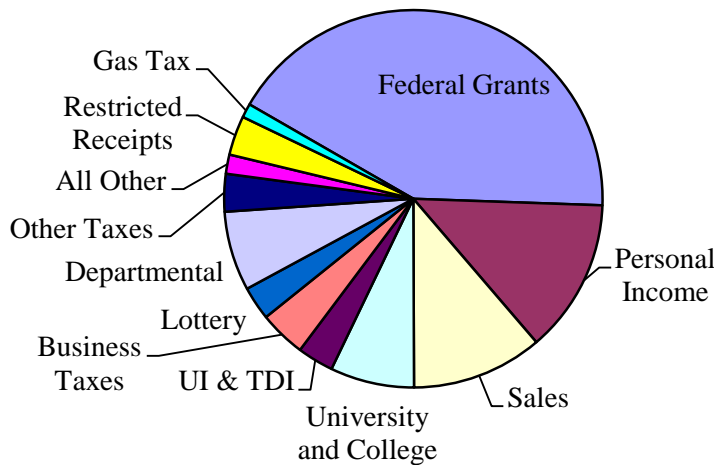

Section I

Budget at a Glance

FY 2023 Budget at a Glance

The Assembly adopted a budget with total expenditures of \$13,602.5 million, which is \$481.6 million more than enacted by the 2021 Assembly for FY 2022 and \$777.4 million more than the Governor recommended. It contains \$5,042.2 million from general revenues, which is \$491.3 million more than originally enacted for FY 2022 and \$310.8 million more than the Governor recommended.

Sources of Funds



Budget Issues

- **ARPA - Fiscal Recovery.** Rhode Island received \$1.1 billion from State Fiscal Recovery funds through the American Rescue Plan Act in March 2021. 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. Federal guidance was finalized in January 2022. In adopting its FY 2022 budget in June, the Assembly preserved the full value of the American Rescue Plan Act fiscal recovery funds for a more robust public process on the proposed uses.

In October 2021, Governor McKee requested authorization for use of \$113.0 million, roughly 10 percent of the state's allocation. The Assembly enacted \$119.0 million contained in 2021-H 6494, Substitute A, which became law on January 4, 2022. The FY 2023 enacted budget commits the remaining funds on 42 separate projects in several distinct spending categories to be used through FY 2027.

- **FY 2023 Gap.** A significant revenue uptick in the preliminary FY 2021 closing data as well as the November consensus revenue estimate for FY 2022 alone resulted in nearly \$500 million in additional resources, effectively eliminating the previously estimated FY 2023 budget gap, though most of that would be considered non-recurring. The consensus revenue forecast for FY 2023 also exceeded prior estimates, but to a much lower degree. On the expenditure side, the federal government further extended its enhanced Medicaid support for the current year, freeing up over \$80 million of additional one-time resources. The Governor's FY 2023 budget used most of the one-time general revenues to fund capital projects and other

non-recurring expenses, some of which will produce savings in later years. It also included considerable resources to fund agreements reached with public employee unions for wage increases that combined to add 7.5 percent to base wage assumptions; out-year forecasts typically assume more modest growth. Following the May 2022 revenue and caseload conferences, available resources over the two year period were increased by over \$600 million. The Assembly used those resources to make even more significant capital investments, provide targeted tax relief including acceleration of the planned car tax phase-out and begin the process to address the issue of stagnant Medicaid reimbursements with rate increases for a variety of programs.

- ***Out-Year Projections.*** The out-years continue to be unbalanced. The forecast included with the Governor’s budget estimates a \$215.3 million gap for FY 2024, declining somewhat in later years but still averaging about \$200 million annually. The FY 2024 gap includes the impact of use of about \$130 million of surplus funds in FY 2023 as well as the last increment of ongoing car tax phase-out. As noted at the time, some items were not completely accounted for, exacerbating the issue. Increased ongoing revenue estimates reflected in the May forecast have mitigated some of that gap. The Assembly’s budget focused on one-time investments, but inflation and other uncertainties present a challenge to achieving structural balance; its budget reflects about a \$100 million average annual gap. This is subject to considerable change with the likely further extension of the public health emergency as well as other uncertainties such as hiring difficulties, and the continued impact of inflation pressure on both revenues and spending. The Assembly preserved over \$100 million of federal recovery support for pandemic response for FY 2024 and beyond as well as a similar level of pay-go capital funds to address cost escalation on approved projects.

Taxes and Revenues

- ***Military Pensions.*** The Budget eliminates the taxation of military service pensions beginning in tax year 2023. The FY 2023 budget reduces revenues by \$3.1 million for half a fiscal year impact, which annualizes to \$6.3 million for FY 2024.

- ***Retirement Exemption to \$20,000.*** The Budget increases the allowable modification of taxable retirement income from certain pension plans and annuities from \$15,000 to \$20,000. This is estimated to cost \$1.6 million for FY 2023; annualizing to \$3.2 million for FY 2024.

- ***Child Tax Credit.*** The Budget includes a child tax rebate of \$250 per child for up to three children for Rhode Island residents making up to \$100,000 for an individual and \$200,000 for a joint filer, estimated to affect approximately 190,000 filers. Most checks will be issued in October as long as taxpayers file their 2021 returns before September 1. Late filers have until October 31 to qualify. A child is defined as a dependent that was under the age of 18 in calendar year 2021. This is estimated to cost \$43.8 million.

- ***Circuit Breaker Property Tax Relief Enhancement.*** The Budget increases the income threshold for property tax credit or “circuit breaker” program eligibility from \$30,000 to \$35,000 and increases the credit to \$600 beginning with tax year 2022. Both will grow by inflation beginning in tax year 2024. The property tax credit program provides relief through a system of tax credits and refunds to elderly and/or disabled Rhode Island residents who own or rent their homes. To be eligible, the homeowner or renter must not exceed the household income threshold and be at least 65 years old, or disabled and receive a Social Security disability benefit. The Budget assumes a revenue loss of \$1.8 million for FY 2022 and \$3.7 million for FY 2023.

- ***Sales Tax Exemption on Breast Pumps.*** The Budget exempts breast pump products from the sales tax effective October 1. Based on assumptions using federal data on new mothers, estimated birth counts and equipment costs, the expected fiscal impact for FY 2023 is \$58,328, annualizing to \$77,770 for FY 2024.

- ***Sales Tax Exemption on Funeral Items.*** The Budget expands the sales tax exemption on funeral items effective October 1. The expansion includes burial containers, urn liners, urn vaults, grave liners, grave vaults, burial tent setups, and prayer cards. The fiscal impact for FY 2023 is \$0.1 million; it annualizes to \$0.2 million for FY 2024.
- ***Motorcycle Trade-in Exemption.*** The Budget exempts the trade-in value of motorcycles from the sales tax on a new motorcycle purchase and assumes a revenue reduction of \$0.1 million for FY 2023. This would annualize to \$0.2 million for FY 2024.
- ***Delinquent Taxpayer Penalty.*** The Budget reduces the interest rate associated with certain delinquent tax payments, such as from income and corporate taxes, from 18.0 percent to 12.0 percent beginning tax year 2023. The fiscal impact is \$2.5 million less for FY 2023; it would annualize to \$6.3 million in FY 2024 and grow further as a greater share of delinquent taxes are subject to the lower rate.
- ***Adult Use Marijuana Program.*** The Rhode Island Cannabis Act signed into law on May 25 establishes an age 21 and older adult use marijuana program. It also includes automatic expungement of cannabis-related offenses. Estimated revenues for FY 2023 are as follows: \$2.9 million of general revenues from the 7.0 percent state sales tax, \$4.1 million of restricted receipts from a new 10.0 percent state excise tax, \$1.2 million to be passed through to municipalities from a new 3.0 percent excise tax, and \$1.2 million in licensing fees direct to a new Social Equity Assistance Fund. The Budget reflects the sales tax general revenues offset by \$0.8 million in related fee impacts and spending from both general revenues and restricted receipts to account for regulatory expenses including 25.0 new full-time equivalent positions across four departments.
- ***DEM Regulatory Fees.*** The Budget includes \$0.6 million in additional revenue from new or increased Department of Environmental Management regulatory fees. This represents 13 distinct adjustments relating to air, ground, and water quality. The Budget also adds \$500,000 and 6.0 new full-time equivalent positions for the Bureau of Environmental Protection to enhance customer service, support businesses, and manage the increase in recent permitting activity.
- ***Cottage Food Manufacturers.*** The Budget includes legislation allowing individuals to use home kitchens to make baked and other goods for retail sale, with sales capped at \$50,000, effective November 1, 2022. The Budget assumes revenues of \$12,610 from a new \$65 licensing fee. It also adds \$0.1 million from general revenues to support 2.0 new full-time equivalent positions in the Department of Health to oversee the program.
- ***Historic Preservation Tax Credit.*** The Budget transfers \$28.0 million from general revenues to the Historic Preservation Tax Credit Trust Fund to allow the program to reach additional participants. It also extends the sunset provision by one year to June 30, 2023.
- ***Rebuild Rhode Island Tax Credit.*** The Budget includes \$13.5 million from general revenues for the Rebuild Rhode Island Tax Credit to continue funding existing commitments, extends the sunset date one year to December 31, 2023 and maintains the existing award cap of \$210.0 million. The program provides real estate development tax credits for qualified construction, which are redeemed over time.
- ***Wavemaker Fellowships.*** The Budget includes \$3.2 million from general revenues to fund the student loan forgiveness program enacted by the 2015 Assembly that provides up to four years of loan forgiveness for degrees in the fields of natural or environmental sciences, computer technology, engineering, or medicine. This is \$1.6 million more than enacted to expand eligibility to healthcare and mental health professionals. Recipients must work at least 35 hours per week for an employer located in the state; two-thirds of the awardees must be permanent residents of the state. It also extends the sunset one year to December 31, 2023.

- ***Court Cost Waiver.*** The Budget reduces general revenues by \$0.3 million in anticipation of renewed emphasis from the Judiciary to assess a defendant's ability to pay when a financial penalty is assessed, consistent with current law. The Assembly also passed legislation establishing a more prescriptive procedure for the courts to follow.
- ***Lottery Prize Adjustment.*** The Budget assumes \$0.5 million of new revenues from raising the prize cap for the payment of prize awards to 71.0 percent of revenues, increasing the average payout amount to incentivize more sales.
- ***License Plate Reissuance Fee Exemption.*** The Budget exempts currently registered vehicles from the \$8 fee for the license plate reissuance scheduled to begin on July 1, 2022 under current law. Exempting the fee reduces general revenues by \$6.1 million, including \$2.9 million for FY 2023.

Commerce and Workforce

- ***Air Service Development Fund.*** The Budget includes \$2.3 million from general revenues to recapitalize the Air Service Development Fund used to reimburse marketing expenses for airlines connecting to T.F Green Airport. It also extends the previous sunset date one year to December 31, 2023.
- ***ARPA - Blue Economy Investment.*** The Budget includes \$70.0 million from State Fiscal Recovery funds for blue economy-related capital investments. Investment areas include, but are not limited to, ports and shipping, defense, marine trade, ocean-based renewables, aquaculture, and tourism. The Budget requires that funds must be used in accordance with the purposes specified in the Blue Economy Technology Cluster grant application to the Economic Development Administration and that at least a \$35.0 million federal match from that grant is secured. Funding is programmed for FY 2023 through FY 2025.
- ***ARPA - Bioscience Investments.*** The Budget includes \$30.0 million from State Fiscal Recovery funds for a new project to finance a wetlab facility and provide technology development supports. The investment is intended to make it easier for academic research to find private sector applications. The Budget requires that funds must be used in accordance with the purposes specified in the BioConnects New England grant application to the Economic Development Administration and that at least a \$15.0 million federal match from that grant is secured. Funding is programmed for FY 2023 through FY 2026.
- ***Commerce Corporation - Operations.*** The Budget includes \$8.0 million from general revenues to support operations of the Rhode Island Commerce Corporation. This is \$0.3 million more than enacted for FY 2022 to reflect updated staffing and lease costs.
- ***Experimental Program to Stimulate Competitive Research (EPSCoR).*** The Budget includes the enacted level of \$0.9 million for the National Science Foundation's Experimental Program to Stimulate Competitive Research.
- ***Innovate RI Small Business Programs.*** The Budget includes the enacted level of \$1.0 million to support Small Business Innovation Research grants and the Bioscience and Engineering Internship programs.
- ***Innovation Initiative.*** The Budget includes \$1.0 million from general revenues to support the innovation voucher and network matching grant initiatives. Vouchers up to \$50,000 are for small businesses with less than 500 employees for research and development assistance from a Rhode Island university, research center or medical center, or to a small business manufacturer for internal research and development. Network matching grants are available for specified industries for technical assistance or access to capital.

- ***I-195 Redevelopment Fund.*** The Budget extends the sunset of the I-195 Redevelopment Fund one year to December 31, 2023. Recent prior budgets included a total of \$28.0 million from general revenues to support the fund which provides developers and businesses with financing for capital investment, including land acquisition to promote the development of the former highway land administered by the I-195 Redevelopment District Commission. The Commission had active commitments of \$25.5 million as of June 2022.
- ***ARPA - Minority Business Accelerator.*** The Budget includes \$6.0 million from State Fiscal Recovery funds, including \$2.0 million in FY 2023 and \$4.0 million in FY 2024, to establish a new minority business accelerator in coordination with minority small business associations to provide technical assistance, loans, and programming space. It provides that for FY 2023, \$0.5 million will support the Rhode Island Black Business Association and \$0.3 million will support the Roger Williams University Business Start-Up Clinic.
- ***P-Tech Initiative.*** Recent prior budgets included a total of \$2.3 million to establish partnerships between high schools, higher education institutions, and employers to offer courses towards high school diplomas and associate's degrees. The program is estimated to have \$0.6 million of available resources after administrative costs. The Budget extends the sunset one year to December 31, 2023.
- ***Polaris Manufacturing Extension Partnership.*** The Budget includes \$450,000 from general revenues to support Rhode Island manufacturers by continuing to deploy technical experts to provide LEAN training facilities layouts and assistance in manufacturing optimization. Polaris Manufacturing Extension Partnership is a Providence based nonprofit organization that receives funding from the National Institute of Standards and Technology to subsidize its consulting services to smaller manufacturing business owners and fund awareness activities and educational seminars. This is \$100,000 more than enacted to provide a match for additional federal funding.
- ***Small Business Assistance Program.*** The Budget includes \$0.7 million from general revenues to recapitalize the Small Business Assistance Program for businesses with less than 200 employees that are having difficulties obtaining financing from traditional lending organizations. The program had \$1.7 million in loanable funds as of June 2022. The maximum amount that any one business can obtain from the fund is \$750,000. The program provides a set aside provision for between 10.0 percent and 25.0 percent of the funding for a microloan program to be administered by a third-party with expertise in microloans. It also extends the sunset one year to December 31, 2023.
- ***ARPA - Small Business and Technical Assistance.*** The FY 2022 final appropriation includes \$32.0 million from State Fiscal Recovery funds to provide grants and technical assistance to businesses impacted by the COVID-19 pandemic.
- ***Small Business Development Center.*** The Budget includes the enacted amount of \$700,000 from general revenues for the Small Business Development Center at the University of Rhode Island.
- ***Supply RI.*** The Budget includes \$0.3 million from general revenues for the Supply RI program, which connects small suppliers with the state's largest commercial purchasers by developing infrastructure to facilitate engagements, including supporting Commerce Corporation staff.
- ***ARPA - Enhanced Real Jobs.*** The Budget includes \$30.0 million for the FY 2023 to FY 2025 period from State Fiscal Recovery funds to further support the Real Jobs RI workforce training program, including \$10.0 million in each of the three years.

- ***Real Jobs RI.*** The Budget includes \$9.6 million for the traditional Real Jobs RI program. This includes \$6.1 million from general revenues, \$0.4 million from federal funds, and \$3.2 million from Governor's Workforce Board restricted receipts.
- ***Healthcare Workforce Support - Skills RI.*** The Budget includes \$6.0 million from general revenues for a healthcare workforce development initiative to place 200 participants, including 100 new hires, in an employment-based training program with the state's two largest hospital systems through Skills for RI Future, a Real Jobs RI partner.
- ***Inmate Apprenticeship, Training and Employment.*** The Budget includes \$0.5 million from general revenues for the inmate workforce development program authorized in the enacted budget for the Department of Corrections through the Real Jobs RI program in conjunction with the Department of Labor and Training. State and contracted staff train and connect individuals with post-release employment opportunities.
- ***ARPA - Assistance to Impacted Industries.*** The FY 2022 final appropriation includes \$13.0 million from State Fiscal Recovery funds to address the negative impacts of the pandemic on the tourism, hospitality, and events industry.
- ***ARPA - Destination Marketing.*** The Budget includes \$1.5 million from federal State Fiscal Recovery funds in each FY 2023 and FY 2024 to conduct tourism campaigns in destination markets for airline routes to T.F. Green airport. These funds must be matched by an equivalent amount from the Commerce Corporation's allocation of state hotel tax receipts.
- ***Urban Ventures.*** The Budget includes \$140,000 for Urban Ventures, a 501 (c)(3) urban minority business incubator. This satisfies the state's responsibility to support a nonprofit urban business incubator, pursuant to Rhode Island General Law, Section 42-64-13.1(e).
- ***Chafee Center at Bryant.*** The Budget includes the FY 2022 enacted amount of \$476,200 for the Chafee Center at Bryant University. As the state's designated State International Trade Office, its consultants work with local companies to offer guidance and advice to initiate and/or develop international trade opportunities.
- ***Main Streets Revitalization.*** The Budget includes \$5.0 million from general revenues to recapitalize the Main Street RI Streetscape Improvement Fund. The 2015 Assembly authorized the Commerce Corporation to award loans, matching grants and other forms of financing to enhance sidewalks, wayfinding signage, and lighting in order to create an attractive environment in local business districts. The program has been appropriated \$3.0 million, all of which has been awarded. It also extends the scheduled sunset date one year to December 31, 2023.
- ***ARPA - South Quay Terminal.*** The Budget includes \$35.0 million from State Fiscal Recovery funds, including \$12.0 million for FY 2023 and \$23.0 million for FY 2024, for initial dredging, infrastructure upgrades, and design work to support an offshore wind docking and construction preparation facility in East Providence. This represents phase one of a larger project, which the Commerce Corporation has supported since FY 2020, with awards of \$15.0 million from Rebuild Rhode Island tax credits and \$0.2 million in Site Readiness grants to Rhode Island Waterfront Enterprises.
- ***ARPA - Port of Davisville.*** The Budget includes \$60.0 million from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. These funds expand on other sources of funding to develop port infrastructure intended to create job opportunities, invest in marine transportation, and make capital improvements to prepare for offshore wind development. Funding is programmed for FY 2023 through FY 2026.

- ***Quonset Piers.*** The Budget includes a total of \$83.1 million for extension and renovation of the Quonset Business Park’s Pier 2. This includes \$50.0 million of general obligation bond proceeds approved by the voters in November 2016, \$10.0 million from Rhode Island Capital Plan funds, and \$23.1 million from Quonset Development Corporation resources, including \$12.8 million from bonds authorized by the 2016 Assembly, secured with its own revenues.
- ***Industrial Site Development.*** The Budget includes \$40.0 million from general obligation bond proceeds approved by the voters in a March 2, 2021 special election for an initiative administered by the Quonset Development Corporation to provide small grants for pre-development purposes and competitively fund other projects to acquire industrial sites and develop facilities that create job producing activities.
- ***Innovation Campus Bond.*** The Budget includes \$20.0 million from general obligation bonds approved by the voters on the November 2016 ballot for the construction of one or more innovation campuses affiliated with the University of Rhode Island. The Executive Office of Commerce has announced five awards totaling \$14.4 million; \$5.6 million remains available for future awards. Through FY 2021, \$1.1 million has been spent. No awards have been announced since October 2019
- ***Quonset Point Infrastructure.*** The Budget includes \$14.0 million from Rhode Island Capital Plan funds for infrastructure improvements at the Quonset Business Park, including \$6.0 million for FY 2022. Work includes increasing roadway crossing capacity and utility relocation for additional future development of heavier shipping weights, construction of a new pier, and dredging a new approach to that pier. These funds will support total estimated project costs of \$34.5 million, with the remaining expenses paid by tenants of the Quonset Business Park.
- ***Port of Davisville Infrastructure at Quonset.*** The Budget includes \$20.0 million from general obligation bonds approved by the voters in March 2021 to support the port’s master plan through the construction of a new pier at terminal 5, rehabilitation of Pier 1, dredging, and activities to support the anticipated development of offshore wind project cargo and logistics. The project is intended to reconfigure the port to provide additional berthing and growth.
- ***Port of Providence.*** The Budget includes \$20.0 million from general obligation bond funds approved by the voters on the November 2016 ballot to increase terminal capacity at the Port of Providence by funding the acquisition of up to 25 acres of land located between Allens Avenue in the City of Providence and the Providence River and associated infrastructure improvements. The Budget delays \$5.0 million of expenditures by one year to FY 2023. Only \$28,808 has been spent since 2016.
- ***I-195 Redevelopment Commission Capital.*** The Budget includes \$1.4 million from Rhode Island Capital Plan funds for professional, legal, and engineering services related to the maintenance and marketability of the I-195 land. This includes \$0.6 million in FY 2022 and \$0.8 million in FY 2023.
- ***I-195 Park Infrastructure.*** The Budget includes \$4.0 million from general obligation bond funds approved by the voters in March 2021 for the development of physical infrastructure at the I-195 Redevelopment District’s parks. This includes facilities for concessions, restrooms, expanded utility services, and trash receptacles.
- ***ARPA - Broadband Infrastructure.*** The FY 2022 final appropriation includes \$0.5 million from State Fiscal Recovery funds authorized in 2021-H 6494, Substitute A, for broadband infrastructure planning work. It includes a needs assessment, statewide mapping of broadband access and cost, and one new Broadband Director position at the Commerce Corporation.
- ***ARPA Capital - Broadband.*** The Budget includes \$25.0 million from Capital Projects funds for a new project to expand reliable, high-speed internet. The proposal will provide municipalities, public housing

authorities, businesses, and internet service providers with funding to expand internet access to underserved communities. Funds will be used to augment or serve as a state match for broadband investment made available through the Infrastructure Investment and Jobs Act. Under the act, Rhode Island is eligible for a minimum of \$100.0 million for broadband expansion. Funding is programmed for FY 2023 through FY 2025 and may not be allocated prior to submission of the state broadband strategic plan.

- ***Municipal Infrastructure Match - Infrastructure Bank.*** The Budget includes \$2.5 million from general revenues for the municipal infrastructure grant program to issue public infrastructure grants to public entities to support job creation, housing, and community development.
- ***Tort Court Awards.*** The FY 2022 final budget includes \$1.9 million from general revenues to pay for any liability claims against any state department or any state worker. This includes \$1.2 million for anticipated compensation of individuals wrongfully convicted of crimes and incarcerated. The FY 2023 budget includes \$675,000.
- ***State House Renovations.*** The capital budget includes a total of \$65.1 million from Rhode Island Capital Plan funds for renovations of the State House. This is \$43.5 million more than the approved plan and includes \$37.5 million to update the building's mechanical, electrical and plumbing systems, and additional funding for asset protection projects and exterior renovations.
- ***ARPA - Unemployment Insurance Trust Fund Contribution.*** The Budget includes \$100.0 million from State Fiscal Recovery funds to be deposited in the Unemployment Insurance Trust Fund prior to the determination of the next tax schedule. This amount restores resources lost to confirmed fraud and is anticipated to reduce the tax rates for tax year 2023.
- ***Unemployment Insurance Benefits.*** The Budget includes \$203.5 million from the Unemployment Insurance Trust Fund for the payment of unemployment insurance benefits. For FY 2022, the final budget includes \$559.6 million. The reduction primarily reflects the end of federal pandemic benefits provided in response to the coronavirus emergency.
- ***Temporary Disability Insurance Benefits.*** The Budget includes \$185.0 million from the Temporary Disability Insurance Trust Fund for benefit payments that protect eligible workers against wage loss resulting from a non-work related illness or injury. This is \$5.0 million more than FY 2022, based on updated projections.
- ***Temporary Caregiver Insurance Benefits.*** The Budget includes \$16.0 million from the Temporary Disability Insurance Trust Fund for the payment of caregiver benefits. This is \$0.4 million more than FY 2022, based on updated projections.
- ***Uninsured Employers Fund.*** The Budget includes \$0.1 million for FY 2022 and FY 2023 from workers' compensation restricted receipts for settlement payments from the Uninsured Employers Fund. The fund pays employees for injuries on the job of an uninsured employer which occur on or after September 1, 2019.

Housing

- ***Affordable Housing.*** The Budget includes \$105.0 million from general obligation bonds for affordable housing support, including rehabilitation of existing structures and new construction for FY 2022 through FY 2026. This includes \$65.0 million approved by voters in March 2021 and \$40.0 million from general obligation bond funds approved by the voters in November 2016. The voters also approved \$10.0 million on the November 2016 ballot to improve properties that are blighted or in need of revitalization, of which the Budget anticipates spending the last \$40,892 in FY 2022.

- **ARPA - Affordable Housing Development.** The Budget includes \$100.0 million from State Fiscal Recovery funds for Rhode Island Housing to provide an enhanced level of gap financing for affordable housing development. Of this amount \$10.0 million is reserved for a pilot program to support low income public housing vouchers and financing. The total includes \$15.0 million authorized in 2021-H 6494, Substitute A, signed into law on January 4. Funding is programmed for FY 2022 through FY 2025.
- **ARPA - Down Payment Assistance.** The Budget includes \$30.0 million from State Fiscal Recovery funds for Rhode Island Housing to create a new program to provide down payment assistance for qualified first time home buyers. The program would provide awards of \$17,500. Funding is programmed at \$10.0 million annually for FY 2023 through FY 2025.
- **ARPA - Predevelopment Program.** The Budget includes \$10.0 million from State Fiscal Recovery funds for Rhode Island Housing to reduce pre-construction barriers to housing development, including prerequisite environmental studies and legal work. Funding is programmed at \$2.5 million annually for FY 2023 through FY 2026.
- **ARPA - Home Repair and Community Revitalization.** The Budget includes \$25.0 million from State Fiscal Recovery funds for Rhode Island Housing for a new program to support critical home repairs and the redevelopment of residential or commercial properties and public and community spaces. Funds will continue a program funded with \$10.0 million from general obligation bonds approved by the voters in November 2016.
- **ARPA - Site Acquisition.** The Budget includes \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program administered by Rhode Island Housing which began during 2020 in response to the coronavirus pandemic. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. The total includes \$12.0 million previously authorized in 2021-H 6494, Substitute A. Funding is programmed for FY 2022 through FY 2025.
- **ARPA - Workforce Housing.** The Budget includes \$20.0 million from State Fiscal Recovery funds, including \$12.0 million for FY 2023 and \$8.0 million for FY 2024, for Rhode Island Housing to support a new affordable workforce housing program for Rhode Island families. The program is aimed at increasing the housing supply for families earning up to 120 percent of area median income.
- **ARPA - Homelessness Infrastructure.** The Budget includes \$15.0 million from State Fiscal Recovery funds for FY 2023 for a new program to increase facility capacity for individuals experiencing homelessness. Of this amount, \$10.0 million is dedicated to support Crossroads Rhode Island sponsored housing developments.
- **ARPA - Homelessness Assistance Program.** The Budget includes \$21.5 million from State Fiscal Recovery funds to provide housing navigation, stabilization, and mental health services for people experiencing homelessness. This includes \$1.5 million authorized in 2021-H 6494, Substitute A, which also required the Chief of the Office of Housing and Community Development to provide monthly progress reports regarding achievement of these efforts. Funding is programmed through FY 2025.
- **ARPA - Housing Strategic Plan.** The Budget includes \$2.0 million from State Fiscal Recovery funds for FY 2023 for a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to homeownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. These funds will also support municipal planning efforts.

- ***ARPA - Affordable Housing Capacity.*** The Budget includes \$1.5 million from State Fiscal Recovery funds for consultants to provide administrative support to the Office of Housing and Community Development. The funding is intended to assist with managing the increased resources for federal and other housing related programs and address the lack of administrative capacity as a barrier to implementing affordable housing initiatives. The total includes \$0.5 million previously authorized in 2021-H 6494, Substitute A, for FY 2022, and \$0.5 million annually for FY 2023 and FY 2024.
- ***Emergency Rental Assistance.*** The Budget includes a total of \$347.0 million from federal funds authorized in the American Rescue Plan Act and the Consolidated Appropriations Act for emergency rental assistance. This includes \$263.0 million, or \$29.0 million more than enacted, for FY 2022 and \$84.0 million for FY 2023. Funds will be used to provide support, prospectively or in arrears, rent and certain utilities expenses for low and very low income households. As of June 22, 2022, 60,826 applications totaling \$429.7 million have been received, with 32,400 applications approved, totaling \$209.4 million of awards.
- ***Homeowner Assistance Fund.*** The FY 2022 final and FY 2023 enacted budgets include \$25.0 million in each year from federal funds to assist homeowners of single to four family residences experiencing a pandemic related hardship with mortgage and other financial assistance, including insurance, utilities, internet, or other expenses to remain in their homes. Governor McKee announced the launch of the \$50.0 million homeowner assistance fund on January 10, 2022.
- ***Office of Housing and Community Development Expansion.*** The Budget includes \$0.5 million from general revenues and 4.0 new full-time equivalent positions for the Office of Housing and Community Development. The funding is intended to assist with managing the increased resources for federal and other housing related programs and address the lack of administrative capacity as a barrier to implementing affordable housing initiatives.
- ***Livable Home Modification Grant Program.*** The Assembly concurred with the Governor's recommendation requiring unspent funds from the Livable Home Modification Grant Program be reappropriated to the following fiscal year. The program provides 50.0 percent of the total retrofit costs, up to \$4,000 in funding to support home modifications and accessibility enhancements to allow individuals to remain in community settings. The Assembly provided an additional \$0.5 million for a total of \$1.0 million for the program. The increase is intended to be one-time to address a surge in applications.

Health Insurance

- ***ARPA - HealthSource RI Automatic Enrollment.*** The Budget includes \$1.3 million from State Fiscal Recovery funds for HealthSource RI to automatically enroll qualified individuals who are transitioning off Medicaid at the end of the COVID-19 emergency into a qualified public health plan. The funding supports two month of premiums.
- ***Health Insurance Market Integrity Fund.*** The Budget includes \$18.6 million from all sources, including \$12.4 million from federal funds and \$6.2 million in revenue from the Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions. This includes \$18.0 million for reinsurance payments to health insurance carriers and \$0.6 million for program administration.
- ***Health Exchange Modernization Grant.*** The FY 2022 final budget includes \$1.1 million from federal funds made available from the American Rescue Plan Act to upgrade the Exchange's information technology systems.

- **HealthSource RI.** The Budget includes \$11.6 million from all sources, including \$2.8 million from general revenues to support ongoing operating expenses for HealthSource RI.
- **Health Spending Transparency and Containment.** The Budget includes \$0.5 million from general revenues to support data analysis of healthcare claims. Data analysis of healthcare claims is intended to develop an annual cost growth target to be used as the benchmark to track and curb healthcare spending in the state.

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

- **Distressed Communities Relief Fund.** The Budget includes \$12.4 million from general revenues for the Distressed Communities Relief Fund. There is a redistribution of funding among qualifying communities based on updated tax levies and the exclusion of Cranston as an eligible community for FY 2023; no community is newly qualified. The year that a community no longer qualifies, it receives a transition payment of half its proportional share.
- **Motor Vehicles Excise Tax.** The Budget provides funding to accelerate the Motor Vehicles Excise Tax phase-out by one year, eliminating the tax for most communities; East Providence entered the phase-out one year behind most communities and will levy the tax for a final year in FY 2023. For FY 2023, the budget includes \$231.0 million; the FY 2022 revised amount includes \$129.7 million.
- **Payment in Lieu of Taxes Program.** The Budget includes \$48.4 million from general revenues to fully fund the Payment in Lieu of Taxes program that reimburses cities and towns for property taxes that would have been due on real property exempted from taxation by state law. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation.
- **Library Resource Sharing Aid.** The Budget includes \$11.0 million from general revenues to fully fund state support of public libraries. Current law allows a 25.0 percent reimbursement of second prior year expenditures, subject to appropriation.
- **Library Construction Aid.** The Budget includes \$1.9 million from general revenues to fully fund library construction aid requirements. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.
- **Property Valuation Reimbursement.** The Budget includes \$0.4 million from general revenues for FY 2023 to reimburse communities conducting property valuation updates. Current law requires that municipalities complete full revaluations every nine years with statistical updates every third and sixth year following a full revaluation.
- **Municipal Tangible Tax.** The Budget allows local governments and fire districts authority to establish a minimum threshold for tangible tax collections.
- **Airport Impact Aid.** The Budget includes \$1.0 million for FY 2023 to the Commerce Corporation so that the Airport Corporation can provide impact aid payments to the seven communities that host the six state airports. The community payments are made proportionately based on the number of total landings and takeoffs.
- **ARPA - Municipal and Higher Ed Matching Grants.** The Budget includes \$46.7 million from State Fiscal Recovery Capital Projects funds for matching grants to cities and towns to renovate or build community wellness centers that comply with the work, education, and health monitoring requirements in federal guidelines for these funds.

- **Local Fiscal Recovery Fund.** The Local Fiscal Recovery Fund from the American Rescue Plan Act provides for three distinct fund allocations: entitlement communities, non-entitlement communities, and counties. For local governments, this provides \$536.8 million, disbursed in two tranches of \$268.4 million each not less than one year apart. The Budget includes the enacted level of \$132.0 million from federal funds to pass through the second tranche of the non-entitlement and county aid allocations to municipalities. The final budget includes the first tranche, distributed in July and August 2021. Entitlement communities including Cranston, East Providence, Pawtucket, Providence, Warwick, and Woonsocket will be provided \$136.5 million from each tranche directly. For those communities, only the county allocation will pass through the state budget.

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

- **Education Stabilization Funds to Districts.** Rhode Island has been awarded \$184.8 million under the Coronavirus Response and Relief Supplemental Appropriations Act and another \$415.0 million under the American Rescue Plan Act of which at least 90.0 percent is for local education agencies for a total of \$599.9 million. The FY 2022 enacted budget adopted in 2021 included \$539.8 million from both acts to be directly distributed to districts. Based on updated spending, the Budget includes \$48.4 million for FY 2022 and \$226.4 million for FY 2023; \$268.3 million would be available for use for FY 2024.

- **Funding Formula Assumptions.** The 2021 Assembly noted that updating for pandemic data showed total enrollment declined and student poverty counts had dropped even more significantly. Unchanged, the formula would have resulted in major losses especially in poorer communities. Therefore the FY 2022 budget allowed for the use of equivalent March 2020 data instead of lower, March 2021 counts. For FY 2023 these problems worsened as those pandemic-depressed data points got worked into share ratio numbers that would have resulted in a windfall for wealthier communities because this calculation works as a relative measure. The Assembly again adjusted the funding formula calculation to allow for use of prior enrollment if it was more favorable, retained the FY 2022 share ratio which excludes pandemic affected data and updated the per pupil core instruction amount as scheduled to \$11,500. For ten local education agencies, the unaltered funding formula calculation would have produced more aid than the amended calculation. The Budget provides an additional appropriation equivalent to 20.0 percent of the difference in aid that would have been received if unaltered.

- **FY 2022 Data Correction.** The Budget holds local education agencies harmless from the impact of correcting data used to calculate FY 2022 aid for input errors by some communities. Following enactment of the FY 2022 budget, the Division of Municipal Finance adjusted local property value data used to determine the state's share of education costs to account for these errors. Correcting the data affects the state's share of education formula aid for 24 districts and 16 charter schools, with some getting more and some getting less. Current law calls for those adjustments to be made the following year. The Budget shifts the \$0.8 million of payments from FY 2023 to FY 2022.

- **FY 2023 Formula Education Aid.** The Budget includes \$1,015.8 million for education aid for local school districts pursuant to the funding formula, excluding state schools and Central Falls. This is \$39.3 million more than enacted for FY 2022 and \$16.2 million more than recommended by the Governor in his proposal to hold communities harmless from reductions to FY 2022. The Assembly again adjusted the funding formula calculation to allow for use of prior enrollment if it was more favorable, retained the FY 2022 share ratio which excludes pandemic affected data and updated the per pupil core instruction amount as scheduled to \$11,500

- **Central Falls.** The Budget includes \$49.0 million of education aid for Central Falls, including \$38.8 million from formula aid and \$10.1 million in stabilization funding to assist the school district until the city can begin to pay its local share. Total aid is \$1.3 million more than FY 2022, including \$0.3 million more produced by the funding formula calculation and \$1.0 million more from stabilization funding.

- ***Davies Career and Technical Center.*** The Budget includes \$14.8 million of education aid for Davies Career and Technical Center. This includes \$8.9 million from funding formula aid and \$5.8 million from supplemental funding, which mitigates some of the losses in funding from the implementation of the funding formula and recognizes the additional costs associated with running a stand-alone school that offers both academic and career and technical education. Total funding is \$0.3 million more than enacted for FY 2022.
- ***Metropolitan Career and Technical School.*** The Budget includes \$9.8 million of education aid for the Metropolitan Career and Technical School. This includes \$8.7 million from funding formula aid and \$1.1 million from supplemental funding, which mitigates some of the losses in funding from the implementation of the funding formula and recognizes the additional costs associated with running a stand-alone school that offers both academic and career and technical education. Total funding is \$0.4 million more than enacted.
- ***Early Childhood Funds/Prekindergarten.*** The education funding formula has an early childhood education category of aid that allows for additional resources from the state to increase access to voluntary, free, high-quality prekindergarten programs. The Budget includes \$14.9 million from general revenues, consistent with the enacted budget.
- ***English Language Learners Funds.*** The Budget includes \$5.0 million to support English language learners that are in the most intensive programs, consistent with the FY 2022 budget. The funding is calculated at the level of 10.0 percent of the core instruction amount, applied to students in the most intensive English learner programs and ratably reduced to the appropriation. Funds may only be used on evidence-based programs proven to increase outcomes for English learners.
- ***Career and Technical Education Funds.*** The education funding formula allows for additional resources from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and offset the higher than average costs of maintaining highly specialized programs. The Budget includes \$4.5 million for FY 2023, consistent with the enacted budget.
- ***Special Education Funds.*** The education funding formula allows for additional resources from the state for high-cost special education students when those costs exceed five times the district's combined per pupil core instruction amount and student success factor amount. The Budget includes \$4.5 million for FY 2023, consistent with FY 2022.
- ***Non-Public School Transportation Funds.*** The education funding formula allows for additional resources from the state to districts for some out-of-district non-public school transportation costs. The Budget includes \$3.5 million for FY 2023, consistent with FY 2022.
- ***Regional District Transportation Funds.*** The education funding formula allows for additional resources from the state to districts for some transportation costs within regional school districts. The Budget includes \$5.7 million for FY 2023, \$1.6 million more than FY 2022, to fully fund this category of aid.
- ***School of Choice Density.*** The Budget includes \$0.5 million from general revenues for traditional school districts with 5.0 percent or more resident students enrolled in schools of choice, including charter schools, Davies and the Met. The program provides one-time support of \$500 per pupil for any new students enrolling in state or charter schools.
- ***School Construction Aid.*** The Budget includes \$138.5 million to fund projected costs of school housing aid to local districts for FY 2023, \$58.5 million more than FY 2022. This includes \$88.5 million

for the traditional reimbursement program and \$50.0 million for the School Building Authority Capital fund to provide upfront support for high priority school construction projects.

- **School Construction Bond.** The Budget includes \$250.0 million of general obligation bonds to be submitted to the voters on the November 2022 ballot to support local school construction projects. This is in addition to the \$250.0 million of general obligation bonds approved by the voters on the November 2018 ballot.
- **Recovery High School.** The Budget includes \$0.5 million from general revenues to support the state's recovery high school, which provides programs to students recovering from substance abuse, consistent with FY 2022.
- **Textbook Reimbursement.** The Budget includes \$240,000 for reimbursements allowed under the textbook reimbursement program. Under current law, the state reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade.
- **School Breakfast.** The Budget includes \$270,000 from general revenues for the administrative cost reimbursements to districts for the school breakfast program, consistent with FY 2022. Food is paid from federal sources.
- **Teacher Retirement.** The state funds 40.0 percent of the employer's share of retirement contributions on behalf of teachers who are members of the teacher retirement system. The Budget includes \$130.9 million from general revenues, or \$6.9 million more than enacted for FY 2022 for the estimated costs of the state's share.

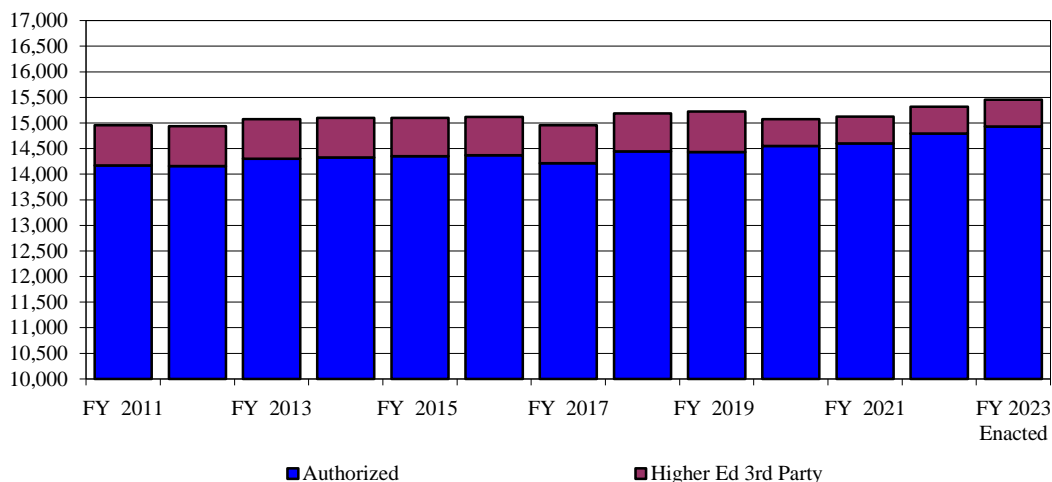
State Government (See Section VI, Special Reports: State Government Personnel and Staffing)

The Governor recommended \$2,467.5 million for personnel expenditures and 15,416.5 full-time equivalent positions, including 523.8 higher education positions dedicated for research or supported by other third-party funds. The recommendation is \$139.6 million less than the enacted budget, including \$93.3 million more for salaries and benefits and \$232.9 million less for contracted services, primarily one-time COVID-19 related expenses.

His proposed staffing of 15,416.5 full-time equivalent positions is 103.3 more than enacted. Among the new positions: 24.0 relating to the adult use marijuana proposal, 11.0 for a Mental Health Court, 7.0 for the Pandemic Recovery Office, 6.0 to enhance the permitting process in the Department of Environmental Management, and 4.0 for the implementation of the Act on Climate. The recommendation also reflects the conversion of eight contracted staff in the Executive Office of Health and Human Services to full-time equivalent positions.

The Assembly provided \$2,647.3 million for personnel expenditures and authorized 15,455.5 full-time equivalent positions for FY 2023, including 523.8 higher education positions dedicated for research or supported by other third-party funds. This is \$179.8 million more than the recommendation to include adjustments to planned spending from State Fiscal Recovery funds and settled contracts. The Assembly also authorized 33.0 full-time equivalent positions more than the Governor's amended recommendation, including 20.0 positions in the Department of Human Services and 7.0 positions in the Department of Environmental Management.

Full-Time Equivalent Positions



In FY 2022, the state averaged 13,490.8 filled full-time equivalent positions and an average of 1,827.1 vacancies.

- Statewide Cost-of-Living Adjustments.** In late 2021, Governor McKee reached agreements with a majority of state employee unions that include cost-of-living adjustments of 2.5 percent annually from FY 2021 through FY 2024, for a total of 10.0 percent. It also includes two \$1,500 bonuses with one payable to current union employees as of the ratification of the contract and the second for those employed on July 1, 2022. The Budget includes \$107.4 million in FY 2022 and \$227.5 million in FY 2023 to account for these agreements and assuming the pay increases also apply to non-union state employees. This includes \$11.8 million for the State Trooper contract settlement and \$9.3 million for members of the Rhode Island Brotherhood of Correctional Officers for base costs if similar agreements to those of other state employees are reached. The general revenue share is \$66.0 million in FY 2022 and \$145.6 million in FY 2023.
- Deferred Pension Liability.** The FY 2022 final budget allocates \$61.8 million from general revenues to the state pension system to pay off the liability remaining when the pension contributions were deferred in 1991 and 1992. The annual cost of this component of the unfunded pension liability would have been \$6.0 million from general revenues for the next 12 years.
- Workforce Efficiency, Classification and Compensation Study.** The Assembly concurred with the Governor’s recommendation to include \$2.0 million from general revenues to conduct a statewide compensation and job classification study.
- Information Technology Investment Fund.** The Assembly transferred \$75.0 million from one-time general revenues to the Information Technology Investment Fund for new information technology projects. The largest ones are \$19.4 million to replace the Department of Labor and Training’s Temporary Disability Insurance and the Employer Tax functions and \$22.4 million for an electronic Medical Records System for Eleanor Slater Hospital. Funds will also be used to support projects for which the Governor had recommended State Fiscal Recovery funds.
- Enterprise Resource Planning System - Implementation.** The 2021 Assembly provided \$50.0 million to develop a multi-year Enterprise Resource Planning System to include human resources, payroll, and financial management. The Assembly provided an additional \$2.2 million from the Information Technology Investment Fund for implementation costs. It also included \$0.2 million from general revenues to fund an information technology project manager to support the system’s implementation.

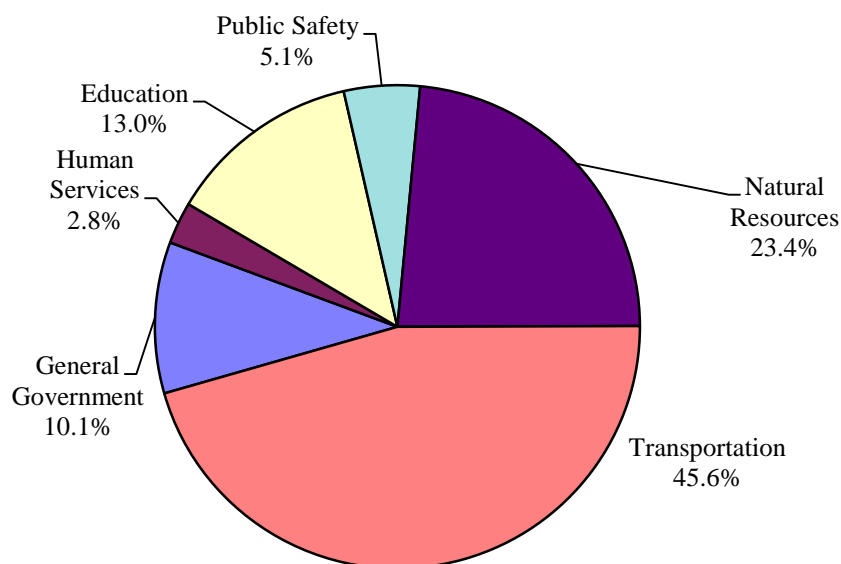
- **Information Technology Staffing.** The Budget includes \$0.7 million to fund four information technology project manager positions within the Department of Administration's existing staffing authorization. The positions will be financed through agency charges.
- **Capital Asset Management and Maintenance Staffing.** The Budget includes \$0.6 million to fund four capital projects related positions, including an associate director, a senior planner, a project manager, and a wastewater monitor. The positions will be financed through agency charges and filled within the Department's existing staffing authorization.
- **Emergency Preparedness.** The Budget includes \$230,000 to be financed through agency charges to improve safety and security at state facilities.
- **Transition Costs for General Officers.** The Budget includes \$350,000 from general revenues for transition expenses for newly elected general officers. Current law requires that all newly elected general officers, prior to their engagement of office, shall be entitled to space for transition staff, and adequate funds from the outgoing general office from the budget of that department for use to hire transition staff, obtain office supplies and equipment.
- **Director's Salaries.** The Budget includes language to delay the requirement for the Department of Administration to conduct public hearings on director salaries until September and the deadline to refer them to the General Assembly to October 30 for 2022 only.
- **City Year.** The Budget includes the enacted amount of \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individual support to at-risk students.
- **Year Up.** The Budget includes \$200,000 from general revenues for Year Up to provide underserved young adults programming for hands-on skill development, academic coursework, internships, and wraparound support.
- **Convention Center Authority.** The Assembly provided \$10.0 million from State Fiscal Recovery funds for operating expenses and \$48.1 million from Rhode Island Capital Plan funds for capital projects for the Convention Center Authority.
- **Labor and Training Technology Improvements.** The Budget assumes use of \$19.5 million from federal funds, including \$13.5 million for FY 2022 and \$6.0 million for FY 2023 for various projects to replace components of the Department of Labor and Training's information technology infrastructure with cloud-based systems. This includes replacing its central computer system, updating applications for its unemployment user portal and benefits navigator, and modernizing its call center technology.
- **Police and Fire Relief Fund.** The Budget includes \$4.1 million for FY 2022 and \$3.8 million for FY 2023 for the Police and Fire Relief program for annuity payments and in-state tuition to eligible spouses, domestic partners, and dependents of certain injured or deceased police officers and firefighters.
- **Tax Modernization.** The Budget includes \$2.9 million for the Division of Taxation to modernize its systems. This includes \$2.3 million from Information Technology Investment funds to update the State Tax Administration and Revenue System, and \$550,000 from general revenues to replace two scanners it uses to digitize documents for use within that system.
- **Commission on Human Rights.** The Budget includes \$85,000 from general revenues for a new case management system in FY 2022 and \$25,000 for annual maintenance costs in FY 2023.

- **Commission on Human Rights - Compliance Officer.** The Budget includes \$111,430 from general revenues for a new compliance officer to address increased caseloads associated with recent changes to the state's Fair Housing Practices Act.
- **Public Financing of Elections.** The Budget includes \$2.7 million for the public financing of elections required by Rhode Island General Law, Section 17-25-19. General officers are elected every four years, and the Board of Elections is responsible for administering and carrying out the mandates of the Campaign Contributions and Expenditures Act and the state's Matching Public Funds program.
- **Rhode Island Historical Society.** The Budget includes the enacted level of \$125,000 in general revenue support for the Rhode Island Historical Society.
- **Newport Historical Society.** The Budget includes the enacted level of \$18,000 in general revenue support for the Newport Historical Society.
- **Contingency Fund.** The Budget includes the enacted amount of \$150,000 for the Governor's Contingency Fund.
- **Taxpayer Steward.** The Budget includes \$0.1 million for 1.0 new full-time equivalent position for a Taxpayer Steward within the Division of Taxation.
- **Blockchain Pilot.** The Budget includes \$2.5 million from Information Technology Investment funds to implement blockchain technology for use in credential issuance, authentication, and automated compliance.
- **E-Permitting Expansion.** The Budget includes \$1.2 million from general revenues to implement online construction permitting for all Rhode Island municipalities and hire one new systems administrator position. Municipalities are required under Rhode Island General Law, Chapter 23-27.3 to adopt online construction permitting by July 1, 2023.
- **License Plate Reissuance.** The Budget includes \$8.5 million from general revenues to reflect the total cost of the license plate reissuance scheduled to begin July 1, 2022. The Budget includes language requiring the automatic reappropriation of all unspent funding as of June 30, 2023 to the following fiscal year and exempts currently registered vehicles from the \$8 fee under current law.
- **Mobile DMV.** The Budget includes \$750,000 for a mobile DMV unit to use in lieu of some part-time locations.
- **Child Support Enforcement.** The Budget includes \$0.9 million and six new positions primarily from federal funds to support the Judiciary's requested expansion of the Child Support Enforcement Unit for Family Court to provide full service to Kent and Washington counties.
- **Let RI Vote Act.** The Budget includes \$262,602 from general revenues for the implementation of the Let RI Vote Act which establishes new requirements for the administration of elections, including a new multiple language voter helpline and online mail ballot application portal, quarterly updates to the centralized voter registration system, and providing mail ballot drop boxes for each community. This includes \$140,000 for the Secretary of State and \$122,602 for the Board of Elections.
- **Collections Unit.** The Budget extends the sunset provision for the Department of Revenue's Collections Unit by ten years to June 30, 2033.

Capital (See Section V: Capital Budget)

- **Outlays and Funding.** The FY 2023 through FY 2027 plan includes \$8,154.6 million of outlays on \$17,170.8 million of project estimates. Average outlays would be \$1,630.9 million per year for the five-year period, with \$941.5 million required at the end of the period to complete the projects.

FY 2023 - FY 2027 Capital Projects by Function



- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$892.8 million of general obligation bond debt issuances. This includes \$250.0 million from new general obligation bonds for a second school construction bond to go before the voters in November 2022 with funding programmed to begin in FY 2024; the voters approved an initial \$250.0 million in November 2018. It also includes \$100.0 million for the University of Rhode Island’s Narragansett Bay Campus and \$50.0 million for environmental and recreational projects. The average bond referenda over the past five elections were \$289.4 million, including the \$400.0 million approved by the voters in a March 2021 special election.
- **Other Debt Approvals.** The capital plan includes \$191.6 million approved by the 2022 Assembly under the Public Corporation Debt Management Act. This includes three projects at the University of Rhode Island including \$13.0 million for the Facilities Service Sector Upgrade project, \$15.5 million for the Utility Infrastructure Upgrade Phase II Project, and \$163.1 million for the Brookside Apartments II Project authorized after the Budget was adopted.
- **Financing.** Paying for the five-year outlays includes \$1,771.4 million from debt financing and \$6,383.2 million from current or pay-go sources. Pay-go represents 78.7 percent with debt funding being 21.3 percent. This is more pay-go funding than prior budgets largely in part to the inclusion of \$112.5 million from American Rescue Plan Act Capital Projects funds and an additional \$563.0 million from one-time resources transferred to the Rhode Island Capital Plan Fund.
- **Debt Levels.** Total net tax supported debt decreases during the period through FY 2027 by \$141.2 million from \$2,066.1 million to \$1,924.9 million. Past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this capital budget.

- **Debt Ratios.** Net tax supported debt would decrease from 2.9 percent of personal income reported for FY 2021 to 2.3 percent for FY 2027, assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected.
- **Rhode Island Capital Plan Fund.** The plan relies heavily on the use of Rhode Island Capital Plan funds, an important source of pay-go funds designed to reduce the need for borrowing. Total outlays for the five-year period are \$1,342.8 million. This includes the transfer of \$563.0 million from one-time general funding to the Rhode Island Capital Plan Fund, including \$100.0 million for the state match for federal transportation projects.

Debt Service

- **Convention Center Authority.** The Budget includes \$24.7 million from general revenues in FY 2023 for the Convention Center Authority to cover debt service requirements, \$1.8 million more than enacted, based on a recent refinancing.
- **Garrahy Parking Garage.** The Assembly included \$2.1 million in FY 2022 and \$1.9 million in FY 2023 for debt service for the Garrahy Parking Garage. The revised budget is \$0.4 million more than enacted and the recommendation for FY 2023 assumes \$1.2 million in revenues to lower the state's debt service obligation. State support is assumed beyond FY 2023.
- **Historic Tax Credit Trust Fund Debt Service.** The Assembly provided \$19.4 million from general revenues in both years to fund debt service for historic tax credits.
- **Fidelity Job Rent Credits.** The Budget includes \$1.0 million from general revenues for payments under the Fidelity Job Rent Credits agreement.

Public Health

- **ARPA - Public Health.** The Assembly provided a total of \$186.9 million from State Fiscal Recovery funds to help the state continue its response to the COVID-19 pandemic through FY 2025, including \$73.0 million in FY 2023. Funds will be used for testing, contact tracing, vaccinations, and mitigation efforts.
- **ARPA - Health Care Facilities.** The Budget includes \$77.5 million from State Fiscal Recovery funds to support health care facilities to address the ongoing staffing needs of hospitals, nursing facilities, and community health centers related to the pandemic. There is \$45.0 million for hospitals, \$30.0 million for nursing facilities and \$2.5 million to be distributed to the community health centers.
- **ARPA - Public Health Response Warehouse Support.** The Budget includes \$2.0 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies.
- **ARPA - Public Health Clinics.** The Assembly provided \$4.0 million from State Fiscal Recovery funds in FY 2023 to support two health clinics. This includes \$2.0 million to the Rhode Island Free Clinic to improve statewide access and quality of primary care for uninsured adults, increase access to dental care for uninsured adults integrated into medical care at the clinic, and build infrastructure for telehealth and electronic medical records. It also includes \$2.0 million for Open Door Health to expand its services and efforts to address issues for people who are disproportionately impacted by the COVID-19 pandemic.
- **ARPA - Turnpike and Bridge Authority - Safety Barriers Study.** The Budget includes \$1.0 million from State Fiscal Recovery funds for the Turnpike and Bridge Authority to conduct a study to identify and evaluate the options to prevent and address the risk of suicide on bridges under its purview. Adopted

legislation requires that the selection of a vendor to conduct the study be done through a request for proposals process.

- **Human Service Program Rates and Benefit Analysis.** The Budget includes \$1.5 million from general revenues for a new initiative that requires the Office of the Health Insurance Commissioner to conduct a comprehensive review of social and human service programs contracted or licensed by the state. This includes analysis of rates, utilizations, and eligibility and accountability standards.
- **FEMA Contingency Reserve.** The Budget includes \$15.0 million from general revenues as a contingency reserve for COVID-19 related expenses, in the event reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions.
- **New State Health Laboratory.** The capital budget includes \$81.8 million, all but \$0.1 million is from a federal Centers for Disease Control and Prevention grant to construct a new State Health Laboratory facility. The location for this has not been determined.
- **Medical Examiners - New Facility.** The Assembly included \$0.5 million in FY 2022 and \$4.5 million in FY 2023 from Rhode Island Capital Plan funds previously approved to renovate a 20,280 square foot building in Cumberland for the Office of State Medical Examiners.
- **Aquatic Venues Inspector.** The Budget includes \$0.1 million from general revenues to fund a new environmental scientist position in the Department of Health. The position will be responsible for reviewing and licensing aquatic venues and addressing backlogs.

Health and Human Services

- **Hospital Licensing Fee.** The Budget includes a 5.42 percent fee based on 2021 revenue totaling \$179.1 million for FY 2023. It also revises the FY 2022 license fee downward from 5.725 percent to 5.656 percent with collections totaling \$172.0 million
- **Hospital Rates.** The Budget increases inpatient and outpatient rates by 5.0 percent and adds \$12.5 million, including \$3.7 million from general revenues. The May Caseload Estimating Conference included 2.7 percent consistent with then current law.
- **Managed Care Payments.** The Budget increases managed care payments for pregnancy and birth related expenses by 20.0 percent and adds \$14.5 million, including \$5.7 million from general revenues.
- **Graduate Medical Education.** The Budget includes general revenue funding for graduate medical education that includes \$1.0 million for Lifespan, \$1.0 million for Care New England, and \$0.5 million for Landmark Hospital's new resident training program.
- **ARPA – Butler Hospital Short Term Stay Unit.** The Budget includes \$8.0 million from State Fiscal Recovery funds for Butler Hospital to build a 25-bed short stay unit to provide behavioral health care services, crisis intervention, and other related services.
- **Nursing Home Rate.** The Budget adds \$3.2 million, including \$1.4 million from general revenues, to account for a 3.0 percent nursing home rate adjustment for FY 2023 that totals \$8.5 million, including \$3.8 million from general revenues. This replaces the 1.9 percent increase included in the May Caseload Estimating Conference estimate which was based on a national nursing home index, consistent with current law.

- ***Children’s Coverage.*** The Budget provides medical benefits to all children whose family income is at or below 250 percent of poverty, regardless of immigration status. The Budget adds \$1.3 million from general revenues for benefits assuming an October 1, 2022 start date and \$0.7 million from general revenues to make the system changes necessary to implement the program. The underlying assumptions are that nearly 1,500 children will eventually enroll, with about 400 in the first year, and full enrollment would cost approximately \$7 million annually.
- ***Post-Partum Coverage.*** The Budget includes \$5.2 million, of which \$3.5 million is from general revenues, to extend full Medicaid coverage to two groups of women who are 12 months post-partum and who currently receive a limited benefit. Coverage for the first group, which totals \$3.2 million, including \$1.4 million from general revenues, is a new state Medicaid option created by the American Rescue Plan Act for women who currently lose Medicaid coverage after 60 days post-partum; this will extend the full Medicaid benefit to approximately 1,000 women. The second group is women who do not qualify for Medicaid because of immigration status, but whose childbirth was paid for by Medicaid because the child is covered.
- ***Biomarker Testing.*** The Budget allows the Executive Office of Health and Human Services to seek federal approval to cover biomarker testing and includes \$25,000 from general revenues.
- ***Palliative Care Coverage.*** The Budget includes the legislative authority for the Executive Office of Health and Human Services to seek federal approval for the Medicaid program to cover palliative care services to those under age 26 who have aged out of the Katie Beckett category of coverage.
- ***Meals on Wheels Rate Increase.*** The Budget includes \$0.4 million, including \$0.2 million from general revenues, to increase current rates for standard meals from \$6.50 to \$12.00 and from either \$4.01 or \$6.50 to \$12.00 for frozen ones. The Budget also establishes new rates for cultural meals at \$14.05 and therapeutic meals at \$12.17.
- ***Oasis Wellness and Recovery Center.*** The Budget identifies \$250,000 from Social Services Block Grant funds in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to be provided to The Providence Center to support services through Oasis Wellness and Recovery Center.
- ***Children’s Cabinet – Early Childhood Programs.*** The Budget includes \$250,000 from general revenues to support the work of the Children’s Cabinet as it assists with establishing an early childhood governance working group to review and provide recommendations regarding the structure of the state’s early childhood programs.
- ***Long Term Care Rebalancing Support.*** The Budget includes \$10.0 million, including \$5.0 million from general revenues, for the Executive Office of Health and Human Services to provide support for home care providers consistent with the long term care rebalancing provisions of state law. This could include retention and recruitment support, reimbursements for education and certification expenses, and new or renewed licenses.
- ***McKinsey Opioid Settlement.*** The Assembly included \$2.3 million in FY 2022 and FY 2023 from McKinsey opioid settlement funds, which must be used for treatment, recovery, and prevention programs. It included \$1.1 million to purchase naloxone, \$440,000 for harm reduction centers, \$250,000 to support a new pilot program to invest in the substance use disorder workforce, \$450,000 for a harm reduction community campaign, and \$60,000 for harm reduction efforts through the West Elmwood Health Equity Zone.
- ***Opioid Stewardship Fund.*** The Budget transfers the Opioid Stewardship Act program administration, including staff, from the Department of Health to the Executive Office of Health and Human Services and

includes \$8.3 million for FY 2023, reflecting available funds and an updated plan. This includes \$2.9 million for the Department of Corrections' substance abuse counseling contract and Medication Assisted Treatment program. It provides \$1.9 million in the Department of Health of which \$1.0 million is to purchase naloxone, \$0.5 million is for harm reduction center infrastructure, and \$0.1 million is to support a quality assurance officer position. It provides \$3.1 million to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals including \$500,000 for the Regional Task Forces, \$300,000 for additional substance use disorder residential services, \$300,000 for a new substance use disorder workforce pilot program, and funding for housing support and medical assistance treatment. The Budget also includes \$0.4 million for the Executive Office of Health and Human Services for a Director of Opioid, Prevention and Response and financial contracted services.

- ***Opioid Settlement Funds.*** The FY 2023 enacted budget includes \$20.0 million from Opioid Settlement restricted receipts for prevention and treatment services. The Opioid Settlement Advisory Committee will make recommendations to the Secretary of the Executive Office of Health and Human Services on the use of the funds. Funds can be used for treatment, transportation, and housing support as well as addressing the needs of individuals involved with the criminal justice system. Prevention activities include increasing availability of naloxone and training in harm reduction strategies. Other strategies include educating law enforcement and first responders about practices and precautions when dealing with fentanyl and other drugs.

- ***Developmental Disabilities - Transformation Fund and Technology Acquisition.*** The Budget includes \$12.0 million for the Transformation Fund and \$2.0 million for technology purchases in the FY 2022 final and FY 2023 enacted budgets to comply with parts of the Action Plan the state agreed to in conjunction with its consent decree. This includes \$10.0 million for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and \$4.0 million for the Executive Office of Health and Human Services. It is intended to support community based providers to improve the quality of and access to integrated community day and employment support programs, for developmentally disabled adults.

- ***ARPA - Home and Community Based Services.*** The Budget includes \$73.6 million for FY 2022 and \$67.0 million for FY 2023 from State Fiscal Recovery funds to reflect the provision of the American Rescue Plan Act that lets states reinvest savings from an enhanced Medicaid rate and expand home and community based services. This reflects the federally approved April plan that supports programs in the Departments of Children, Youth and Families, Health, Human Services, and Behavioral Healthcare, Developmental Disabilities and Hospitals.

- ***Home Health Agency Rates.*** The Budget includes \$7.5 million, including \$3.3 million from general revenues, to raise the reimbursement rates paid to certified nursing assistants and homemakers to \$15 an hour through the Executive Office of Health and Human Services and the Department of Human Services' Office of Healthy Aging.

- ***Independent Provider Model.*** The Budget includes \$0.3 million, including \$0.1 million from general revenues, to raise reimbursement rates paid to personal care aides through the Independent Provider Program, to \$15 an hour. The program is a self-directed option for individuals living at home who need assistance with personal care and homemaker services allowing them to hire, schedule, and supervise an aide.

- ***Personal Choice Program.*** The Budget includes \$12.5 million, including \$5.5 million from general revenues, to raise the minimum reimbursement rates paid to home health agencies for aides through the Personal Choice Program to \$21 an hour. The consumer-directed program, with about 550 participants, allows a person to pay for personal care aide from his or her approved funding for home care services and expand the program.

- ***Children’s Therapeutic & Respite Services Rates.*** The Budget includes \$20.2 million, including \$9.0 million from general revenues, to increase reimbursement rates paid to agencies providing homebased therapeutic services, applied behavioral analyses, personal assistance services and supports, and respite services to \$15 an hour.
- ***Adult Dental Rates.*** The Budget includes \$8.1 million, of which \$2.7 million is from general revenues, to increase the rates paid for adult dental services.
- ***Developmental Disabilities Direct Support Professionals.*** The Budget includes \$34.2 million, of which \$15.1 million is from general revenues, to increase the reimbursement rate for direct support professionals from \$15.75 to \$18.00 an hour in FY 2023 in the community based system for adults with developmental disabilities. This is in compliance with the action plan related to the consent decree with the Department of Justice.
- ***Developmental Disabilities Providers - Loan Write-Off.*** The Budget includes \$12.6 million from general revenues to write off start-up loans given to private providers to build the community based residential and day program network for adults with developmental disabilities, which was needed after the state closed the Ladd Center.
- ***Rhode Island Psychiatric Hospital - Benton Facility.*** The Budget establishes a 52-bed Benton facility as a stand-alone psychiatric hospital separating it from the Eleanor Slater Hospital. The Budget adds five new administrative positions, Chief Executive Officer, Chief Medical Officer, Chief Nursing Officer, Chief Financial Officer, and Chief Quality Officer, in addition to 78 existing positions. The change is assumed to be effective September 1, 2022, after the Department receives the necessary state licensing approval.
- ***ARPA - Pediatric Recovery.*** The FY 2022 final budget includes \$7.5 million from State Fiscal Recovery funds authorized in 2021-H 6494, Substitute A, which became law on January 4, to provide relief to pediatric providers and incentivize increased screenings. The FY 2023 budget provides another \$7.5 million.
- ***Pediatric Provider Rates.*** The Budget includes \$5.5 million, of which \$2.5 million is from general revenues, to raise rates paid to pediatric providers to be equal to the rates paid by Medicare for primary care services.
- ***ARPA - Early Intervention Recovery.*** The FY 2022 final budget includes \$5.5 million from State Fiscal Recovery funds authorized in 2021-H 6494, Substitute A, to provide relief to early intervention providers and performance bonuses for hitting certain targets. The FY 2023 budget includes another \$5.5 million for a total of \$11.0 million.
- ***Early Intervention Services Rates.*** The Budget includes \$4.0 million, of which \$1.8 million is from general revenues, for a 45.0 percent increase to rates paid to Early Intervention providers.
- ***ARPA - Community Behavioral Health Clinics.*** The Budget includes \$30.0 million from State Fiscal Recovery funds to support the certified community behavioral health clinics to increase services in response to mental health needs during the COVID-19 public health emergency and establishes plans for a new rate structure.
- ***ARPA - Crisis Intervention Trainings.*** The Budget includes \$550,000 annually for FY 2023 to FY 2026 from State Fiscal Recovery funds to provide training and technical assistance.

- ***ARPA - 9-8-8 Hotline.*** The Budget includes \$1.9 million from State Fiscal Recovery funds for the creation of a 9-8-8 hotline to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission adopted rules to ensure a consistent level of service.
- ***Mental Health Court Treatment Calendar.*** The Budget establishes a mental health court treatment calendar and includes \$4.2 million from general revenues to support it. This includes 11.0 full-time equivalent positions, with seven at the Judiciary, and two each at the Offices of the Attorney General and Mental Health Advocate. This District Court administered program is intended to reduce recidivism and divert volume from the criminal courts. The program anticipates providing treatment, monitoring, and additional support.
- ***Medicaid Enterprise System.*** The Budget includes \$52.0 million for the Executive Office of Health and Human Services to replace the current Medicaid Management Information System with a new Medicaid Enterprise System. This includes \$46.8 million from federal Medicaid funds matched by \$5.2 million from general revenues over five years beginning in FY 2023. The system is the primary means for processing Medicaid claims, third party liability review, and data management.
- ***Eleanor Slater Hospital - New Facility.*** The Budget includes \$108.2 million from Rhode Island Capital Plan funds programmed through the post-FY 2027 period to build a new 100-bed facility on the Zambarano campus of Eleanor Slater Hospital.
- ***Eleanor Slater Hospital - Electronic Medical Records System.*** The Budget includes \$22.4 million from Information Technology Investment funds for a new medical records system that would support administrative, financial, clinical and reporting activities at Eleanor Slater Hospital.
- ***Community Facilities Asset Protection.*** The Assembly concurred with the Governor's recommendation to include a new project to provide asset protection funding at state owned facilities leased or operated by nonprofit organizations, including the Groden Center, Civil Air Patrol, and possibly another ten facilities. The recommendation includes \$450,000 in FY 2023 and \$50,000 annually from FY 2024 through FY 2027.
- ***Veterans' Home Asset Protection.*** The capital budget includes \$400,000 from Rhode Island Capital Plan funds for asset protection projects at the Rhode Island Veterans' Home in Bristol for FY 2023 and \$500,000 annually from FY 2024 through FY 2027.
- ***Emergency and Public Communication Access Funds.*** The Assembly adopted legislation transferring an additional \$20,000, for a total of \$100,000, from the Emergency and Public Communication Access funds to the Commission for the Deaf and Hard of Hearing. These funds are derived from the monthly \$0.09 fee from the Dual Party Phone Relay Escrow Account.
- ***RI Bridges Mobile and Child Care Tracking.*** The Budget includes \$6.7 million from Information Technology Investment funds to expand the functionality of the HealthyRhode mobile application so that individuals will be able to apply and recertify for benefits through an app. Funding is programmed from FY 2023 through FY 2025.
- ***Public Health Emergency Determination Support.*** The Budget includes \$1.4 million for FY 2022 and \$20.9 million for FY 2023 from all sources, including \$0.7 million and \$9.8 million, respectively, from general revenues, for eligibility determination efforts following the end of the COVID-19 public health emergency. The funding is programmed across the Executive Office of Health and Human Services, Department of Human Services, and HealthSource RI budgets. The Assembly also included authorization for 20.0 new full-time equivalent positions for the Department of Human Services to support this work.

Children and Families

- **ARPA - Child Care Support.** The Budget includes \$42.0 million from State Fiscal Recovery funds programmed from FY 2022 through FY 2025 to provide retention bonuses for direct care staff at child care centers and licensed family based care providers. Funds may be used to waive any fees for new family child care providers, including application fees and background checks, and for quality improvements, creating a workforce registry, and education opportunities for direct care staff. This includes the \$19.0 million authorized in 2021-H 6494, Substitute A for FY 2022.
- **Child Care Program Expansion.** The 2021 Assembly established a pilot program for FY 2022 only to allow eligible low income parents to receive child care assistance while they are enrolled in a Rhode Island public institution of higher education. The Budget includes \$375,000 from federal funds to make the program permanent.
- **Child Care Eligibility Expansion.** The Budget includes \$3.0 million from federal funds to increase eligibility for the child care assistance program to 200.0 percent of the federal poverty level and transition eligibility to 300.0 percent of poverty. Families have been eligible for child care assistance either through the Rhode Island Works program or at income levels not to exceed 180.0 percent of federal poverty and remained eligible until their income exceeded 225.0 percent of poverty.
- **Child Care Rates.** The Budget includes \$7.6 million from federal funds to increase rates for center based child care providers, including \$6.7 million for the Department of Human Services and \$0.9 million for the Department of Children, Youth and Families. Rates paid to most providers are based on performance according to the state's quality rating system. The 2021 Assembly increased 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. It also increased rates for school age children by an average of about 26 percent and established a tiered system of reimbursement for this age group. The 2022 Assembly increased rates based on the 2021 market rate survey, with first tier providers being reimbursed at the 50th percentile of the survey and top tier providers being reimbursed at the 80th percentile.
- **Early Learning Facilities Bond.** On March 2, 2021, voters approved \$15.0 million from new general obligation bonds for physical improvements to early learning facilities, including daycare and other early childhood education programs. The capital budget programs \$3.0 million for FY 2022, \$5.2 million for FY 2023 and \$6.8 million for FY 2024.
- **Rhode Island Works Income Disregard Increase.** The Budget includes \$150,000 from federal funds to increase monthly benefits to Rhode Island Works participants by excluding more of their income when calculating the benefit. The Budget increases the disregard from \$170 to \$300 per month.
- **Rhode Island Works Resource Limit.** The Budget includes \$100,000 from federal funds to increase the resource limit to participate in Rhode Island Works from \$1,000 to \$5,000. Resources that count toward the limit include real property and personal property such as cash, stocks, and bank accounts, among others. When the non-excluded resources exceed the resource limit, the applicant is ineligible or assistance is discontinued.
- **Rhode Island Works Lifetime Limit.** The Budget includes \$0.1 million from federal funds to increase the lifetime limit to participate in Rhode Island Works from 48 months to 60 months, consistent with federal program limits.
- **ARPA - Female Youth Facility.** The Budget includes \$12.0 million from State Fiscal Recovery funds to expand existing in-state capacity at private facilities and create the initial design of a new qualified residential treatment program facility. It also includes \$45.0 million from Rhode Island Capital Plan funds,

or \$15.0 million annually from FY 2024 through FY 2026, for the construction of a new female youth facility.

- **Council on Accreditation.** The Budget includes \$9.2 million for FY 2023 to support the Department's accreditation plan. The revised budget provides funding consistent with the enacted budget.
- **DCYF Director Salary.** The Budget includes language to allow the Governor to set the salary of the Director of the Department of Children, Youth and Families for 2022. The 2021 Assembly allowed the Governor to enter into a three-year contract with a director and set the salary for 2021. The position was not filled.
- **ARPA - Provider Workforce Stabilization.** The Budget includes \$15.0 million from State Fiscal Recovery funds for workforce stabilization payments in FY 2022 and FY 2023 to direct care staff of congregate care and community based providers in contract with the Department of Children, Youth and Families.
- **ARPA - Lead Abatement and Fire Safety Upgrades in Foster Homes.** The Budget includes \$1.9 million from State Fiscal Recovery funds for lead abatement and fire safety upgrades in foster homes. Funding is programmed for FY 2023 and FY 2024.
- **DCYF Headquarters Feasibility Study.** The Budget includes \$250,000 from Rhode Island Capital Plan funds in FY 2023 to conduct a feasibility study for a future Department of Children, Youth and Families headquarters. The study will include options for leasing, purchasing, and constructing a facility.
- **DCYF Provider Support.** The Budget includes \$8.5 million, including \$6.3 million from general revenues, for an enhanced rate of 14.0 percent for all Department providers for FY 2023 assuming the Department renegotiates its provider contracts which is anticipated to be complete prior to July 1, 2023. For FY 2022, the Assembly assumed the Department would use \$10.0 million of budget savings to provide a retroactive ten percent increase to its providers.
- **DCYF Group Homes Feasibility Study.** The Budget includes \$0.5 million from Rhode Island Capital Plan funds for a feasibility study on the development of four geographically diverse transitional housing groups for youth ages 18 to 26 with unstable housing, parents who need safe and stable housing temporarily to prevent a case from being opened with the Department of Children, Youth and Families, and for parents with open cases for whom housing is the last barrier to reunification.
- **RICHIST System Replacement.** The Budget includes \$28.0 million to replace the child welfare information system authorized by the 2021 Assembly. The recommendation includes \$16.8 million from the Information Technology Investment Fund and \$11.2 million from federal funds over four years and expects project completion in FY 2025.
- **DCYF Mobile Response and Stabilization.** The Budget includes \$0.7 million from all sources, including \$0.1 million from general revenues, for a new mobile response and stabilization service which will begin on July 1, 2022. Mobile response and stabilization services, commonly referred to as the MCRS, are services designed to intercede before urgent behavioral situations become unmanageable and costly.
- **Office of the Child Advocate Support.** The Budget includes \$0.3 million to upgrade and fully fund all ten of the Office of the Child Advocate positions.
- **Retail SNAP Incentive Pilot Program.** The Budget includes \$11.5 million from general revenues to establish a retail Supplemental Nutrition Assistance Program pilot program administered by the Department of Human Services. Eligible households would receive an incentive payment of \$0.50 for every \$1.00 spent

on fruits and vegetables, up to a maximum amount to be determined by the Department, on their electronic benefits transfer card. The pilot is expected to begin January 1, 2023.

Community Services and Advocacy

- **ARPA - Nonprofit Assistance.** The Budget includes \$20.0 million from State Fiscal Recovery funds to be provided to the Rhode Island Foundation in FY 2023 for assistance to nonprofits, which is \$10.0 million more than recommended by the Governor.
- **Veterans' Programs and Services.** The Budget includes the enacted level of \$200,000 from general revenues to support various veterans programs and services with the Office of Veterans Services determining how the funding is allocated.
- **Rhode Island Alliance of Boys and Girls Clubs.** The Budget includes \$1.1 million, which is \$850,000 more than enacted for FY 2022, for the RI Alliance of Boys and Girls Clubs. This reflects a commitment of \$350,000 of annual ongoing support for Project Reach program, which provides homework assistance and afterschool activities. and one-time funding of \$750,000 for FY 2023.
- **Day One.** The Budget includes \$267,000 from general revenues for Day One to provide outreach and supportive services relating to sexual assault. This is \$50,000 more than enacted for FY 2022.
- **Institute for the Practice and Study of Non-Violence.** The Budget includes \$250,000 from general revenues to support the Institute's Violence Reduction Strategy program, \$50,000 more than enacted for FY 2022.
- **Rhode Island Community Food Bank.** The Budget includes \$450,000 from general revenues for food collection and distribution through the community food bank, \$100,000 more than enacted for FY 2022.
- **Community Action Agencies.** The Budget includes \$2.0 million to support services provided by the state's community action agencies. This represents one-time funding of \$1.4 million for FY 2023 and a commitment of \$600,000 of annual ongoing support.
- **Crossroads.** The Budget includes the FY 2022 enacted level of \$500,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues.
- **Refugee Services.** The Budget includes \$100,000 from general revenues for immigrant and refugee support services, including \$50,000 through Higher Ground International and \$50,000 through the Refugee Dream Center.
- **Domestic Violence Prevention Activities.** The Budget includes \$400,000 from general revenues for domestic violence prevention activities contracted through the Rhode Island Coalition Against Domestic Violence and distributed to domestic violence shelters in the state, which is \$100,000 more than enacted for FY 2022.
- **Senior Services Support.** The Budget includes \$1.0 million from general revenues to support the state's senior centers through a grant process, which is \$0.2 million more than enacted for FY 2022.
- **Meals on Wheels/Elderly Nutrition Services.** The Budget includes the FY 2022 enacted level of \$580,000 from general revenues for elderly nutrition services, including \$530,000 for Meals on Wheels.

- **Respite Care.** The Budget includes the FY 2022 enacted level of \$325,000 to support the respite care program through the Diocese of Providence, also known as CareBreaks.
- **Elder Housing Security.** The Budget includes the FY 2022 enacted level of \$85,000 from general revenues to implement security housing measures in elderly housing complexes.
- **Long Term Care Ombudsman.** The Budget includes the FY 2022 enacted level of \$86,750 from general revenues for the long term care ombudsman. The Alliance for Better Long Term Care advocates on behalf of residents of nursing homes, assisted living residences, and certain other facilities, as well as recipients of home care services.

Higher Education

- **Public Higher Education.** The Budget includes \$1,317.9 million for Public Higher Education institutions, including debt service. This includes \$265.8 million from general revenues and \$532.8 million from all other unrestricted sources, including tuition and fees consistent with the governing boards' approval of an increase of 2.5 percent at all institutions for in-state and out-of-state students.
- **RI Promise Scholarship.** The Budget includes \$7.9 million, \$0.2 million more than the Governor recommended, to account for its exclusion of College Crusade scholarships from being considered financial aid when determining Promise scholarship awards.
- **Need Based Scholarships and Grants.** The Budget maintains \$9.6 million from tuition savings fees and federal loan reserve funds for the Last Dollar Scholarship program for students with proven academic performance and financial need to attend Rhode Island's public higher education institutions.
- **Dual and Concurrent Enrollment.** The Budget maintains the FY 2022 enacted level of \$2.3 million from tuition savings fees for the dual and concurrent enrollment initiative to allow qualified high school students to earn college credit at no cost to the student.
- **College Crusade Support.** The Budget maintains the FY 2022 enacted level of \$3.9 million to support the operations and scholarship programs offered by the College Crusade of Rhode Island, including \$3.5 million from the GEAR-UP federal grant and \$0.4 million from general revenues. The federal grant provides funds to states and nonprofits to support eligible low income and disabled students in pursuit of secondary school diplomas and to prepare for postsecondary education.
- **Best Buddies.** The Budget includes the FY 2022 enacted amount of \$75,000 from general revenues for Best Buddies Rhode Island to support programs for children with developmental disabilities.
- **Institute for Labor Studies & Research.** The Budget includes \$100,000 from general revenues for a new grant to the Institute for Labor Studies & Research to support education and training of Rhode Island workers.
- **Special Olympics Rhode Island.** The Budget includes the FY 2022 enacted amount of \$50,000 from general revenues for Special Olympics Rhode Island to support its mission of providing athletic opportunities for individuals with intellectual and developmental disabilities.
- **Higher Education Opportunities for Teachers of Color.** The Budget includes \$200,000 from general revenues for a new grant to support access to higher education opportunities for teachers of color at the Rhode Island School for Progressive Education. Funding will support offsetting the cost of attendance, faculty and clinical staff stipends, recruitment, and purchasing equipment.

- ***Northern Rhode Island Education Center Staffing.*** The Budget includes an increase of \$0.1 million from restricted receipts for 1.0 new full-time equivalent position for the Northern Rhode Island Education Center, increasing the total authorization for the two education centers to 11.0 full-time equivalent positions.
- ***State Crime Lab at URI.*** The Budget includes \$1.5 million from general revenues for the State Crime Lab at the University of Rhode Island. This is \$0.2 million more than FY 2022, reflecting additional funding for 2.0 new full-time equivalent position that will be filled within the University's current cap.
- ***CCRI Customer Relationship Management System.*** The Budget includes \$750,000 from general revenues and tuition and fees to implement a customer relationship management platform to manage its students.
- ***RIC Bioscience Certificate Development.*** The Budget includes \$0.7 million from general revenues to support the College's new initiative to implement a Certificate of Applied Biology and Biotechnology. Funding would support one staff member and improvements to laboratory space.
- ***CCRI Healthcare Workforce.*** The Budget includes \$0.6 million from general revenues to support the training of certified nursing assistants, licensed practical nurses, and registered nurses. This includes \$0.4 million for salaries and benefits for four positions within the Community College's current staffing authorization, \$0.1 million for student stipends, and \$60,000 for marketing and advertising.
- ***URI Narragansett Bay Campus Phase I.*** The approved capital plan includes \$47.0 million for the University's Narragansett Bay Campus Phase I project, of which \$45.0 million is from general obligation bonds approved by voters in 2018 and \$2.0 million is from private funding. The Assembly added \$12.0 million from Rhode Island Capital Plan funds to address a shortfall identified by the University in its request, including \$6.0 million in both FY 2023 and FY 2024.
- ***URI Narragansett Bay Campus Phase II.*** The Budget includes \$125.0 million for the University of Rhode Island's Narragansett Bay Campus Phase II project. This includes \$100.0 million of new general obligation bonds to be submitted to the voters on the November 2022 ballot and \$25.0 million from Rhode Island Capital Plan funds, including \$12.5 million in FY 2026 and \$12.5 million in FY 2027.
- ***CCRI Campuswide Renovation and Modernization.*** The Assembly provided \$12.0 million from Rhode Island Capital Plan funds in lieu of the Governor's proposal for debt for FY 2026 for the second phase of the Community College's modernization project. This will renovate academic and student support spaces as well as other infrastructure on the Community College's four campuses.
- ***URI Facilities Service Sector Upgrade.*** The Budget authorizes a \$13.0 million revenue bond for the University's facilities service sector upgrade project. Annual debt service would be supported by the University's unrestricted budget and would not exceed \$1.2 million. Total debt service would not exceed \$23.0 million.
- ***URI Utility Infrastructure Upgrade Phase II.*** The Budget authorizes a \$15.5 million revenue bond for the University's Utility Infrastructure Upgrade Phase II project. Annual debt service on the authorization would be supported by the University's unrestricted budget and not exceed \$1.4 million. Total debt service would not exceed \$27.0 million.
- ***URI Brookside Apartments II.*** The Assembly authorized separate legislation for a \$163.1 million revenue bond for the University's Brookside Apartments II project to alleviate an unexpected housing demand issue. Annual debt service on this authorization is estimated to be \$11.8 million, supported by revenues from dorm fees. Total debt service would not exceed \$356.0 million.

- **ARPA - Rhode Island College Student Services Center.** The Budget includes \$35.0 million from State Fiscal Recovery Capital Projects funds for the College to create a centralized hub of student services that is convenient and accessible to all students.
- **Public Higher Education Asset Protection.** The Budget includes \$107.6 million from Rhode Island Capital Plan funds for asset protection projects at the institutions of public higher education for the five-year period of the capital plan. This represents a roughly 20 percent increase in prior annual funding level.
- **RIC Infrastructure Modernization.** The Budget includes \$55.8 million from Rhode Island Capital Plan funds to modernize the College's infrastructure. This is \$8.3 million more than the previously approved capital plan.
- **URI Fire Protection Academic Buildings Phase II.** The Budget includes \$8.1 million from Rhode Island Capital Plan funds for the second phase of a two-phase project to upgrade existing fire alarm systems and install fire suppressing sprinkler systems in all of the University's academic and administrative buildings. This is \$5.0 million more than the prior plan and advances work to FY 2023.
- **URI Storm Water Management.** The Budget includes \$4.7 million from Rhode Island Capital Plan funds for storm water improvements to existing drainage systems on campus. This is \$2.6 million more than the previously approved plan and advances funding to earlier years.
- **URI Academic, Mechanical, Electrical and Plumbing Improvements.** The Budget includes \$17.9 million from Rhode Island Capital Plan funds for a new project to make mechanical, electrical, and plumbing improvements to the University of Rhode Island's Fogarty and White halls. The plan programs \$4.7 million in FY 2023 and \$13.2 million in FY 2024.

Education and Arts

- **COVID Relief - Education Stabilization Discretionary.** The enacted budget includes the full \$60.0 million from federal funds authorized under the Consolidated Appropriation Act and the American Rescue Plan Act. The Budget includes \$7.7 million for FY 2022 and \$38.8 million for FY 2023; remaining funds would be available for use in FY 2024. Funds are supporting low performing districts through strategic planning and quality improvements, strengthening math and literacy instruction, redesign of certain high school courses, personalized students supports such as tutoring, summer education programming, educator training, and community engagement.
- **Hasbro Children's Hospital.** The Budget includes the FY 2022 enacted level of \$90,000 from general revenues to support the hospital school at Hasbro Children's Hospital.
- **Child Opportunity Zones.** The Budget includes the FY 2022 enacted level of \$395,000 from general revenues to support child opportunity zones through agreements with the Department of Elementary and Secondary Education to strengthen education, health, and social services for students and their families as a strategy to accelerate student achievement.
- **Davies Health Care Classrooms.** The Budget includes \$7.0 million from Rhode Island Capital Plan funds to improve the health career program classrooms at Davies Career and Technical High School. This includes \$0.5 million for FY 2022 and \$6.5 million for FY 2023.
- **Adult Education Providers.** The Budget increases the annual appropriation for adult education providers by \$540,000 from general revenues, bringing total state support to \$2.4 million for FY 2023.

- **ARPA - Adult Education Providers.** The Budget includes \$5.0 million from federal State Fiscal Recovery funds to be used to support investments in adult education, including expanding program offerings, in order to reduce waitlists. It includes \$2.0 million for FY 2023 and \$1.5 million for each FY 2024 and FY 2025.
- **Fort Adams Trust.** The Budget includes \$30,000 from general revenues to support Fort Adams Trust's restoration activities.
- **Waterfire Providence.** The Budget includes \$375,000 from general revenues to support operational costs of Waterfire Providence art installations.
- **Arts Funds.** The Budget includes \$0.8 million from general revenues for grant awards through the Rhode Island State Council on the Arts.
- **Cultural Arts Economy and State Preservation Grants.** The Budget includes \$7.0 million from general obligation bonds approved by the voters on the March 2021 ballot during a special election for renovations to public and nonprofit theaters and performance spaces, with \$1.0 million of that reserved for qualifying projects at historic sites.

Public Safety

- **Prison Population.** The Budget assumes a prison population of 2,357 for FY 2023. It assumes a revised FY 2022 population of 2,115, which is 239 fewer than originally enacted for FY 2022.
- **Healthcare Services.** The Budget includes funding and authorization for 3.0 new full-time equivalent certified nursing assistant positions for the Department of Corrections to expand its in-house medical capabilities, including purchasing four new hospital beds, resulting in a decrease in trips to hospitals and emergency rooms. The Budget includes net general revenue savings of \$0.3 million from a reduction in correctional officer overtime.
- **Inmate Behavioral Healthcare.** The Budget includes \$250,000 from Rhode Island Capital Plan funds to conduct a feasibility study for a Behavioral Management Unit. The study will determine the appropriate site, needs, and cost for the Unit which must be designed for inmates who are seriously and persistently mentally ill.
- **Medication Assisted Treatment.** The Budget includes \$3.7 million from all sources for the Medication Assisted Treatment program, which includes services for individuals whose stay in the correctional facility would not typically qualify them for treatment. Funding will also be used to expand services to include peer navigation, transitional housing, opioid withdrawal management, and the installation of Narcan dispensary machines.
- **Correctional Industries Program.** The Budget includes \$1.9 million from general revenues to resolve an outstanding deficit in the Correctional Industries Program. This includes \$1.4 million to account for amounts owed to the general fund to cover prior operating losses and \$0.5 million to cover the current year projected shortfall. This program is intended to be self-supporting but has been running a deficit for years. It also includes language requiring the Department to report every 90 days on its efforts to modernize the program.
- **Correctional Facilities Wi-Fi.** The Budget includes \$3.3 million from the Information Technology Investment Fund to establish internet access at correctional facilities to provide inmates with accessibility to online courses to expand education opportunities.

- ***Corrections Radio System.*** The Budget includes \$2.7 million from general revenues to replace the radio and communication system at the adult correctional institutions.
- ***Automatic Expungement.*** The Budget includes \$0.7 million from new adult use marijuana restricted receipts for expenses related to the implementation of automatic expungements for prior marijuana related possession offenses. This includes \$0.4 million for the Office of the Attorney General and \$0.3 million for the Judiciary for contracted support, software, and records management expenses, including overtime.
- ***Legal Staff Upgrades.*** The Budget includes \$1.0 million from general revenues for the Office of the Attorney General to support upgrades for its staff members.
- ***Indigent Defense Program.*** The Budget includes \$5.1 million from general revenues for the Judiciary’s indigent defense program, which is essentially consistent with the FY 2022 enacted budget.
- ***Jurors’ Fees.*** The Budget includes \$0.2 million from general revenues to increase stipends paid to jurors from \$15 to \$25 effective July 1, 2022, consistent with the law enacted by the 2021 Assembly.
- ***Rhode Island Legal Services.*** The Budget includes the FY 2022 enacted level of \$0.1 million from general revenues for Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- ***Rhode Island Coalition Against Domestic Violence.*** The Budget includes \$230,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project, consistent with the FY 2022 budget.
- ***Judicial Asset Protection.*** The Budget includes \$8.1 million from Rhode Island Capital Plan funds programmed through FY 2027 for asset protection projects at judicial buildings, including security upgrades, courtroom restoration, fire suppression and alarm system upgrades, interior refurbishments to public areas and office spaces, lighting, and elevator upgrades, consistent with prior funding levels.
- ***Judicial HVAC.*** The Budget includes \$4.6 million from Rhode Island Capital Plan funds programmed through FY 2027 for replacement, restoration, and cleaning of the heating, ventilation, and air conditioning systems for all judicial complexes, consistent with previously approved funding.
- ***Licht Judicial Complex Restoration.*** The Budget includes \$3.0 million from Rhode Island Capital Plan funds for FY 2022 through FY 2026 for the restoration of the Licht Judicial Complex, consistent with previously approved funding.
- ***Garrahy Judicial Complex.*** The Budget includes \$4.5 million from Rhode Island Capital Plan funds for FY 2024 and FY 2025 for the restoration of the Garrahy Judicial Complex, including repairing tiles, replacing flooring and carpets, repainting, woodwork, and refurbishing employee bathrooms, consistent with prior funding levels.
- ***Garrahy Courtroom Restoration.*** The Budget includes \$1.8 million from Rhode Island Capital Plan funds programmed through FY 2024 for the restoration of the Garrahy courtrooms, including replacing seating and benches, sealing and repainting the walls, carpet replacement, and woodwork refinishing, consistent with prior funding levels.
- ***Murray Courtroom Restoration.*** The Budget includes \$0.7 million from Rhode Island Capital Plan funds for FY 2022 to restore the Murray Judicial Complex. Restoration projects include replacing courtroom seating and benches, sealing and repainting the walls, carpet replacement, and woodwork and ornamental plaster restoration.

- **McGrath HVAC.** Consistent with prior approvals, the Budget includes \$0.2 million from Rhode Island Capital Plan funds for FY 2023 to replace all 18 heating, ventilation, and air conditioning rooftop units at the McGrath Judicial Complex.
- **ARPA - Survivors of Domestic Violence.** The Budget includes \$10.5 million from federal State Fiscal Recovery funds to provide supportive services for survivors of domestic violence, including \$3.5 million annually for FY 2023 through FY 2025, after which federal grants are expected to return to historical levels.
- **Emergency Management Performance Grant.** The Budget includes \$1.9 million from all sources, including \$0.9 million from general revenues, for a federal Emergency Management Performance grant received through the American Rescue Plan Act and the required state match.
- **State Emergency Operations Center Upgrade.** The Budget includes \$0.5 million from Rhode Island Capital Plan funds for a new project to upgrade the State Emergency Operations Center. The Center serves as the coordinating center for all of state government during an emergency, including during the COVID-19 pandemic.
- **Rhode Island Statewide Communications Network.** The Budget includes \$2.7 million from Rhode Island Capital Plan funds for a new project to upgrade the capacity of the statewide communications system network primarily in FY 2023 and FY 2024.
- **Emergency Response Positions (2.0 FTE).** The Budget includes \$0.3 million from general revenues and authorization for two new Emergency Response positions for the Emergency Management Agency to alleviate issues and shortcomings identified during the pandemic in order to enhance future emergency responses.
- **Body-Worn Camera Project.** The Budget shifts \$15.0 million from general revenues from FY 2022 to FY 2023 to reflect a delay in the promulgation of rules and regulations for the statewide body-worn camera program. No funding can be spent prior to rules and regulations being promulgated and any unspent funds as of June 30, 2023 will be reappropriated to FY 2024.
- **Body-Worn Cameras Admin - New Positions.** The Budget includes \$0.4 million from general revenues to hire 2.6 full-time equivalent positions and a contractor to facilitate the implementation of the body-worn camera program beginning in FY 2023. New staff will address requests for the release of camera data and maintain the system in accordance with statewide policies established. The contractor will assist with the application process.
- **Vehicle Cameras.** The Budget includes \$240,000 from general revenues to install vehicle cameras in all 155 State Police patrol vehicles.
- **Vehicle Replacement.** The Budget includes \$0.6 million from general revenues and \$1.8 million from the State Fleet Replacement Revolving Loan Fund for State Police vehicle replacements.
- **E-911 Emergency Management Dispatch - New Positions.** The Budget adds funding for 6.0 new full-time equivalent positions to implement the Emergency Medical Dispatch system beginning in FY 2022.
- **Next Generation 911.** The Budget includes \$0.5 million from restricted receipts in the current year to upgrade the E-911 system to a fiber optic i3 network. Rhode Island is the only New England state that operates both inbound and outbound networks on copper facilities, which Verizon is decommissioning.

- **59th State Police Training Academy.** The Budget includes \$135,000 from general revenues to conduct recruitment for the 59th State Police Training Academy during the third and fourth quarters of FY 2023. The 40-person class would begin in FY 2024 and the graduates would begin working in April 2024.
- **Forensic Science Unit Accreditation - New Position.** The Budget includes \$0.2 million from general revenues for FY 2023 to support 1.0 new forensic scientist and equipment for the State Police Forensic Science Unit to regain eligibility for federal grant funding and lab accreditation status. It also includes \$60,000 for forensic equipment in the current year.
- **State Police Information Technology.** The Budget includes \$1.1 million from general revenues to upgrade the State Police data storage system and network switch infrastructure. The current system is over 90 percent capacity and is no longer supported by the vendor.
- **Bomb Squad Equipment.** The Budget includes \$1.1 million from general revenues for safety equipment required for the Bomb Squad to secure the minimum requirements for federal accreditation. The proposal includes replacing a number of inoperable bomb disposal robots.
- **Training Academy Upgrades.** The Budget includes \$5.6 million from Rhode Island Capital Plan funds for rehabilitation projects at the State Police Training Academy. This is \$3.5 million more than the prior plan and reflects an expanded scope that takes into account pursuing a joint municipal training academy and increased cost estimates for several of the components.
- **Microwave System Replacement.** The Budget includes \$1.2 million from Rhode Island Capital Plan funds from FY 2022 through FY 2026 to replace a microwave loop network that passes radio transmissions for the Rhode Island Statewide Communications Network, managed by the Rhode Island Emergency Management Agency. This includes the installation, integration, hardware, software, and future upgrades on the installed equipment and is \$0.2 million more than the prior plan to reflect updated cost estimates.
- **New Southern Headquarters.** The Budget includes \$28.1 million from Rhode Island Capital Plan funds over three years, consistent with the prior plan, for construction of a new southern barracks for the Rhode Island State Police.
- **Portsmouth Barracks.** The Budget includes \$2.0 million from Rhode Island Capital Plan funds, consistent with the prior plan, to rehabilitate the Portsmouth Barracks.
- **Office of the Public Defender - Case Management System.** The Budget includes \$0.6 million from federal funds available through the Department of Public Safety for a new case management system.
- **Office of the Public Defender - Attorney.** The Budget includes \$140,322 from general revenues for a new attorney and related expenses.
- **Quonset Airway Runway Reconstruction.** The Budget includes \$57.5 million, including \$2.9 million from Rhode Island Capital Plan funds, for a new project to reconstruct and upgrade runway 16-34 at Quonset State Airport to military specifications. It advances \$3.4 million from FY 2024 to FY 2023 compared to the previously approved plan.
- **Aviation Readiness Center.** The Budget includes \$38.4 million, including \$35.6 million from federal funds and \$2.9 million from Rhode Island Capital Plan funds, to construct a National Guard Readiness Center to support training, administrative, and logistical requirements of the 1-126 Aviation Unit of the Rhode Island Army National Guard. Compared to the previously approved plan, the Budget shifts \$2.6 million from Rhode Island Capital Plan funds, including \$1.0 million in FY 2023 and \$1.6 million in FY 2024, to FY 2025 and FY 2026, respectively.

- **Joint Force Headquarters.** The Budget includes \$35.1 million from all sources for a new Joint Force headquarters at Camp Fogarty in East Greenwich, including \$24.6 million from National Guard Bureau funds and \$10.5 million from Rhode Island Capital Plan funds. This facility will be used for training and administration purposes. The proposal is \$2.3 million more from federal funds and \$0.4 million less from Rhode Island Capital Plan funds than the prior plan.
- **Quonset Air National Guard Headquarters Facility.** The Budget includes \$33.5 million, including \$30.5 million from federal funds and \$3.0 million from Rhode Island Capital Plan funds, for a new project to construct an operations, training, medical, and dining facility on an empty lot at the Quonset Air National Guard Base. Leadership, medical, and support staff would relocate from the current facility. Construction is expected to begin in FY 2024.
- **Sun Valley Armory.** The Budget includes \$7.9 million, including \$7.1 million from federal funds and \$0.8 million from Rhode Island Capital Plan funds, for a new project to construct additional armory and storage space at the Sun Valley Armory. The current facility lacks space for sensitive equipment, and egress routes currently double as additional storage space posing a safety hazard. State funds will be used for any unforeseen changes in construction and design costs above federal appropriations.
- **Fire Academy Expansion.** The Budget includes \$8.3 million from Rhode Island Capital Plan funds to expand the State Fire Academy in Exeter, including \$0.7 million in FY 2023, \$5.7 million in FY 2024, and \$1.9 million in FY 2025.

Climate

- **ARPA - Electric Heat Pumps.** The Assembly provided \$25.0 million from State Fiscal Recovery funds, including \$5.0 million in FY 2023, to support low income and moderate income households, and community organizations to purchase and install energy efficient electric heat pumps. It also required an annual report for the program to include the number of grants issued, the amount of each grant and the average grant amount, and the expected cumulative carbon emissions reductions associated with the grants awarded.
- **Act on Climate - Staffing.** The Budget includes \$0.4 million from restricted receipts to fund 4.0 full-time equivalent positions to support the implementation of the Act on Climate of 2021, which established the Executive Climate Change Coordinating Council that is charged with developing plans to incrementally reduce climate emissions. This includes \$0.3 million in the Office of Energy Resources for 3.0 full-time equivalent positions and \$0.1 million in the Department of Environmental Management for 1.0 position. The Office of Energy Resources serves as vice chair of the Council.
- **Regional Greenhouse Gas Initiative.** The Budget includes \$13.5 million from the Regional Greenhouse Gas Initiative restricted receipt funds based on available resources. The receipts are derived from the sale of carbon emission credits through an auction process. This includes \$10.0 million to provide grants to invest in projects that reduce long-term energy demands, \$2.2 million for energy conservation projects, such as lighting projects, and \$1.3 million for program administration.
- **ARPA - R-Line - Free Service Pilot.** The Assembly provided \$2.5 million from State Fiscal Recovery funds to support a free fare bus route service pilot program along the R-Line. This one-year pilot program will begin on September 1, 2022. The Rhode Island Public Transit Authority will track ridership data and submit a report to the Speaker of the House, the President of the Senate, and the Governor by March 1, 2024.
- **OSCAR Program - Infrastructure Bank.** The Budget includes \$4.0 million from general revenues for the Ocean State Climate Adaptation and Resilience Fund. The program was created by the 2021 Assembly

within the Rhode Island Infrastructure Bank. Funds are used for planning, design, engineering, construction, and monitoring of adaptation and resilience projects and projects approved by the Department of Environmental Management and the Coastal Resources Management Council.

Environment

- **Permitting.** The Budget adds \$500,000 and 6.0 new full-time equivalent positions for the Bureau of Environmental Protection to enhance customer service, support businesses, and manage the increase in recent permitting activity. The Budget also includes 13 new and increased fees that will generate \$0.6 million to be deposited as general revenues.
- **Bureau of Natural Resources.** The Budget adds 2.0 new full-time equivalent positions for the Bureau of Natural Resources to support commercial and recreational fishing and hunting in Wildlife Management Areas.
- **Climate Change Policy.** The Budget adds 1.0 new full-time equivalent position in the Department of Environmental Management to work on climate change policy. The position will be funded through the Department's allocation of Regional Greenhouse Gas Initiative funding.
- **Clean and Drinking Water State Match.** The FY 2022 final budget includes \$21.9 million from general revenues to provide the 20.0 percent state match for federal clean and drinking water programs through the Rhode Island Infrastructure Bank.
- **Parks and Recreation Seasonal Employees.** The Budget includes \$0.3 million from general revenues to increase seasonal employee wages to attract and retain staff.
- **Green Economy Bond.** The Governor's capital budget includes \$50.0 million from a new general obligation bond to be submitted to the voters on the November 2022 ballot to be used for environmental and recreational projects. Projects include brownfield remediation, grants for coastal resiliency, grants for local recreation projects, forest conservation, restoration and protection of water quality, grants to remove impediments to clean energy projects, zero-interest loans for clean energy projects, state and local open space land acquisition, and an education center at the Roger Williams Zoo.
- **Port of Galilee Rehabilitation.** The Budget includes \$69.0 million from Rhode Island Capital Plan funds to make infrastructure improvements to the Port of Galilee to increase services for commercial fishing and related businesses. This is \$50.9 million more than the approved capital plan. Funding is programmed from FY 2023 through FY 2027.
- **Permitting and Licensing.** The Budget includes \$5.8 million from the Information Technology Investment Fund to make improvements to the Department of Environmental Management's information technology for online permit and licensing systems for fish and wildlife, commercial fishing, and boating registration. Funding is programmed from FY 2023 through FY 2026.
- **Local Agriculture and Seafood Program.** The Budget includes \$700,000 for the local agriculture and seafood program to allow small businesses in the food sector to receive grants. This is \$600,000 more than enacted and \$450,000 more than recommended. It reflects a commitment of \$200,000 of annual ongoing support and an additional \$500,000 in one-time funding for FY 2023.
- **World Ocean Race.** The Budget includes \$850,000 from general revenues for the World Ocean Race in conjunction with Sail Newport, which will take place at Fort Adams State Park in Newport in July 2023. The state spent \$0.8 million in 2018 as part of the Volvo Race's North American Stopover event including \$700,000 for Sail Newport.

- ***Water Chestnut Eradication.*** The Budget includes \$100,000 from general revenues for FY 2023 to aid the City of Central Falls with spraying and other methods to inhibit the growth and spread of invasive water chestnuts in Valley Falls Pond and other areas in the lower Blackstone River watershed. This would fund a five-year process that is required to achieve full eradication.
- ***Conservation Districts.*** The Budget includes the FY 2022 enacted level of \$50,000 from general revenues for regional conservation districts. The districts are quasi-public subdivisions of state government, governed by volunteer boards of directors from the communities.
- ***Wildlife Clinic of Rhode Island.*** The Budget includes \$100,000 from general revenues in new funding to the Wildlife Rehabilitators Association of Rhode Island for a veterinarian at the Wildlife Clinic of Rhode Island.
- ***Marine Infrastructure/Pier Development.*** The Budget includes \$6.5 million for a new project to create a new Port Sakonnet at the Chase Marina in Tiverton, intended to provide economic infrastructure for commercial harvesters and shellfish farmers in the East Bay in partnership with Roger Williams University's aquaculture program. Funding includes \$1.3 million from Rhode Island Capital Plan funds and \$5.2 million from federal Economic Development Administration funds programmed over FY 2024 and FY 2025.
- ***Fish and Wildlife Facilities.*** The Budget includes \$2.4 million for a new project to update and repair the coastal fisheries laboratory property in South Kingstown. Work includes a new dock, garage, and updates to interior office space. Funding includes \$0.6 million from Rhode Island Capital Plan funds and \$1.8 million from federal funds programmed from FY 2023 through the post-FY 2027 period.
- ***Recreational Facilities Asset Protection.*** The Budget includes \$4.0 million from Rhode Island Capital Plan funds for asset protection at Parks and Recreation facilities, consistent with prior funding levels.
- ***Recreational Facilities Improvements.*** The Assembly added \$1.5 million from Rhode Island Capital Plan funds for both FY 2024 and FY 2025 to address a variety of major capital development projects at state parks, beaches and campgrounds. This provides a total of \$64.5 million from various sources programmed through FY 2027.
- ***Fort Adams.*** The Budget includes \$5.1 million from Rhode Island Capital Plan funds to restore and repair historic structures at Fort Adams State Park in Newport, consistent with the prior approved plan.
- ***Coastal Policy Analyst.*** The Budget includes \$0.1 million from general revenues for a new coastal policy analyst position for the Coastal Resource Management Council to address the increasing number of wind farm projects and Rights-of-Way issues.
- ***Hearing Officer.*** The Budget includes \$165,000 from general revenues for a new hearing officer position for the Coastal Resources Management Council.
- ***Pawtucket Resiliency Elevation Feasibility Study.*** The Budget includes \$50,000 from Rhode Island Capital Plan funds for FY 2023 to fund an Army Corps of Engineers-led feasibility study of measures to reduce the risk of coastal storm damage across the southern coast of Rhode Island from Westerly to Narragansett.
- ***Little Narragansett Bay Feasibility Study.*** The Budget includes \$50,000 from Rhode Island Capital Plan funds in FY 2023 to investigate the feasibility of dredging Little Narragansett Bay in Westerly to improve navigation safety.

Transportation

- ***Additional Transportation State Match.*** The Assembly concurred with the Governor's recommendation for \$100.0 million from one-time general revenues to be transferred to the Rhode Island Capital Plan Fund. This will be used as the state match for additional transportation funds received from the federal Infrastructure Investment and Jobs Act. This includes \$75.3 million for the Department of Transportation and \$24.7 million for the Rhode Island Public Transit Authority.
- ***Electric Vehicle Charging Infrastructure Program.*** The Assembly adopted legislation establishing an Electric Vehicle Charging Infrastructure Program, which will be funded with \$22.9 million from federal funds authorized in the federal Infrastructure Investment and Jobs Act. The program will be administered by the Department of Transportation and the Office of Energy Resources, with consultation from the Department of Environmental Management.
- ***Metro Providence High-Capacity Study.*** The Budget includes \$225,000 from Rhode Island Capital Plan funds to provide the Rhode Island Public Transit Authority with matching funds for a \$1.0 million grant received to conduct a study for the construction of a Providence High-Capacity Transit Corridor to connect Downtown Providence and other activity centers to low income neighborhoods in the state. This project is part of the Authority's Transit Forward RI 2040 Plan, which was adopted by the State Planning Council in December 2020.
- ***Pawtucket/Central Falls Bus Hub Passenger Facility.*** The approved capital plan includes \$8.5 million from federal funds to build a transit hub adjacent to the new commuter rail station on the Pawtucket/Central Falls border. The project will include bus berths, shelters, real-time bus information, ticket vending machines, and waiting space. The Assembly provided an additional \$5.0 million from Rhode Island Capital Plan funds to enhance the project to include passenger restrooms, waiting areas, a customer service area, a break room for its employees, and a Pawtucket police substation.
- ***General Obligation Bond - Match.*** Consistent with the approved plan, the capital budget assumes use of \$40.0 million in FY 2022 and \$31.7 million in FY 2023 from newly approved general obligation bonds to be used as the state match for highway projects in the transportation improvement plan.
- ***Rhode Island Public Transit Authority.*** The Assembly included \$53.0 million in FY 2022 and \$54.6 million in FY 2023 for the Authority's current share of the gasoline tax proceeds and highway maintenance funds. The Assembly required that the Authority uses \$75,000 of this amount to fund the statewide transit access study for passengers with disabilities.
- ***Public Transit Authority - Bus Match.*** The five-year capital budget assumes use of \$20.9 million from the Department of Transportation's share of highway maintenance funds to finance buses for the Rhode Island Public Transit Authority for FY 2022 and FY 2023 only. The Authority would pay \$3.7 million and \$4.9 million, respectively, from its own sources to pay the match.
- ***URI Bus Hub.*** The capital budget includes a total of \$8.8 million, including \$0.9 million from Rhode Island Capital Plan funds, to match federal funds to construct a new bus hub at the University of Rhode Island Kingston Campus. Available University of Rhode Island bond funds and highway maintenance funds will also be used for matching. The project will include bus berths with shelters, interior waiting space, restrooms, electric charging stations, and bicycle racks. This is consistent with the approved plan.