for those on unemployment programs for six weeks. The CARES Act had provided an extra \$600 payment per week through the end of July 2020. The program was subsequently extended to September 2021, and the Department estimates final expenditures will be \$173.0 million.

The American Rescue Plan Act extends enhanced unemployment insurance benefits until September 6, 2021. This includes an extension of the \$300 weekly federal unemployment insurance that is added to all unemployment benefits, the Federal Pandemic Unemployment Compensation. It also includes extensions of the Pandemic Unemployment Assistance and the Pandemic Emergency Unemployment Compensation program. All other CARES Act and Families First Act unemployment programs are similarly extended until September 6. Total funding from all acts would be \$178.7 million. Though as noted earlier this is the administrative support. Actual benefit payments supported by federal funds and the programs established through the several acts total \$2,865.4 million through July 4, 2021.

**30. WIOA Dislocated Workers Funding.** The CARES Act includes \$345.0 million through September 30, 2022, to prevent, prepare for, and respond to coronavirus for necessary expenses for the dislocated

worker assistance national reserve. Funds may also be used to replace grant funding previously obligated to an impacted area. The Department of Labor announced \$131.3 million of awards on April 15, 2020 of which Rhode Island received \$2.3 million. Funding is available through September 30, 2022, which is FY 2023. The Budget includes \$1.0 million for FY 2021 and \$0.7 million for FY 2022.

## Public Safety

**31. State and Local Law Enforcement.** The CARES Act provides \$850.0 million in formula grants to states for the continuation of criminal justice programs. The Department of Justice released guidance on April 1, 2020, indicating Rhode Island is eligible for \$4.6 million with \$3.2 million going to the state and \$1.3 million going to local entities. According to the Department of Justice, funds may be used to hire personnel, pay overtime costs, cover protective equipment and supplies, address correctional inmates' medical needs and defray expenses related to the distribution of resources to hard-hit areas, among other activities. Grant funds may be applied retroactively to January 20, 2020.

## Nutrition

**32. Food and Nutrition Assistance Programs.** The federal government appropriated \$25.5 billion for food and nutrition programs in response to the coronavirus pandemic. This includes \$8.8 billion for child nutrition programs, \$15.8 billion for the Supplemental Nutrition Assistance Program (SNAP), and \$850.0 million for the Commodity Assistance Program of which up to \$250.0 million can be spent on the distribution of food. Many of these benefits or reimbursements are paid on an individual basis. Funding for Rhode Island will be based on actual participation; however, *Federal Funds Information for States* estimates the state will receive a total of \$2.7 million from the emergency food assistance program. These funds are distributed to the Rhode Island Community Food Bank, which administers the program.

The Coronavirus Response and Relief Supplemental Appropriations Act increases the monthly SNAP benefit level by 15 percent through June 30, 2021 and extends benefit eligibility to college students who are eligible for a federal or state work-study program. It also provides additional funding for the emergency food assistance program. Rhode Island received \$0.3 million for SNAP administrative expenses, which is included in the final FY 2021 budget. The state also received \$1.3 million for the emergency food assistance program; as with earlier legislation, these funds will be distributed to the Rhode Island Community Food Bank and is included in the FY 2022 budget. Funding for both is available through September 30, 2021.

The American Rescue Plan Act extends the 15 percent increase in SNAP benefits through September 30, 2021 and extends a program to provide SNAP benefits for eligible school children when schools have reduced their hours or are closed for at least five days. *Federal Funds Information for States* estimates Rhode Island will receive \$3.7 million for administrative expenses. Funding is available for three years, from federal FY 2021 through FY 2023. Total funding from all acts would be \$7.8 million. The Budget includes \$0.7 million for FY 2022.

**33. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).** The Families First Coronavirus Response Act provides a \$500.0 million supplemental appropriation to be used through September 30, 2021, distributed on a formula basis. The act allows flexibility to help serve families during the pandemic. *Federal Funds Information for States* indicates that Rhode Island will receive \$1.5 million.

The Special Supplemental Nutrition Program for Women, Infants, and Children nutrition assistance program is administered by the Department of Health. It provides supplemental foods, nutrition education and information, referral and coordination services for eligible low income women and children under the age of five, who are at risk of poor health and development because of inadequate nutrition or health care or both.

The American Rescue Plan Act provides \$880.0 million for the program, this includes \$490.0 million for benefit payments, which must be used through September 30, 2022. It also includes \$390.0 million for outreach, to increase program participation and modernization efforts; these funds will remain available until September 30, 2024. *Federal Funds Information for States* indicates that Rhode Island will receive \$1.2 million to increase benefits, bringing total funding from all acts to \$2.7 million. The FY 2022 enacted budget includes \$1.2 million based on projected expenses.

### Commerce

**34. Awards to Fishery Participants.** The CARES Act provides \$300.0 million for assistance to tribes, persons, fishing communities, aquaculture businesses or other fishery-related businesses that have incurred revenue losses or any negative impacts to subsistence, cultural, or ceremonial fisheries resulting from COVID-19. According to *Federal Funds Information for States*, Rhode Island is expected to receive \$3.3 million. The Coronavirus Response and Relief Supplemental Appropriations Act provides an additional \$300.0 million for assistance to fishery-related businesses. On March 29, 2021 the National Oceanic and Atmospheric Administration announced the allocation of funding would be based on total annual revenues from the commercial fishing, charter fishing, aquaculture, and processor and seafood sectors. Based on these calculations, Rhode Island is estimated to receive \$3.0 million. Total funding for Rhode Island fishery participants from both acts would be \$6.3 million; this funding does not pass through the state.

**35. Economic Adjustment Assistance.** The CARES Act provides \$1.5 billion for the Department of Commerce to prevent, prepare for, and respond to the economic injury coronavirus has created on states and communities. The grants may provide for development of public facilities, public services, and businesses including a revolving loan fund, planning, technical assistance, training, and any other assistance to alleviate long-term economic deterioration and sudden and severe economic dislocation. These funds are to be used by September 30, 2022. The FY 2022 enacted budget includes \$6.8 million.

### Homeland Security

**36. Emergency Performance Management Grant.** The CARES Act includes \$400.0 million available until September 30, 2021, to prevent, prepare for, and respond to coronavirus, domestically and internationally. Of the total amount, \$100.0 million is for Emergency Management Performance grants for local emergency management activities to support coordination, including communications and logistics. *Federal Funds Information for States* indicates that Rhode Island will receive \$942,000. Typically, Emergency Management Performance grants require a 50.0 percent state match; however, for all areas affected by COVID-19, the state share will be 25.0 percent.

The American Rescue Plan Act provides \$100.0 million for Emergency Management Performance grants. *Federal Funds Information for States* indicates that Rhode Island will receive \$940,000 which is available until September 30, 2025. In total, \$1.9 million would be provided from both acts. The FY 2022 enacted budget includes the funds authorized from the American Rescue Plan Act.

**37. Emergency Food and Shelter Program.** The CARES Act includes \$200.0 million for the Emergency Food and Shelter Program, of which Rhode Island's municipalities are estimated to receive \$776,000 directly. The American Rescue Plan Act provides \$400.0 million for the Emergency Food and Shelter Program, of which Rhode Island municipalities are estimated to receive \$1.6 million which is available until September 30, 2025. In total, \$2.3 million would be provided from both acts.

**38. Assistance to Firefighters Grant (AFG) Program.** The CARES Act includes \$100.0 million for fire departments, state fire training academies and emergency medical service organizations. These funds are used for equipment, protective gear, emergency vehicles, training and other resources. According to *Federal Funds Information for States*, Rhode Island municipalities are estimated to receive \$0.1 million.

The American Rescue Plan Act includes an additional \$300 million for firefighter programs. The amount that Rhode Island municipalities will receive from this allocation has not been determined and funds are available until September 30, 2025.

## **Housing and Urban Development**

**39. Community Development Fund (CDBG).** The CARES Act appropriates \$5.0 billion through September 30, 2022, including \$2.0 billion distributed in accordance with the FY 2020 formula and \$1.0 billion to mitigate health risks and economic and housing disruptions caused by the coronavirus. The remaining funds will be allocated at the discretion of the Secretary of Housing and Urban Development. Rhode Island municipalities are estimated to receive \$22.2 million. Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket will receive \$10.7 million of that total directly, with the state administering the funds for the remaining communities from the FY 2020 formula allocation. The funding has a performance period of six years, and 80.0 percent must be spent within three. The FY 2021 final budget includes \$2.9 million and \$5.2 million is enacted for FY 2022.

**40. Homelessness Assistance Grants.** The CARES Act appropriates \$4.0 billion through September 30, 2022; half of these funds are to be allocated under the same formula as FY 2020. Rhode Island is estimated to receive \$11.2 million. Pawtucket, Providence and Woonsocket will receive \$5.4 million directly from U.S. Housing and Urban Development, with the remaining funding provided through the state to private shelters. The FY 2021 final budget includes \$0.8 million and \$47,643 is enacted for FY 2022.

The Housing Resources Commission typically allocates funding to private shelters, but had originally allocated \$1.5 million from these funds to Housing Help RI, an initiative to provide emergency housing assistance to very low-income renters at immediate risk of homelessness. The program will provide one-time grants up to \$5,000 for past due rent, late fees or relocation assistance; awards will be paid directly to the property owner or operator. To be eligible, an applicant must be a Rhode Island resident who is renting or in transient housing, whose household earns less than 50.0 percent of the area median income and meets specific criteria for being housing insecure. It was subsequently reported that the restrictions on these funds hampered implementation, and essentially Coronavirus Relief funds were used instead.

The Rhode Island Commission for Human Rights will receive \$11,268 to publish COVID-19 related fair housing notices and to purchase technology that will allow the agency to operate remotely. The total from all acts would be \$11.2 million.

**41. Public Housing Operating Fund.** The CARES Act appropriates \$685.0 million through September 30, 2021, to support public housing. *Federal Funds Information for States* indicates Rhode Island municipalities will receive \$5.9 million. This funding does not pass through the state.

**42. Tenant-Based Rental Assistance.** The CARES Act appropriates \$1.3 billion for rental assistance. This includes \$850.0 million for local public housing agencies' administrative expenses. *Federal Funds Information for States* indicates Rhode Island municipalities will receive \$4.7 million directly from U.S. Housing and Urban Development. This funding does not pass through the state.

**43. Housing Opportunities for Persons with AIDS.** The CARES Act appropriates \$65.0 million through September 30, 2021, with allocations made to municipalities available until September 30, 2022. The U.S. Housing and Urban Development website indicates allocations to Rhode Island entities will total \$0.6 million, including \$0.2 million to the City of Providence. The FY 2021 final budget includes \$0.1 million, and \$5,122 is included for FY 2022.

**44. Supportive Housing for Persons with Disabilities.** The CARES Act appropriates \$15.0 million through September 30, 2023 for project-based housing for people with disabilities. The funding is intended



to support coronavirus response activities to maintain normal operations. U.S. Housing and Urban Development reports that Providence and Pawtucket will receive \$181,273 and \$42,612 respectively. This funding does not pass through the state.

**45. HOME Investment Partnerships.** The American Rescue Plan Act provides \$5.0 billion through September 30, 2025, provided that \$50.0 million for administration and oversight be available through September 30, 2029, for tenant based rental assistance to prevent homelessness and housing instability through home counseling, support services, acquisition and development of non-congregate shelters for permanent or affordable housing, or emergency shelters for those experiencing or at risk of homelessness, or fleeing interpersonal violence, sexual assault or human trafficking. Administrative costs are limited to 15.0 percent, and an additional 5.0 percent may be allocated to community housing development or non-profit organizations administering eligible activities with certain limitations. U.S. Housing and Urban Development reports Pawtucket, Providence and Woonsocket will receive \$9.6 million directly, with \$13.5 million passed-through Rhode Island Housing to other communities.

### **Transportation**

**46. Federal Transit Funding.** The CARES Act provides \$25.0 billion for Transit Infrastructure grants to help transit agencies prevent, prepare and respond to COVID-19. Funds are available for use from January 20, 2020, until expended and will be allocated through existing formula grant programs. Rhode Island will receive \$104.4 million, of which \$91.2 million will go to the Rhode Island Public Transit Authority and \$13.3 million will go to the Department of Transportation. The Federal Transit Administration issued guidance on April 2, 2020, and the use appears to be flexible. The funds can be used for operational expenses, defined as “necessary to operate, maintain, and manage a public transit system.” This includes drivers’ salaries, fuel or items having a useful life of less than one year. There is no matching requirement and funds do not have to be incorporated into a state’s Transportation Improvement Plan for use, unless they will be used for “substantial functional, locational or capacity changes.”

The Coronavirus Response and Relief Supplemental Appropriations Act provides an additional \$14.0 billion to transit agencies. The funds are available for use until they are expended. The funds will be allocated through existing formula grant programs. *Federal Funds Information for States* indicates that the Rhode Island Public Transit Authority will receive \$0.6 million from this allocation.

The American Rescue Plan Act provides an additional \$30.5 billion to transit agencies for operating expenses. The funds are available for use through September 30, 2024 and will be allocated through existing formula grant programs. *Federal Funds Information for States* indicates that the Rhode Island Public Transit Authority will receive \$29.5 million from this allocation. Total funding from the three acts would be \$134.7 million.

The Budget reflects use of the Department of Transportation’s portion of the funds, including \$6.8 million in FY 2021 and \$4.8 million in FY 2022; \$1.7 million was spent in FY 2020.

**47. Grants-in-Aid for Airports.** The CARES Act provides \$10.0 billion to the Federal Aviation Administration for grants-in-aid to airports to prevent, prepare and respond to COVID-19. The funds are available for use until they are expended. Commercial service airports will receive funding based on number of passengers that boarded an aircraft there in calendar year 2018, as well as the amount of debt and the amount of money the airport has in reserve, using its fiscal year 2018 data. General aviation airports will receive funding based on the airport’s category, such as national, regional, local and unclassified; T.F. Green is categorized as a regional airport. *Federal Funds Information for States* indicates that the allocation to Rhode Island airports will be \$24.0 million.

The Coronavirus Response and Relief Supplemental Appropriations Act provides an additional \$2.0 billion for grants-in-aid to airports. The funds can be used for expenses related to operations, personnel, cleaning and debt service. *Federal Funds Information for States* indicates that the allocation to Rhode Island airports will be \$6.2 million.

The American Rescue Plan Act provides \$8.0 billion in relief for airports. Of that amount, \$6.5 billion must be used for grants-in-aid to airports, which can be used for expenses related to operations, personnel, cleaning and debt services. The amount that Rhode Island airports will receive from this allocation has not yet been determined. Preliminary information from *Federal Funds Information for States* indicates that Rhode Island airports will receive \$16.7 million. This would provide \$46.8 million to Rhode Island airports from these three acts.

**48. Highway Infrastructure Programs.** The Coronavirus Response and Relief Supplemental Appropriations Act provides \$10.0 billion for Highway Infrastructure Programs. The funds are available for use until they are expended. Eligible uses include preventative maintenance, operations, personnel, contractors, debt service payments and coverage for revenue losses. *Federal Funds Information for States* indicates that Rhode Island will receive \$54.3 million with no required state match. The budget includes \$36.0 million for FY 2021 and \$18.0 million in FY 2022.

### **Independent Agencies**

**49. Election Security Grants.** The CARES Act includes \$400.0 million for election security grants to prevent, prepare for and respond to the coronavirus in the 2020 federal election cycle. *Federal Funds Information for States* indicates Rhode Island will receive \$3.0 million. Through two executive orders the Governor delayed the presidential primary election from April 28, 2020 until June 2, 2020, making it a predominantly mail ballot election and altering procedures and timelines. The Secretary of State estimated this would require an additional \$0.9 million for printing and mailing costs. The FY 2021 budget included \$1.9 million; \$1.1 million was spent in FY 2020.

**50. National Endowment for the Arts.** The CARES Act includes \$75.0 million to remain available through September 30, 2021, to be distributed as grants through the National Endowment for the Arts. The Rhode Island State Council on the Arts reports it will receive \$424,300. The legislation waives the state's matching requirement. The FY 2020 final budget included \$355,000.

The American Rescue Plan Act provides \$135.0 million until expended to be distributed through the National Endowment for the Arts, of which 40.0 percent is for state arts agencies and regional arts organizations to support programming and general operating expenses and cover costs related to the coronavirus pandemic. The Rhode Island State Council on the Arts was awarded \$754,100 with no state match or maintenance of effort requirement. Total funding from the two acts totals \$1.2 million. The FY 2021 final budget includes the \$129,863 and the FY 2022 enacted budget includes the \$754,100 supplemental award.

**51. National Endowment for the Humanities.** The CARES Act includes \$75.0 million to remain available through September 30, 2021 to be distributed as grants. The Rhode Island State Council for the Humanities, a 501(c)(3) organization, reports it will receive \$416,300.

The American Rescue Plan Act provides \$135.0 million until expended to be distributed through the National Endowment for the Humanities, of which 40.0 percent is for humanities councils to support programming and general operating expenses and cover costs related to the coronavirus pandemic. Total funding from the two acts would be \$1.0 million. The FY 2022 enacted budget includes the \$627,536 the Rhode Island State Council for the Humanities is expected to receive.

**52. Institute of Museum and Library Services.** The CARES Act provides \$50.0 million in grants to expand digital network access, purchase internet accessible devices, and provide technical support services for libraries and museums to prevent, prepare for and respond to COVID-19. The funds are available through September 30, 2021. The act waives any matching fund requirement. *Federal Funds Information for States* indicates Rhode Island will receive \$0.2 million; the funds will go to the Office of Library and Information Services. The FY 2021 enacted budget authorized this spending.

The American Rescue Plan Act provides \$200.0 million for “necessary expenses” to carry out museums and library services. The act requires that at least 89 percent of the funding be awarded and the funds are to remain available until expended. *Federal Funds Information for States* indicates that Rhode Island will receive \$2.2 million which is included in the FY 2022 enacted budget. Total funding from the two acts would be \$2.4 million.

**53. COVID-19 - Telehealth Program.** The CARES Act provides \$200.0 million to support efforts of health care providers to address the coronavirus by providing telecommunications services, information services, and devices necessary to enable the provision of telehealth services during the COVID-19 pandemic. *Federal Funds Information for States* indicates that Rhode Island will receive \$0.2 million.

**54. State Veterans Homes.** The federal Department of Veterans Affairs announced it will make grants totaling \$1 billion to State Veterans Homes to ensure residents continue to receive high quality care, live in modern, safe facilities and are protected from the COVID-19 pandemic. Funds, which were authorized through the Coronavirus Response and Relief Supplemental Appropriations Act, can be used for emergency payments to existing state veterans homes to prevent, prepare and respond to COVID-19. The FY 2022 enacted budget includes \$0.8 million from new federal funds for the Rhode Island Veterans’ Home.

### **Health and Human Services**

**55. FMAP Rate Increase.** The Families First Coronavirus Response Act increases the federal contribution rate for Medicaid by 6.2 percent. For Rhode Island, the rate increased from 52.95 percent to 59.15 percent for FY 2020 and from 53.81 percent to 60.01 percent for FY 2021. This higher match rate is available in the quarter when the public health emergency began, or January 1, 2020, until the end of the quarter when the public health emergency ends which has been extended to July 19, 2021, now covering all of FY 2021. The Biden Administration announced plans to continue renewing the enhanced rate through at least the end of calendar year 2021, or for the first half of FY 2022. States must retain their program eligibility and other procedures to take advantage of this opportunity

FY 2020 final expenses included \$77.8 million in general revenue savings. The FY 2021 final budget assumes savings of \$148.1 million, and for FY 2022, the budget assumes general revenue savings of \$75.1 million for total savings of \$301.0 million over the three fiscal years. The Assembly also reserved \$39.0 million from general revenues in FY 2022 in the event the public health emergency ends before October 1, 2021, requiring a higher state match earlier than expected. This information is not likely to be final until August.

**56. Provider Relief Funds.** The CARES Act provides \$100 billion for necessary expenses to reimburse eligible health care providers for health care related expenses or lost revenues attributable to coronavirus. Distribution is left to the discretion of the Department of Health and Human Services. On April 10, 2020, the first \$30 billion was released to providers who received Medicare fee-for-service claims payments in calendar year 2019. *Federal Funds Information for States* indicates Rhode Island health care providers received \$128.4 million of this. Another \$12 billion was dedicated to “hot spots,” and approximately 400 hospitals that provided care to 100 or more COVID-19 patients as of mid-April received this funding, including Rhode Island Hospital which got \$19.8 million from the first round. There was a second round of awards with the state receiving \$71.3 million. Additionally, *Federal Funds Information for States*

indicates Rhode Island will receive \$50.2 million of the \$4.9 billion set aside for skilled nursing facilities and another \$63.5 million of the \$10.2 billion set aside for safety net hospital distribution awards. This goes to hospitals that serve a disproportionate number of Medicaid patients or provide large amounts of uncompensated care with hospitals receiving a minimum of \$5 million up to a maximum \$50 million. A total of \$333.2 million was awarded from provider relief funds

**57. Hospital Preparedness.** The CARES Act provides “at least” \$250.0 million for hospital preparedness activities. The Department of Health’s Center for Emergency Preparedness and Response helps hospitals and healthcare entities plan for, respond to, and recover from mass casualty events. It also provides grants to cities and towns to enhance emergency response preparedness. According to *Federal Funds Information for States*, Rhode Island received \$2.9 million of the \$334.9 million that has been released. This includes \$0.5 million for the Hospital Association of Rhode Island through the Department of Health. The FY 2021 enacted budget authorized this spending.

**58. STAR Health Information Exchange Program.** The Office of the National Coordinator for Health Information Technology is providing \$20.0 million from the CARES Act to help increase data sharing between health information exchanges and immunization information systems. This includes \$10.0 million for the Strengthening the Technical Advancement and Readiness of Public Health Agencies via the Health Information Exchange Program by helping communities improve health information sharing related to vaccinations. Public health agencies can get additional help tracking and identifying patients who have yet to receive their second vaccine dose and better identify those who may be high-risk who have not yet received a vaccination. *Federal Funds Information for States* indicates Rhode Island will receive \$0.1 million of the \$5.0 million, reflecting the first year of funding. Funding will go directly to the Rhode Island Quality Institute. There will be a second round with another \$5.0 million.

**59. Advancing Health Literacy to Enhance Equitable Community Reports to COVID-19.** The Consolidated Appropriations Act provides \$250.0 million to improve the access, use and outcomes of vaccination, testing, contact tracing and health behaviors related to COVID-19 among racial and ethnic minority populations. Projects funded will use, and document participation in, evidence-based, culturally and linguistically appropriate health literacy strategies to increase testing, contact tracing, vaccination and/or other mitigation measures. *Federal Funds Information for States* indicates that Rhode Island will receive \$2.0 million.

**60. Stimulus Payments to Individuals.** The CARES Act provides direct payments to individuals in the form of a tax credit. Individuals will receive \$1,200 and married couples filing jointly will receive \$2,400. There is also a \$500 payment for each dependent child younger than 17. Payments are reduced for individuals with adjusted gross incomes over \$75,000 or over \$150,000 for couples so that anyone making over \$99,000 or \$198,000 for individuals and couples, respectively, would not receive a payment.

The Coronavirus Response and Relief Supplemental Appropriations Act provides a refundable tax credit of \$600 per eligible family member. The credit is \$600 per taxpayer plus \$600 per qualifying child. The credit would be \$1,200 for married couples filing jointly. The credit phases out for individuals with modified adjusted gross incomes of \$75,000 or \$150,000 for couples.

The American Rescue Plan Act provides a \$1,400 tax credit for each family member that is paid similar to the stimulus payments in the CARES Act and Consolidated Appropriations Act, 2021. The credit is \$1,400 for a single taxpayer and \$2,800 for joint filers plus \$1,400 per dependent. The credit phases out between \$75,000 and \$100,000 of adjusted gross income for an individual and between \$150,000 and \$200,000 for joint filers based on the information on 2019 or 2020 tax returns, whichever is most recently available.

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## Explanations of Budget Articles

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### 2021-H 6122, Substitute A, as Amended

#### Article 1

**Section 1. Appropriations.** This section of Article 1 contains the appropriations for FY 2022.

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

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

**Section 4. Contingency Fund.** This section allows for expenditures from the contingency account located within the Office of the Governor's budget for unexpected expenditures or for those departments and agencies where appropriations are insufficient. The Governor must approve all expenditures and transfers from this account.

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

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

**Section 7. Temporary Disability Insurance Funds.** This section appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund for FY 2022.

**Section 8. Employment Security Funds.** This section appropriates all funds required for benefit payments to unemployed individuals from the Employment Security Fund for FY 2022.

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

**Section 10. Appropriation of CollegeBound Saver Funds.** This section appropriates the funds received by the Office of the General Treasurer from the CollegeBound Saver program for transfer to the Office of Postsecondary Commissioner to support student financial aid for FY 2022. The FY 2022 budget includes \$2.3 million from these sources.

**Section 11. Full-Time Equivalent Positions.** This section of Article 1 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2022. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee, may jointly adjust the authorization. It also limits appointments for state employees supported through non-state funds to the availability of those fund sources and prevents departments from employing contracted employees to work under state supervisors or replace work done by state employees without determination of need by the Director of Administration. Total staffing is 15,313.2 full-time equivalent positions, 188.5 positions more than the FY 2021 enacted budget. This includes the enacted amount of 523.8 higher education positions supported by third-party funds.

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## Explanations of Budget Articles

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**Section 12. Multi-Year Appropriations.** This section makes multi-year appropriations for a number of capital projects included in the FY 2023 through FY 2026 Capital Budget that are funded from Rhode Island Capital Plan funds. The FY 2022 and multi-year appropriations supersede appropriations made for capital projects in Section 12 of Article 1 of the FY 2021 Appropriations Act.

**Section 13. Reappropriation - RICAP.** This section provides that any unexpended and unencumbered funds for Rhode Island Capital Plan Fund projects shall be reappropriated in FY 2022. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Unexpended funds of less than \$500 can be reappropriated at the discretion of the State Budget Officer.

**Section 14. Rhode Island Housing and Mortgage Finance Corporation.** This section requires that the Rhode Island Housing and Mortgage Finance Corporation provide from its resources an appropriate amount to support the Neighborhood Opportunities Program. The Corporation is also required to provide to the director of the Department of Administration, the chair of the Housing Resources Commission and both chairs of the House and Senate Finance Committees a report detailing the amount of funding and information such as the number of housing units created.

**Section 15. Pawtucket Downtown Redevelopment.** This section contains the necessary mechanism to allow for taxes collected pursuant to the tax incentive financing statute under Rhode Island General Law, Chapter 45-33.4 to be appropriated to the Downtown Pawtucket Redevelopment Economic Activity Fund to finance development projects in the existing economic development district, in accordance with the law passed in 2019. The budget accounts for use of \$0.3 million for FY 2021 and \$0.7 million for FY 2022.

**Section 16. State Fiscal Recovery Fund Restrictions.** This section clarifies that federal state fiscal recovery and coronavirus capital projects funds enacted as part of the American Rescue Plan Act are not authorized for expenditure during FY 2022.

**Section 17. Effective Date.** This section establishes the article is effective as of July 1, 2021.

### Article 2. State Funds

**Section 1. Elementary and Secondary Education.** This section authorizes the creation of a restricted receipts account for any grants, gifts, or donations that the Department of Elementary and Secondary Education may receive.

**Section 2. Opioid Stewardship Act.** This section amends the Opioid Stewardship Act to allow the State Budget Officer to authorize and create restricted receipt accounts in any department or agency where funds will be appropriated. It also clarifies that any state agencies receiving these funds shall annually report to the Governor, Speaker of the House, and the Senate President which programs money is spent on and the amount spent on each program. The FY 2021 final and the FY 2022 budgets include expenditures in the following agencies: Departments of Behavioral Healthcare, Developmental Disabilities and Hospitals, Corrections, Health, Elementary and Secondary Education, and the Executive Office of Health and Human Services.

**Section 3. Federal Grants Management.** This section authorizes an assessment on federal funds received in order to support the Office of Federal Grants Management. Receipts from the assessment must be used for expenses such as centralized services relating to managing federal grant applications and providing administrative assistance to agencies regarding reporting requirements. Other expenses may include costs

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## Explanations of Budget Articles

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associated with the development, implementation, and ongoing expenses of a grants management information technology system. The percent of the assessment would be determined annually by the State Controller and would be in proportion with budgeted expenditures.

This section also authorizes the State Controller to apply an additional assessment on the recent federal stimulus awards not to exceed 1.0 percent of the total awards. These funds will be used to finance the planning oversight, compliance and reporting and costs of planning, development, and implementation of a grants management information technology system. The additional assessment does not apply to Medicaid funds, or funds received for higher education, and sunsets on December 31, 2026. This section also includes an annual reporting requirement to the Director of the Department of Administration and the chairpersons of the House and Senate Finance Committee on the proposed rate and calculation.

**Section 4. Rainy Day Fund Repayment.** The FY 2020 final budget transferred \$120.0 million from the Budget Stabilization and Cash Reserve Account or “Rainy Day Fund” for use in balancing that budget. The FY 2021 enacted budget included \$90 million to repay the Rhode Island Capital Plan Fund and authorization to delay the remaining \$30 million to FY 2022. This section reverts to the prior law requirement that the repayment be made the following fiscal year and the FY 2021 final budget contains the appropriation to do so.

**Section 5. State Funds.** This section clarifies that federal funds or assistance received are subject to appropriation. It also provides authorization for the State Budget Officer to create restricted receipt accounts within state agency budgets to reflect expenditures or receipts of proceeds of multistate settlement funds received by the Office of the Attorney General. It authorizes the State Budget Officer to convert any escrow liability accounts that are established prior to July 1, 2021 to restricted accounts. This section also adds three new accounts to those exempt from the state’s ten percent indirect cost recovery charge, two of which are created in this article: Grants Management Administration and the Rhode Island Council on the Arts’ Governors’ Portrait Donation Fund. The third is the Housing Production Fund authorized in Article 14.

**Section 6. Highway Maintenance Fund.** This section allows “federal coronavirus relief funds” to be counted toward the fixed \$5.0 million minimum allocation of highway maintenance funds dedicated to the Rhode Island Public Transit Authority to help support the free fare program for low income seniors and persons with disabilities. The Department of Transportation received \$13.3 million from federal CARES Act funds for operational expenses of transit projects to be used from January 20, 2020 until expended. The FY 2021 revised and FY 2022 budgets assume shifting \$4.8 million of these funds to the Authority, which would make \$4.8 million of additional funding available to the Department for state match on capital projects. The Authority’s share of the CARES Act federal transit fund allocation was \$91.2 million.

**Section 7. Behavioral Healthcare, Developmental Disabilities and Hospitals.** This section authorizes the creation of a restricted receipts account for any grants, gifts, or donations that the Department of Behavioral Healthcare, Development Disabilities and Hospitals may receive.

**Section 8. Transportation Federal Grants Reporting.** This section requires the Department of Transportation to report, on a quarterly basis, a list of all federal, discretionary, and any other grants that it has applied for and to identify any changes from its prior report. For grants that require a state match, the Department must identify if the source for the state’s match is available under currently authorized funding.

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## Explanations of Budget Articles

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**Section 9. RI Council on the Arts.** This section expands the authorization for the Rhode Island State Council on the Arts' existing restricted receipt account to receive donations from any 501(c)(3) organization and establishes a new restricted receipt account to support the purchase of a portrait of an incoming or living former governor whose portrait is not hung in the state house. Current law allows for the Secretary of State to procure the portrait; this authorizes a new account to receive donations.

### Article 3. Government Reform and Reorganization

**Section 1. Employer Tax Unit Transfer.** This section transfers the responsibilities of the collection of taxes for temporary disability insurance, employment security, and the Job Development Fund from the Department of Revenue to the Department of Labor and Training. It includes broad authority for the law revision office of the General Assembly to make changes to the statutes to effectuate the transfer.

**Section 2. Risk Based Capital for Insurers.** This section changes the standard for insurers to provide a corrective action plan to the Department of Business Regulation when it is demonstrating a risk of insolvency. This change aligns statutory requirements with National Association of Insurance Commissioners standards in order for the state to maintain its accreditation.

**Section 3. Emergency Powers.** This section affirms both the authority of the General Assembly to appropriate federal funds received by the state and the expenditure limitations placed on all state agencies with respect to the establishment or expansion of programs without legislative approval. It also provides that enumerated emergency powers of the Governor are limited to 180 days from the date of an emergency order or declared state of emergency unless that period is extended by concurrent resolution of the General Assembly. This section further provides that several specified executive orders in effect upon enactment are permitted to remain in effect no later than September 1, 2021.

**Section 4. License Plate Reissuance.** This section establishes July 1, 2022 as the new date by which the Division of Motor Vehicles is required to begin reissuing license plates. Current law requires reissuance of license plates to begin June 1, 2020 and monthly reporting regarding its progress towards that deadline. The Division began reporting in August 2019 and provided monthly updates through December 2019. The budget does not include the expected cost of plates for FY 2022 and excludes the \$3.4 million of revenues estimated at the November 2020 Revenue Estimating Conference from fees paid as those plates are reissued.

**Section 5. Commercial Driver's Licenses.** This section transfers the responsibility to administer the Commercial Driver's License road test from the Community College of Rhode Island, to the Division of Motor Vehicles, as of January 1, 2022. It establishes a \$100 fee in statute; that amount is consistent with current practice.

**Sections 6 and 8. Caseload Estimating Conference.** These sections add expenses for the community based system for adults with developmental disabilities to the semi-annual medical assistance and public assistance caseload conference effective on July 1, 2021. It also expands information to be included in the current monthly reporting requirement and moves the statutory placement of that requirement. It requires that the Executive Office of Health and Human Services provide direct assistance to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to facilitate compliance with reporting requirements and preparation for the caseload conferences.



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## Explanations of Budget Articles

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These sections also make a technical change by replacing the Director of the Department of Human Services with the Secretary of the Executive Office of Health and Human Services as the individual with certain responsibilities regarding the conference.

**Sections 7 and 9. DCYF Director.** These sections authorize the Governor to determine the salary of the director of the Department of Children, Youth and Families for 2021 only and allow the Governor to enter into a three year contract for the position.

**Section 10. Attorney General.** This section increases the amount that can be retained from any settlement to \$750,000 in a fiscal year with any balance above that reverting to the General Fund and eliminates the ten percent cap.

**Section 11. State Properties and Leases.** This section requires the Department of Administration to report to the Chairs of the Senate and House Finance Committees all current property owned or leased by the state and any quasi-state agencies. The report is to include the total square feet of each building or leased space, location of each building and other requirements. The report is due on December 15, 2021, and annually thereafter.

**Section 12. Collections Unit.** This section extends the sunset provision for the Department of Revenue Collections Unit by two years to June 30, 2023. The budget includes \$0.8 million to continue funding the eight staff associated with this and assumes new revenues of \$1.4 million from this change.

### Article 4. Public Debt Management Act

The Public Corporation Debt Management Act requires that all new non-general obligation debt authorizations be approved by the Assembly, except in certain circumstances. Article 4 increases the authorization for revenue bonds for two previously approved projects for the University of Rhode Island. It would increase the authorization for the Memorial Union project by \$6.1 million from \$51.5 million to \$57.6 million and the Combined Health and Counseling Center by \$2.1 million from \$26.9 million to \$29.0 million. Total debt service for the additional requested authorization would be \$18.2 million supported by student fees and retail lease payments.

### Article 5. Revised Budget

**Section 1. Appropriations.** This section of Article 1 contains the revised appropriations for FY 2021.

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

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

**Section 4. Full-Time Equivalent Positions.** This section of Article 5 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2021. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization. It also limits appointments for state employees supported through non-state funds to the availability of those fund sources. Total staffing

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## Explanations of Budget Articles

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is 15,124.7 full-time equivalent positions, including 523.8 higher education positions supported by third-party funds, consistent with the FY 2021 enacted budget.

**Section 5. Information Technology Investment Fund.** This section requires the State Controller to transfer \$67.0 million to the Information Technology Investment Fund by June 30, 2021.

**Section 6. Historic Tax Credit Fund.** This section requires the State Controller to transfer \$20.0 million to the Historic Tax Credit Fund by June 30, 2021.

**Section 7. Effective Date.** This section provides that the act shall take effect upon passage.

### Article 6. Taxes and Revenues

**Sections 1 and 2. Contractors' Licensing and Registration Board.** These sections change the registration terms for the Contractors' Registration and Licensing Board from two years at \$200 to an annual \$150 fee, and align the continuing education requirements with the new schedule. These fees are deposited as restricted receipts to support the operations of the Board. Based on the current licensing renewal schedule, a \$0.6 million revenue increase is anticipated to begin in FY 2023. The two-year fee was last increased from \$120 to \$200 by the 2007 Assembly. The 2003 Assembly increased the term from one year to two, the fee remained \$60 per year. For roofing contractors it provides that a license will expire biennially on the issuance date with a renewal fee of \$200, consistent with current practice. The initial license is \$400 for two years.

**Section 3. Broker Dealer Representative Fee.** This section increases the broker dealer representative fee from \$75 to \$100. The fee is paid by the sales representative of a broker dealer firm. The fee increase is estimated to generate \$2.7 million in additional revenues of which \$91,700 is estimated to be paid by in-state licensees. The representative fee was last increased from \$60 to \$75 by the 2011 Assembly.

**Section 4. Hospital License Fee.** This section maintains the FY 2021 hospital license fee at the current law rate of 5.0 percent but updates the reference year to 2019 and includes a 5.725 percent license fee for FY 2022 based on 2020 revenues. Both fiscal years continue the two-tiered system that establishes a lower fee for Washington County based hospitals. Revenues would be \$162.5 million for FY 2021 which is \$0.9 million more than enacted. FY 2022 includes \$170.2 million of which, \$169.9 million is from community hospital payments and \$0.4 million is from state payments for Eleanor Slater Hospital.

**Section 5. Westerly Recreational Fees.** This section allows the Department of Environmental Management to increase beach parking fees collected at state facilities in the Town of Westerly. These fees are established through regulation but the 2019 Assembly froze fees at their current level through the conclusion of the 2021 beach season, ending on October 1, 2021. This assumes changes are effective July 1, 2021. The budget includes \$0.6 million in new revenues from this proposal.

**Section 6. Sales Tax Permits.** This section repeals the \$10 application fee under current law for sales and use tax permits. It also changes the expiration date of those permits from annually on February 1 to the discretion of the Tax Administrator, effective July 1, 2021. This change reduces annual revenues from approximately 33,000 retailers totaling \$0.3 million.

**Section 7. Coastal Resources Management Council Fees.** This section increases the administrative penalties assessed by the Coastal Resources Management Council. This includes increasing the penalty for blocking or posting the rights of way from \$500 to \$1,000, criminal penalty fees from \$500 to \$1,000, and

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## Explanations of Budget Articles

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administrative penalties from \$2,500 to \$10,000 not to exceed \$50,000, previously \$10,000. The penalty for blocking rights of way and criminal penalties were established in 1989 and have not been changed since then. The administrative penalties have not been increased since 2004. The budget includes \$15,000 in associated general revenues.

**Sections 8 and 9. Local Lottery Shares.** These sections make adjustments to provide that local share payments to the host towns for the state's licensed casino facilities are due in full if a facility is closed for fewer than 30 days, and provides for a per diem reduction for closures more than 30 days. It also doubles the annual sports betting local shares to \$0.2 million.

**Sections 10 through 12. Paycheck Protection Program.** The federal CARES Act enacted in response to the COVID-19 pandemic established the Paycheck Protection Program to assist small businesses. The program provides no-cost, unsecured deferred loans for eligible individuals or a variety of entities with fewer than 500 employees. That Act also provided that forgiven loans would not be treated as income for tax purposes. Applicable federal tax rules meant that expenditures paid from forgiven loans were therefore not deductible expenses. The federal FY 2021 appropriations act, signed into law on December 27, expressly allowed for the deductibility of those expenses meaning that loan recipients were exempt from federal taxation on both the loan amount as well as expenditures supported by the loans. Because Rhode Island tax rules follow the federal rules in this case, the Office of Revenue Analysis initially estimated that these changes would result in \$133.3 million less from state personal and corporate income tax revenue over FY 2021 and FY 2022 from amounts estimated before the December law change.

This section partially decouples the state from the federal treatment of forgiven Paycheck Protection Program loans by making only forgiven loan amounts under \$250,000 exempt from state taxation. Updated estimates are that this change would recapture \$47.8 million of otherwise lost revenue including \$1.6 million in FY 2021 and \$46.2 million in FY 2022.

### Article 7. Environment

**Sections 1 and 10. Agriculture Fees.** These sections increase the commercial fertilizer registration fee from \$72 to \$100 and the pesticide product registration fee from \$150 to \$250. The fertilizer fee was established in 1995 and has not changed since then. The pesticide fee was last increased in 2004. The budget assumes \$0.9 million in revenues from this proposal.

**Section 2. Hunting and Recreational Fishing Licenses.** This section increases license fees for hunting, fishing, and combined hunting and fishing for in-state and out-of-state residents. It increases the permit fee to hunt deer, wild turkey, stocked game, and waterfowl, as well as for fur trapping and trout fishing. These fees are deposited into a restricted receipt account and provide matching funds for federal support for the Department of Environmental Management. This section also increases these fees effective July 2025 and July 2028. The increases vary, but on average are \$7 higher; most of these fees are currently less than \$30. The last time these fees were revised was in 2002.

**Section 3. Party or Charter Vessel Licenses.** This section changes the effective period of the party and charter vessel license from biennial license renewals to annual, and changes the effective date from February 28 to December 31. This section also increases the license fees for party and charter vessels from \$25 to \$100 for in-state residents and \$300 for nonresidents. These fees have not been changed since they were established in 1998.

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**Sections 4 through 8. Commercial Fishing Licenses.** These sections change how commercial fishing licenses are allocated to simplify them and increase access to fisheries. These sections also increase fees to commercial fishing licenses that currently range from \$25 to \$300 to a range of \$300 to \$1,750 depending on the license holder's residency. Sections 4 and 6 through 8, include increases to dealer and landing licenses and would be effective July 1, 2021 and generate \$0.1 million in new restricted receipts. Section 5, which increases the commercial fishing resident and non-resident license and endorsements fee would be effective for FY 2023 and is estimated to generate \$0.2 million in revenue.

**Section 9. Shellfish Dockside Program.** This section authorizes the director of the Department of Health to establish a dockside program through rules and regulations pursuant to the National Shellfish Sanitation Program Model Ordinance to assure that currently licensed marine shellfish processors are meeting sanitary standards. The legislation also authorizes the director to establish licensing fees, with the discretion of also limiting the number of licenses issued. The fees will be deposited as general revenues and will be allocated to the Department for the administration of the program. The Budget assumes revenues of \$0.4 million and expenditures of a like amount from general revenues.

### Article 8. Public Utilities and Carriers

This article imposes annual reporting requirements, for gas and electricity distributors, on emergency response standards in the event of a significant and/or widespread outage or service interruption. In an emergency, companies must designate municipality liaisons for each service territory and employees to be stationed at the Rhode Island Emergency Management Agency.

The article also authorizes the Division of Public Utilities and Carriers to create standards of acceptable performance for emergency response and restoration of service. The article imposes a \$500 per day penalty for each day a company fails to file its emergency response standards, and allows the administrator of the Division to investigate an investor-owned company and issue penalties for non-compliance, not to exceed \$7.5 million. Any penalties paid will be credited back to the impacted customers as determined by the division.

### Article 9. Economic Development

**Section 1. Engineer Licensure.** This section makes technical changes to the credentials and licensure required for professional engineers and creates a distinct path to licensure for engineering technologists. It also modernizes the Department of Business Regulation's posting requirements for this purpose. The budget assumes \$90,000 of new revenues from this change.

**Sections 2 and 3. Municipal Infrastructure.** This section removes the prohibition on state appropriations to the municipal infrastructure grant program, transfers the program from the Department of Administration to the Rhode Island Infrastructure Bank, and authorizes the Rhode Island Infrastructure Bank to issue, approve and evaluate such grants, subject to appropriation. The Budget provides a \$1.0 million appropriation.

**Sections 4 through 9, 11 through 14 and 17. Sunsets.** These sections extend the sunset provisions for the Rebuild Rhode Island Tax Credit, Tax Increment Financing, Tax Stabilization Incentive, First Wave Closing Fund, I-195 Redevelopment Fund, Small Business Assistance Program, Main Street Streetscape Improvement Program, Innovation Initiative, High School, College, and Employer Partnerships, Air Service Development, and the Qualified Jobs Tax Credit from June 30, 2021 to December 31, 2022.

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## Explanations of Budget Articles

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**Section 10. Stay Invested in RI Wavemaker Fellowship.** This section incorporates technical corrections to clarify that benefits received under this program are tax exempt and extends the sunset from June 30, 2021 to December 31, 2022.

**Section 15. Motion Picture Tax Credit.** This section provides that for calendar year 2022 only the aggregate amount of tax credits issued for the motion picture and musical and theatrical production tax credits pursuant to Rhode Island General Laws, Chapters 44-31.2 and 44-31.3, totals \$30.0 million.

**Section 16. Historic Preservation Tax Credit.** This section extends the sunset provision for the Historic Preservation Tax Credits 2013 program by one year to June 30, 2022. The budget also transfers \$20.0 million to the Historic Preservation Tax Credit Trust Fund to allow the program to reach additional program participants.

### Article 10. Education

**Section 1. Funding Formula Aid.** This section amends the education funding formula calculation for FY 2022 only. Local education agencies will receive aid based on student enrollment in either March 2020 or March 2021, whichever was greater. For any community in which enrollment was higher in March 2020, aid would be adjusted for students enrolling in new and expanding charter schools for FY 2022. Additionally, the student success factor amount for traditional school districts will reflect the percentage of students in poverty in either March 2020 or March 2021, whichever is greater. For schools of choice, the student success factor amount will reflect the number of students in poverty for the year in which total average daily membership is greater.

**Section 2. School of Choice Density Aid.** This section modifies an aid program for traditional school districts with 5.0 percent or more resident students enrolled in schools of choice, including charter schools, Davies and the Met. For FY 2022, \$500 per pupil will be provided for any new students that have enrolled in schools of choice since FY 2019, which was the last year for which there was support to school districts from this fund. Beginning in FY 2023, aid will be provided for any new students enrolling in new and expanding charter schools.

**Sections 2 and 3. Education Spending Analysis.** These sections require the Department of Elementary and Secondary Education to assess and report on each local education agency's compliance with the basic education plan. Reporting would occur annually to each local education agency, the General Assembly, and the Governor. The budget includes \$0.3 million from general revenues and 2.0 new full-time equivalent positions to support this new requirement.

**Section 4. Advanced Placement Tests.** This section provides free advanced placement tests provided by the College Board for students in poverty. The budget includes \$400,000 from general revenues to support the program.

### Article 11. Leases

This article includes joint resolutions to seek General Assembly approval for eight long-term lease agreements for the Departments of Revenue, Corrections, and Human Services, the Commission for Human Rights and the Ethics Commission. The FY 2022 budget includes \$2.5 million to fund the costs. Legislative approval is required for lease agreements for terms of five years or longer, and exceeding \$500,000 in value.

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## Explanations of Budget Articles

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### Article 12. Medical Assistance

**Sections 1 and 7. Assisted Living Payment.** These sections make several changes to assisted living payments as part of the Executive Office of Health and Human Services long term care rebalancing initiative. It eliminates the community-based support living program and the enhanced supplemental security income payment that accompanies it. Individuals receiving this payment will now receive the standard assisted living payment to support room and board costs. The FY 2022 budget assumes savings of \$0.6 million from general revenues in the Department of Human Services. It also eliminates the additional \$206 paid to assisted living facilities financed by Rhode Island Housing. The changes are offset by a proposed increase in assisted living rates included in Section 9.

**Section 2. Payments.** This section rescinds the copayments for prescription drugs and non-emergency services provided in a hospital emergency room; these payments were never implemented. It also makes a technical correction to how the Executive Office of Health and Human Services can reimburse for services provided by the federally qualified health centers.

**Section 3. Hospital Payments.** This section extends the uncompensated care payments to the community hospitals for FY 2022, with the state making a payment on or before July 12, 2021 that does not exceed \$142.5 million and for FY 2023, with the state making the payment on or before July 12, 2022, that does not exceed \$143.8 million. It also reinstates the inpatient upper payment limit reimbursement for which the FY 2022 budget provides \$18.5 million, including \$6.1 million from general revenues.

**Section 4. Graduate Medical Education Program.** This section removes the public law reference for the graduate medical education program. The FY 2022 enacted budget includes language as part of Article 1 that allocates funding for the graduate medical education program including \$1.0 million from general revenues to Lifespan for graduate medical education activities and \$1.0 million from general revenues to Care New England for Neonatal Intensive Care Unit expenses at Women and Infants Hospital.

**Section 5. RIte Share Reporting.** This section includes new requirements for the Executive Office of Health and Human Services to report employer sponsored insurance plans that meet the cost effectiveness criteria for RIte Share. Information in the report is to be used for screening for Medicaid enrollment to encourage RIte Share participation. By October 1, 2021, the report shall include any employers with 300 or more employees. By January 1, 2022, the report shall include employers with 100 or more employees. That report shall be provided to the chairpersons of the house and senate finance committees as well as the house fiscal advisor, the senate fiscal advisor, and the state budget officer.

**Section 6. Home Care Rates.** This section increases the hourly shift differential rate paid to personal care and personal care/homemaker rates by \$0.76 and passes it through to the certified nursing assistants. This takes effect July 1, 2021 and the budget includes \$0.6 million, of which \$0.3 million is from general revenues.

The section also adds a \$1.56 hourly rate increase for certified nursing assistants and homemakers who complete a 30-hour behavioral healthcare training program offered by Rhode Island College or a similar program approved by the Executive Office of Health and Human Services. To get this rate increase, the employer must have at least 30 percent of its direct care workers certified through this training program. The change is effective January 1, 2022 and the rate must also be passed through in its entirety to the certified nursing assistants and homemakers. The budget provides \$1.0 million, including \$0.5 million from general revenues.

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## Explanations of Budget Articles

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The home care providers must submit an annual report to the Executive Office by January 1, 2023 showing that increases were provided and which behavioral healthcare training programs were used.

**Section 8. Medical Annual Report.** This section changes the due date for the Executive Office of Health and Human Services' annual Medicaid expenditure report from March 15 to September 15.

**Section 9. Medicaid Resolution.** This section includes the resolution language for Assembly approval to make changes to the Medicaid program in the FY 2022 budget. This includes providing coverage for perinatal doula services program, for which the budget includes \$0.5 million. There are two home visiting programs at the Department of Health that will receive Medicaid funding: First Connections and Parents as Teachers. First Connections provides families with resources and services such as preventive health and prenatal care and the budget includes \$0.2 million, of which \$0.1 million is from general revenues. Parents as Teachers aims to improve outcomes for families who reside in at-risk communities and the budget includes \$1.4 million, of which \$0.6 million is from general revenues.

This section also expands coverage and reimbursement for services provided by community health workers for which the budget provides \$2.7 million, including \$0.9 million from general revenues. There is an intensive, expanded mental health psychiatric rehabilitative residential opportunity for discharge planning, treatment and addressing barriers to transitioning to less restrictive settings. The budget includes \$3.5 million, of which \$1.4 million is from general revenues to fund the residential services. The resolution also expands dental treatments for children.

The resolution has several rate changes for nursing homes based on adjustments for level of need, including those on ventilators, and a new daily rate for complex patients with behavioral healthcare needs. There are increases to assisted living and shared living rates that are part of the long term care rebalancing initiative. The rate increases total \$5.0 million, including \$2.2 million from general revenues. It also makes changes to specific home care rates for certified nursing assistants and homemakers authorized in Section 6.

The resolution also increases the maintenance of need allowance for individuals receiving home and community based services from 100 percent of the federal poverty level to 300 percent of the Supplemental Security Income limit. The budget included \$5.4 million, of which \$2.4 million is from general revenues to fund this change.

The resolution also increases the income limit for the Office of Healthy Aging's Healthy@Home program from 200 percent to 250 percent of poverty and the authority to provide the services to adults between the ages of 19 and 64 with dementia. The budget provides \$3.0 million, including \$1.3 million from general revenues to fund both changes. It also ensures that payments made for non-emergency transportation services through the broker model for basic life and advanced life support will be no less than the current rates of \$147.67 and \$177.20, respectively.

The resolution allows the Executive Office to change its Medicaid state plan to specify the New England Consumer Price Index released each March, based on February data, as the annual rate increases for home care and hospice instead of the current May release. This ensures that the rates adopted at the May Caseload Estimating Conference reflect the most accurate published data.

The resolution also contains the annual authorization for the Executive Office of Health and Human Services to seek federal opportunities that do not adversely impact beneficiaries or increase program expenses beyond the FY 2022 appropriation.

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### Article 13. Human Services

**Section 1. Probation Reform.** This section limits the use of incarceration for technical probation violations to only defendants who pose a clear and articulable public safety risk, as determined by the Department of Corrections Rehabilitative Services Division. The Budget assumes savings of \$46,046 from this section.

**Section 2. Juvenile Offender Parole.** This section requires that when considering parole for individuals serving a sentence for a crime committed while they were under the age of 18, the Parole Board take into consideration the diminished culpability of juveniles as compared to that of adults. The Board shall develop guidelines for considering factors such as immaturity, and home and community environment at the time of the offense, education and court documents, participation in rehabilitative and education programs while in prison, evidence of remorse, and other factors the Board considers relevant. All departments are required to submit relevant records and information to the Board if requested. The Budget assumes savings of \$17,268 from this section.

**Section 3. Parole Reform.** This section authorizes five days of compliance credit, beginning after July 1, 2021, if the eligible parolee served on parole without any violation of the terms and conditions of parole in the prior month. Compliance credit reduces the parole period. This would have retroactive application for individuals sentenced prior to the passage of this legislation and applied to offenses occurring on or after January 1, 1991. The Board is required to issue guidelines regarding the awarding, disqualifying, and the rescission or suspension of compliance credits and notify parolees quarterly of updated termination dates. This section also requires a parole review for any person sentenced for any offense committed prior to their 22nd birthday after that person has served a minimum of 20 years, unless the person is entitled to earlier parole eligibility.

This section expands the Parole Board's discretion to respond to technical violations of parole without requiring re-arrest of the parolee, thereby limiting re-incarcerations. Consistent with current law, parolees would be given due process, including a preliminary hearing before the Board to determine whether a violation has occurred. This section also allows for a parolee to waive his or her right to a final parole revocation hearing. The Budget assumes savings of \$49,886 from this section.

**Section 4. Medical and Geriatric Parole.** This section expands consideration for medical parole to include inmates who are cognitively incapacitated which impairs them from being able to conduct routine activities such as feeding, toileting, dressing and bathing. Currently, medical parole may only be considered for inmates that are not sentenced to life without parole and are physically incapacitated or chronically ill to the point that incarceration is no longer punitive and rehabilitative. The section also authorizes geriatric parole for inmates aged 65 or older who suffer from functional impairments, infirmity or illness. The individual would go through the same process as an inmate applying for medical parole. The section further requires the Department of Corrections healthcare unit to offer an annual education seminar to the parole board and community stakeholders on aging and infirmity in prison and special considerations that should be applied to aging prisoners and prisoners with severe illnesses during parole consideration. The Budget assumes savings of \$149,997 from these changes.

**Section 5. Foster Youth Aging Out Requirement.** This section allows for the Courts to reopen, extend, or retain young adults who would otherwise age out of Department of Children, Youth and Families care until the youth's 22<sup>nd</sup> birthday or until September 30, 2021. This would allow for the Department to use federal funds provided for youth who cannot age out of state care pursuant to the terms of the Consolidated Appropriations Act of 2021.



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**Section 6. Rhode Island Works.** This section allows dependent children of Rhode Island Works participants who are under 19 and in high school to remain on the program regardless of their graduation date. Currently, they must be under 19 and on track to graduate. It allows adult participants who have complied with their employment plans and have earned income from it, to have that income exempted from the monthly benefit calculation for either: six months, until their family's total gross household income exceeds 185 percent of federal poverty, or until they reach their lifetime limit, whichever is first. Under current law, earned income is counted towards eligibility and could lead to termination from the program. This section also increases the monthly benefit payments for Rhode Island Works participants by 30 percent over the current amount. The Budget includes \$4.5 million from federal funds for the three changes.

This section also eliminates the age restriction for the child clothing allowance, currently limited to school age children. Beginning in FY 2021, the clothing allowance was increased through rules and regulations from \$30 to \$100; this section codifies the \$100 payment. The Budget includes \$116,300 from federal funds for the proposal.

**Sections 6 and 7. Child Care Assistance.** Section 7 changes rates paid for subsidized child care through the state's child care assistance program for center-based child care providers. The 2018 Assembly established tiered reimbursement for infant, toddler, and preschool age children in licensed child care facilities. The 2019 Assembly extended tiered reimbursement for infants and toddlers in licensed family-based providers. Rates paid to providers are based on their performance according to the state's quality rating system. The article increases payments for first tier infant, toddler and preschool age providers above the 25th percentile of a 2018 market survey and payments for top tier providers above the 75th percentile. The increases average between 16 and 23 percent. It also increases rates for school-age children by an average of about 26 percent and establishes a tiered system of reimbursement, consistent with the system for infants, toddlers, and preschool age children. Reimbursement rates for family-based providers would continue to be determined by collective bargaining. The Budget includes \$6.2 million from federal funds for the Department of Human Services and \$0.7 million for the Department of Children, Youth and Families.

The section also limits family child care co-pays to 7.0 percent of income. Under current rules and regulations, the maximum amount a family could pay is 14.0 percent of income. The Budget includes \$0.5 million from federal funds for this change.

Section 6 establishes a pilot program to provide child care assistance for individuals enrolled in a degree program at a Rhode Island public post-secondary institution. This program is limited to FY 2022 only, up to the \$200,000 from federal funds included in the budget.

**Section 8. Work Release, Home Confinement, and Probation.** This section amends the amount withheld from an inmate's earnings for room and board from 30 percent of the gross income to 30 percent of the net income. This is estimated to generate \$18,800 in additional revenues from increased program participation.

This section also makes changes to home confinement eligibility criteria. People sentenced to more than six months in prison would be eligible for home confinement upon serving at least half of their sentence and being within one year of their projected good time release date rather than six months as required under the current statute; it would also make people sentenced to less than six months in prison eligible upon serving half of their sentence, rather than three-quarters as required under the current statute. The Budget includes savings of \$17,260 from this section.

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This section also authorizes ten days per month of compliance credit if an eligible probationer did not have any violations of the terms and conditions of probation in the prior month. Compliance credit reduces the probation period. The Department is required to keep a record of probationers sentences, including the person's end of sentence date, based on earned credits for compliance with their terms and conditions of probation. This applies to all individuals on probation including those sentenced prior to the enactment of the legislation. Compliance credits are not awarded retroactively.

### Article 14. Housing

**Section 1. Living Home Modification.** This section codifies the current program that provides grant subsidies up to 50.0 percent for certain disability and accessibility home modifications up to \$4,000. This includes annual reporting requirements. The budget provides \$0.5 million for this.

**Sections 2 and 4. Housing and Community Development.** These sections establish a deputy secretary position within the Executive Office of Commerce to be the state's lead official to coordinate and facilitate the development of housing production. It includes extensive annual reporting requirements on housing units, affordability, healthy housing stock and housing formation trends for each community, and requires recommendations to facilitate future development.

**Sections 3 and 5. Housing Incentives.** Section 3 establishes a new restricted receipt account administered by Rhode Island Housing subject to the guidelines established by, and discretion of, the Coordinating Committee of the Housing Resources Commission. Section 5 permits municipalities to adopt housing incentive districts by ordinance in consultation with the Division of Statewide Planning and Rhode Island Housing. The coordinating council may provide these districts financial or technical assistance, including payments for increased education expenses.

**Sections 6 and 7. Real Estate Conveyance Tax.** Section 6 establishes a second tier of the real estate conveyance tax to be deposited in a new housing production fund, effective January 1, 2022. The current tax is \$2.30 per \$500 portion of a property's purchase price with proceeds split among the state, municipalities and dedicated housing related uses. For residential property only, this section doubles the tax levied on the portion of sales over \$0.8 million. The budget assumes this will yield \$1.9 million for the new fund. From FY 2023 to FY 2026, the annualized impact is estimated to average \$4.3 million. The budget also includes \$25.0 million from general revenues to capitalize the fund.

**Section 8. Pay For Success.** This section authorizes a five-year pilot program whereby the Executive Office of Health and Human Services contracts with non-profit investors and service providers to provide permanent supportive housing and additional wraparound services to a cohort of 125 individuals experiencing homelessness. The budget assumes \$6.0 million from general revenues to capitalize a restricted receipt fund authorized consistent with legislation and authorizes FY 2022 expenditures up to \$1.5 million from that restricted account if certain contracted metrics are achieved.

### Article 15. Effective Date

Article 15 provides that the act shall take effect on July 1, 2021, except where a provision within an article specifies a retroactive or prospective effective date.