
Section III

Agency Analyses

Department of Administration

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Central Management	\$ 286,394,889	\$ 274,332,193	\$ 284,909,588	\$ 141,028,647
Accounts & Control	12,777,715	14,236,605	13,651,182	19,767,213
Office of Management & Budget	9,983,685	10,156,490	10,948,142	11,053,032
Purchasing	4,763,131	4,378,799	5,177,907	4,927,613
Human Resources	755,922	786,404	846,139	937,996
Personnel Appeal Board	143,059	112,875	112,614	100,881
General	162,368,359	426,037,163	120,301,112	239,532,610
Debt Service	194,639,833	192,012,130	224,135,775	218,147,926
Legal Services	2,374,193	2,316,300	2,454,231	2,440,410
Information Technology	55,310,500	64,391,789	54,259,831	34,554,831
Library Programs	3,891,709	4,115,877	3,476,644	3,476,305
Planning	6,613,080	6,074,404	6,983,589	6,606,016
Energy Resources	20,761,450	37,679,475	29,181,288	43,703,108
Statewide	15,350,000	15,000,000	-	-
Health Benefits Exchange	32,769,377	33,036,824	29,359,859	30,596,653
Equity, Diversity & Inclusion	1,628,413	1,546,187	2,017,244	2,007,320
Capital Asset Mgmt. & Maint.	9,810,315	11,297,015	10,621,146	12,161,961
Total	\$ 820,335,630	\$ 1,097,510,530	\$ 798,436,291	\$ 771,042,522
Expenditures by Category				
Salaries and Benefits	\$ 36,594,745	\$ 35,367,735	\$ 39,303,760	\$ 39,112,907
Contracted Services	19,480,111	21,307,987	19,265,341	21,244,802
Subtotal	\$ 56,074,856	\$ 56,675,722	\$ 58,569,101	\$ 60,357,709
Other State Operations	238,012,975	223,625,840	224,356,764	74,125,447
Aid to Local Units of Government	12,850,722	12,850,722	13,783,475	13,593,868
Assistance, Grants, and Benefits	81,772,448	104,419,819	85,154,579	117,914,840
Capital	126,084,796	149,631,297	124,536,597	142,002,732
Capital Debt Service	194,539,833	191,912,130	224,035,775	253,047,926
Operating Transfers	111,000,000	358,395,000	68,000,000	110,000,000
Total	\$ 820,335,630	\$ 1,097,510,530	\$ 798,436,291	\$ 771,042,522
Sources of Funds				
General Revenue	\$ 270,317,985	\$ 512,083,251	\$ 244,447,209	\$ 306,972,201
Federal Aid	342,012,430	337,623,440	343,489,210	236,893,542
Restricted Receipts	88,035,853	113,638,395	90,782,958	48,620,086
Other	119,969,362	134,165,444	119,716,914	178,556,693
Total	\$ 820,335,630	\$ 1,097,510,530	\$ 798,436,291	\$ 771,042,522
FTE Authorization	662.7	662.7	675.7	674.7

Summary. The Department of Administration requests FY 2024 expenditures of \$798.4 million from all sources, including \$244.4 million from general revenues. This is \$21.9 million less than enacted, including decreases of \$25.9 million from general revenues primarily reflecting the removal of one-time expenses,

and \$0.3 million from other funds. It also includes increases of \$1.5 million from federal funds and \$2.7 million from restricted receipts. The request includes staffing of 675.7 full-time equivalent positions, 13.0 more than authorized. As of the pay period ending on November 5, the Department has 63.1 vacancies.

The Governor recommends expenditures of \$771.0 million from all sources, which is \$27.4 million less than requested. This includes \$62.5 million more from general revenues, of which \$27.0 million is for the newly proposed Large Systems Initiatives Fund and \$35.0 million is to defease existing debt. Expenditures from federal funds are \$106.6 million less, reflecting the removal of one-time State Fiscal Recovery funds. The Governor recommends staffing of 674.7 full-time equivalent positions, 12.0 more than enacted and 1.0 fewer than requested.

Target Issues. The Budget Office provided the Department with a general revenue target of \$239.1 million. The amount includes a reduction of \$29.6 million for current service adjustments. This includes \$29.6 million more for debt, offset by \$60.4 million for the removal of one-time expenses including transfers to the Rhode Island Capital Plan Fund and the Historic Tax Credit Trust Fund. It also includes a 5.0 percent target reduction of \$1.6 million, adjusted for certain exclusions. The request is \$3.7 million more than the current service estimate, including \$1.4 million for new positions, \$1.0 million for library aid and \$0.5 million to provide state match for a federal grant.

FY 2024 Budget	Budget Office	Department of Administration	Difference
FY 2023 Enacted	\$ 270,317,985	\$ 270,317,985	\$ -
Current Service Adjustments	(29,605,358)	(28,560,058)	1,045,300
New Initiatives	-	2,689,282	2,689,282
Change to FY 2023 Enacted	\$ (29,605,358)	\$ (25,870,776)	\$ 3,734,582
FY 2024 Current Service/Unconstrained Request	\$ 240,712,627	\$ 244,447,209	\$ 3,734,582
Target Reduction/Initiatives	(1,562,944)	(5,337,780)	(3,774,836)
FY 2024 Constrained Target/Request	\$ 239,149,683	\$ 239,109,429	\$ (40,254)
<i>Change to FY 2023 Enacted</i>	\$ (31,168,302)	\$ (31,208,556)	\$ (40,254)

The Department’s constrained request is \$40,254 below the target level. The proposals to achieve the reductions are noted among the items described below where appropriate. *The recommended budget is \$67.8 million above the target.*

Staffing. The Department requests \$39.3 million from all sources, including \$26.7 million from general revenues for salaries and benefits of 256.6 full-time equivalent positions. The authorization for the remaining 419.1 full-time equivalent positions are budgeted in the Department of Administration; however, they are supported with internal service fund charges, which appear as operating costs in the agencies billed. The request is \$2.7 million more than enacted, of which \$2.6 million is from general revenues. It is \$1.5 million more than the current service estimate provided by the Budget Office, including \$1.4 million for new positions and retaining \$82,584, a portion of the one-time FY 2023 retention bonus. The request includes benefit rates consistent with FY 2024 planning values and assumes \$1.2 million in turnover savings, which is equivalent to 7.8 vacancies. As of November 5, the Department has 63.1 vacancies, of which 42.5 support internal service fund programs.

The Governor recommends \$39.1 million from all sources to support 255.6 full-time equivalent positions. This is \$0.2 million less and 1.0 fewer human resources position than requested. Consistent with the enacted budget, the recommendation assumes no more than 429.5 full-time equivalent positions of the authorized amount would be for positions that support internal service fund programs. It appears the intent is to include 419.1 positions, for total staffing of 674.7 full-time equivalent positions.

Centralized Services. The Department requests \$12.6 million from all sources, including \$11.8 million from general revenues for its share of centralized services for FY 2024. This is \$444,971 more than enacted

and \$494,130 less than the current service estimate provided by the Budget Office; however, these expenses are \$0.9 million more than the FY 2023 revised request. The request includes \$0.6 million or \$23,525 more than enacted for human resources support, based on projected filled positions. Expenditures for facilities management of \$8.4 million are \$0.6 million more than the enacted budget. The request includes \$3.6 million, or \$175,276 less than enacted for information technology support. *The Governor recommends \$13.9 million, which is \$1.3 million more than requested, nearly all from general revenues to reflect anticipated billing increases. This includes \$1.5 million more for facilities management, \$0.1 million more for human resources and \$0.3 million less for information technology services.*

Statewide

RI Capital Plan Fund Transfer. A primary source of state pay-go funding is the Rhode Island Capital Plan Fund. These revenues are derived from the amounts exceeding 5.0 percent of revenues in the state's Budget Stabilization and Cash Reserve Account, or "rainy day fund." The 2022 Assembly transferred a total of \$578.0 million from general revenues to the Rhode Island Capital Plan Fund, including \$563.0 million in FY 2022 and \$15.0 million in FY 2023 to support several projects, state match for federal transportation projects, as well as to cover shortfalls in key higher education projects. The request excludes this one-time funding. *The Governor concurs.*

Historic Tax Credit Fund Transfer. The 2022 Assembly enacted legislation extending the sunset provision for the Historic Preservation Tax Credits 2013 program by one year to June 30, 2023 and transferring \$28.0 million to the Historic Preservation Tax Credit Trust Fund to allow the program to reach additional program participants. The request removes this one-time expense. *The Governor concurs.*

Transition Costs for Elected Officials. 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 and obtain office supplies and equipment. The request removes the enacted amount of \$350,000 for these expenses, which was included in the Department of Administration's budget for later distribution. *The Governor recommends funding as requested.*

Compensation and Job Classification Study. The Department is in the process of implementing an Enterprise Resource Planning System to include a human resources module. The 2022 Assembly provided \$2.0 million from general revenues to conduct a statewide compensation and job classification study, which will reduce the number of job titles and update job classifications so as not to enter outdated data into the new human resources module. The request removes this one-time expense. The study will likely take a couple of years to complete; the FY 2023 appropriations act requires unspent funds be reappropriated to the following fiscal year. The Department anticipates awarding the contract in February 2023. *The Governor concurs.*

FEMA Contingency Reserve. The request removes the one-time \$15.0 million from general revenues provided as a contingency reserve for COVID-19 related expenses, in the event reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions. *The Governor concurs.*

ARPA - Aid to Convention Center. The 2022 Assembly provided the Convention Center Authority \$10.0 million from State Fiscal Recovery funds for operating expenses, \$5.0 million each in FY 2022 and FY 2023. The Pandemic Recovery Office noted that due to timing of the budget enactment, the FY 2022 expense did not occur and notes that a new schedule would include \$5.0 million each in FY 2023 and FY 2024. The Department's request assumes this; however, the Authority's operating budget request assumes the entire \$10.0 million in FY 2023. *The Governor includes the total \$10.0 million in FY 2023.*

ARPA - Warehouse Lease Expense. The request retains the enacted amount of \$2.0 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies, including personal protective equipment. It should be noted that the Rhode Island Emergency Management Agency's FY 2024 budget request includes \$1.9 million from general revenues for this expense. *The Governor recommends \$1.4 million from State Fiscal Recovery funds, \$0.3 million less than Rhode Island Emergency Management Agency had assumed. The recommendation also assumes \$30,995 from Federal Emergency Management Agency reimbursements. Though these reimbursements are anticipated to end in May 2023, the Department indicates that due to timing, some expenses may cross fiscal years.*

ARPA - COVID-19 Ongoing Response. Excluding warehouse lease expenses, the Assembly provided \$186.9 million to help the state continue its response to the COVID-19 pandemic. Funds would be used for testing, contact tracing, vaccinations, and mitigation efforts. The request retains the enacted amount of \$73.0 million for these expenses, which is \$2.1 million less than the approved multiyear appropriation for FY 2024. Though the funds are included in the Department of Administration's budget; expenses are likely to be incurred by the Department of Health. Its FY 2024 request assumes use of \$30.0 million for ongoing COVID-19 expenses. *The Governor's recommended budget excludes the funding in the Department's budget for FY 2024. He does include \$34.9 million in the Department of Health's budget.*

ARPA - Nonprofit Assistance. The request retains the enacted amount of \$20.0 million from one-time State Fiscal Recovery funds provided to the Rhode Island Foundation in FY 2023 for assistance to nonprofits; the funds were transferred to the Foundation on September 30. The Rhode Island Foundation is accepting applications through February 15, 2023. To be eligible for funding, an applicant must be a Rhode Island-based 501(c)(3) nonprofit organization, provide program services or direct assistance in the areas of housing instability and homelessness prevention, behavioral health, and food insecurity. Grant amounts will range from \$50,000 to \$150,000. *The recommended budget excludes this one-time expense.*

ARPA - Health Care Facilities. The request retains \$77.5 million provided in FY 2023 from one-time State Fiscal Recovery funds provided to address the ongoing staffing needs of hospitals, nursing facilities and community health centers related to the COVID-19 public health emergency. *The recommended budget excludes these one-time expenses.*

ARPA - Woonsocket Public Safety Facility. In spring 2022, the City of Woonsocket proposed the construction of a new public safety facility. The 86,000 square foot building will house operations for fire, police and other emergency services, including fire stations, emergency management, dispatch, and the police station. The City indicates that the current facilities housing these operations are approximately 100 years old and do not meet Americans with Disabilities Act requirements. The project is estimated to cost \$35.0 million. The Department's budget does not include funding for this proposal. *The Governor recommends new expenditures of \$7.0 million from State Fiscal Recovery funds for FY 2024 to support the new public safety facility for Woonsocket.*

ARPA - Municipal Roads Grant Program. The Infrastructure Bank administers the Municipal Road and Bridge Revolving Fund established by the 2013 Assembly to provide local governments access to capital for large scale road and bridge projects at a lower borrowing cost than the open bond market. Projects are funded based on Department of Transportation project priority list rankings. The fund was initially seeded with \$7.0 million from state contributions and since its inception, has received at least \$60 million. The Infrastructure Bank's FY 2024 capital budget request includes \$57.5 million from state contributions to further capitalize the fund. *The Governor recommends new expenditures of \$20.0 million from State Fiscal Recovery funds for FY 2024 for a new Municipal Roads Grant Program, which will be administered by the Infrastructure Bank. Funds will be made available to cities and towns for the construction and maintenance of roads, sidewalks and bridges.*

CPF - RIC Student Services Center. Consistent with the approved plan, Rhode Island College’s capital budget request includes a total of \$35.0 million from the American Rescue Plan Act Capital Projects Fund to establish a one-stop student services facility. The College completed a feasibility study during FY 2022 that examined two possible options for the one-stop student services facility. The two options are: build a new stand-alone building on campus or renovate and reconfigure, or demolish and rebuild, the Henry Barnard School. As of September 2022, no further decisions regarding the location have been made since the completion of the study. Based on a delay, the request assumes use of \$5.0 million in FY 2024 in lieu of FY 2023; expenditures in the Department’s FY 2023 revised budget should be adjusted to reflect this. *The Governor recommends total funding consistent with the approved plan, but accelerates \$15.0 million from FY 2025 to FY 2024 to ensure timely obligation of the federal funds. A detailed description of the project is included in the Capital Budget section of this publication.*

CPF - Municipal and Higher Ed. Matching Grants. Consistent with the approved plan, the request includes \$23.4 million each for FY 2023 and FY 2024 from the Capital Projects Fund for matching grants to cities and towns seeking to renovate or build community wellness centers that comply with work, education, and health monitoring requirements set by the U.S. Department of the Treasury. The Department indicates that the project is in the development phase and that the Pandemic Recovery Office is writing the grant plan for the program. *The Governor recommends funding essentially as enacted.*

COVID Relief - Rent and Utilities Assistance Fund. The request retains the FY 2023 enacted amount of \$84.0 million from federal funds for rent and utilities assistance. The state received a total of \$352.0 million from two federal acts; \$245.6 million has been spent through FY 2022, leaving \$106.4 million to be spent in FY 2023. As of November 2022, Rhode Island Housing has approved 42,063 applications totaling \$274.7 million in rent and utilities assistance. There was a federal claw back provision if a certain percentage of the funds were not spent. The program is currently not taking applications. *The Governor’s recommended budget retains the enacted amount and through January 31, 2023, Rhode Island Housing has approved 42,071 applications for a total of \$274.7 million; some expenses will likely be incurred in FY 2024.*

COVID Relief - Homeowner Assistance Fund. The American Rescue Plan Act includes a minimum allocation of \$50.0 million to Rhode Island to establish a Homeowner Assistance Fund; \$25.5 million was spent in FY 2022 and the remaining \$24.5 million is anticipated to be spent in FY 2023. The request includes the enacted amount of \$25.0 million from federal funds; the program is currently not taking applications. As of November 2022, Rhode Island Housing has approved 1,079 applications for a total of \$27.3 million. *The Governor’s recommended budget retains the enacted amount and through January 31, 2023, Rhode Island Housing has approved 1,313 applications for a total of \$33.6 million; some expenses will likely be incurred in FY 2024.*

Debt

Debt Defeasance. Total outstanding debt is \$1,943.8 million. The Public Debt Management Act requires that all new debt authorizations be approved by the Assembly unless the Governor certifies that federal funds will be available to make all of the payments which the state is or could be obligated to make under the financing lease or guarantee. Certain quasi-public agencies are exempt. The state has some outstanding debt that may be eligible for prepayment. The Department’s budget includes only known debt payments.

The Governor recommends using \$35.0 million from general revenues to pay down existing state debt obligations in order to achieve structural budget savings. The decision as to which debt will be defeased is pending an evaluation in conjunction with the state’s financial advisors. This is projected to save \$4.5 million annually in the out-years.

Convention Center Facilities Debt. The request includes \$24.5 million from general revenues for debt service payments for the Convention Center Authority. This is \$0.2 million less than enacted and consistent with current service estimates provided by the Budget Office. As of June 30, 2022, the total outstanding principal debt for the Convention Center and the Dunkin' Donuts Center is \$140.4 million. The Authority oversees the operations of the Convention Center, Dunkin' Donuts Center, which has been renamed Amica Mutual Pavilion, Veterans Memorial Auditorium and the Garrahy Courthouse Garage; the facilities are managed by a third-party, which is ASM Global. The contract with ASM Global will expire on June 30, 2025. Under the terms of the lease agreement between the state and the Authority, the minimum rentals payable to the state in any fiscal year are equal to the gross debt service costs in that year; the state is responsible for covering any operating shortfalls and recoups any operating profits. *The Governor recommends funding as requested.*

Garrahy Parking Garage. Consistent with the current service estimate, no state support is assumed beyond FY 2023 for the Garrahy Parking Garage, for which \$1.9 million from general revenues was provided in FY 2023. The annual debt service is \$3.0 million and operating expenditures of \$0.7 million would be supported by revenues. The garage opened in March 2020, and for FY 2020 revenues were minimal; they were \$1.5 million in FY 2021 and \$2.4 million in FY 2022. Through FY 2022, the state has appropriated \$6.8 million for debt service. It should be noted that the Authority's operating budget submission assumes revenues of \$2.6 million and net of operating expenses, \$1.8 million would be available for the debt. Its request assumes \$1.3 million from state support.

The 2014 Assembly authorized the Convention Center Authority to issue up to \$45.0 million for the construction of the garage, and the 2016 Assembly amended the authorization to allow the borrowing to occur if the Authority has three purchase and sale agreements or Wexford Science and Technology agrees to lease no less than 400 parking spaces. The bonds were issued in March 2018. *The Governor recommends \$1.3 million consistent with the Authority's request. His out-year forecast does not assume state support after 2024.*

I-195 Land Acquisition Debt. The request includes \$3.9 million from general revenues, or \$1.5 million more than enacted for debt service costs of the I-195 land acquisition project. The request is consistent with the current service estimate provided by the Budget Office and does not assume proceeds from land sales will be used to partially cover the debt.

The 2011 Assembly's debt authorization stipulated that proceeds from the eventual sale of the land parcels would be used for debt service costs. The legislation assumed \$42.0 million of revenue bonds would be issued by the Economic Development Corporation to purchase land made available through the relocation of Interstate 195 by the Department of Transportation. The project requires resources from these land sales to finance the remaining work, and this interim mechanism allows for a more deliberate process led by the I-195 Redevelopment Commission on the disposition of the land to occur while the project is completed. The principal amount for the bonds is \$38.4 million, which was originally amortized over a ten-year period, with a balloon payment of \$32.0 million due in FY 2023; however, the FY 2020 budget indicated the balloon payment was to be amortized for an additional ten years, through FY 2033. *The Governor recommends \$3.6 million from general revenues, \$0.3 million less than requested, reflecting updated interest rates.*

Central Falls School Project. The 2021 Assembly adopted legislation in 2021-H 6408, Substitute A, authorizing the Rhode Island Health and Educational Building Corporation to issue revenue bonds to construct a new high school for the City of Central Falls. The project cost is \$144.0 million, with a state share of \$138.2 million. The issuance was assumed to occur in November 2022. The request includes \$11.6 million for the annual debt payment. The legislation also authorized the City to issue general obligation bonds up to \$5.8 million to fund construction, renovation, improvement, alteration, repair, furnishing and equipping schools and school facilities throughout the district. This represents the City's

share of the cost. *The Governor recommends \$13.4 million from general revenues for the debt service payment for the full value of the project. The bonds will be issued in spring 2023. The recommended budget also includes \$0.3 million in revenues from a 2.5 percent reimbursement from the City for its share of the debt that the state issued.*

Certificates of Participation. The Department includes \$21.4 million from general revenues for all debt issued through Certificates of Participation for information technology, energy conservation, and other infrastructure projects. The request is \$2.6 million less than enacted and is consistent with the current service estimates provided by the Budget Office. The request includes savings of \$1.1 million from Innovative Technology projects and \$2.7 million from energy conservation projects. This is partially offset by \$1.2 million for debt service expenses for the confined aquatic dredged material disposal cells project for which the 2017 Assembly approved \$10.5 million. The legislation requires that a minimum of \$5.0 million of the total principal and interest payments be financed from an increase in fees charged to marine operators to deposit their dredged materials into confined aquatic disposal cells, with general revenue appropriations used to supplement fee revenues. The following table shows the list of the projects funded through Certificates of Participation and scheduled last payment date.

Fiscal Year	DCYF Training School	Energy Conser.	Kent County Courthouse	Hospital Consolidation	School for the Deaf	Innovative Technology	Traffic Tribunal	Total	Change from Prior Year
2023	\$ 4,213,500	\$4,148,725	\$ 4,617,125	\$ 1,871,425	\$ 2,477,500	\$ 4,969,300	\$1,670,475	\$23,968,050	\$ 1,265,751
2024	4,207,875	1,451,150	4,612,500	1,871,300	2,479,500	3,852,375	1,678,050	20,152,750	(3,815,300)
2025	4,207,625	1,450,375	-	1,868,425	2,482,000	3,854,000	1,675,875	15,538,300	(4,614,450)
2026	-	-	-	1,872,550	2,479,750	-	-	4,352,300	(11,186,000)
2027	-	-	-	1,868,550	2,482,750	-	-	4,351,300	(1,000)
2028	-	-	-	1,871,300	2,480,500	-	-	4,351,800	500
2029	-	-	-	1,870,555	2,478,000	-	-	4,348,555	(3,245)
2030	-	-	-	1,871,175	-	-	-	1,871,175	(2,477,380)
2031	-	-	-	1,868,050	-	-	-	1,868,050	(3,125)
2032	-	-	-	1,870,925	-	-	-	1,870,925	2,875
2033	-	-	-	1,868,600	-	-	-	1,868,600	(2,325)
2034	-	-	-	1,871,700	-	-	-	1,871,700	3,100
Total	\$12,629,000	\$7,050,250	\$9,229,625	\$22,444,555	\$17,360,000	\$12,675,675	\$5,024,400	\$86,413,505	\$(20,830,599)

The Governor concurs, with the exception of including \$1.2 million less for debt associated with confined aquatic disposal cells. The project cost has increased in cost considerably since the 2017 Assembly authorized the debt issuance. By source, the new total includes \$68.4 million from federal funds, \$20.7 million from Rhode Island Capital Plan funds and \$20.0 million of borrowing; \$9.5 million would require new Assembly approval in the 2024 session.

Transportation Debt. The Department requests \$40.5 million from other funds for the Department of Transportation and the Rhode Island Public Transit Authority’s share of general obligation bonds issued. This includes \$1.1 million from highway maintenance funds, or \$60,162 less than enacted for the Authority’s debt. This is consistent with the Authority’s operating budget request and the current service estimate. The request retains the enacted amount of \$39.4 million from gasoline tax proceeds for the Department of Transportation’s debt service payment; however, is \$5.3 million more than the current service estimate, which the Department of Administration subsequently indicates was requested in error. *The recommendation corrects for the error and includes \$35.2 million, consistent with the current service estimate.*

Other General Obligation Bonds. The request includes \$101.9 million from general revenues for general obligation bond debt service. This is \$21.2 million more than enacted and consistent with the current service estimate provided by the Budget Office. General obligation debt service for Public Higher Education would also increase by \$2.4 million, for a statewide increase of \$23.6 million. *The Governor includes an additional \$23.8 million from general revenues for statewide general obligation debt service.*

This includes \$18.9 million in the Department Administration's budget and \$4.9 million for Public Higher Education.

Other. The Department requests \$20.5 million from general revenues and other funds for all other debt expenses. This includes \$19.4 million, or \$6,788 more than enacted from general revenues to fund costs for debt issued to pay for historic tax credits. The debt comes from the 2008 Assembly's legislation, which significantly modified the program and authorized borrowing sufficient funds to cash out all credits. The 2013 Assembly adopted legislation to allow new projects to replace those projects that are not progressing and developed new requirements and standards. The request also includes \$1.0 million from general revenues, essentially as enacted for payments under the Fidelity Job Rent Credits agreement, essentially as enacted. Under the incentive-based agreement between the state and Fidelity, the state provides job rent credits for each full-time equivalent employee in excess of a 1,000-employee base. It also includes \$0.1 million for borrowing expenses relating to tax anticipation notes. *The Governor concurs.*

Local Aid

Library Aid. The Department requests \$11.7 million from general revenues, or \$673,872 more than enacted to fully fund library aid at 25.0 percent of the second prior fiscal year's local expenditures for library services. Based on updated data from the Office of Library and Information Services, the increase to fully fund library aid is \$484,265; the request is \$189,607 above that amount. The 2022 Assembly provided an additional \$1.4 million for a total of \$11.0 million to fully fund the program in FY 2023.

The chief library officer annually determines each municipality's compliance with the maintenance of effort requirement by comparing appropriation and expenditure amounts as reported by the libraries or the municipalities. In the event that a municipality has failed to meet the maintenance of effort requirement, the chief library officer will notify the municipality that it is not eligible for a state grant-in-aid. A municipality that is deemed ineligible may request a waiver from the requirement by submitting a letter to the chief library officer. Of the requested amount, \$1.1 million is for the Reference Resource Center at the Providence Public Library. The reference resource grant to the Providence Public Library enables the library to develop its reference collection, extend its hours, and provide statewide reference research for all Rhode Island libraries and residents.

The constrained request maintains funding at the enacted level, which represents a reimbursement of 23.9 percent. *The Governor includes \$11.5 million from general revenues to fully fund the program.*

Library Construction Aid. The Department requests \$2.1 million from general revenues for library construction aid. This is \$258,881 more than enacted to reflect funding requirements for FY 2024 based on updated cost information, interest rates, and construction schedules for approved projects. The majority of the increase relates to anticipated completion of a project in Jamestown. The state reimburses libraries up to half the total cost for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.

The constrained request maintains funding at the enacted level. *The Governor includes \$2.1 million to fully fund expenses.*

Office of Energy Resources

ARPA - Electric Heat Pump Grant Program. Consistent with the approved plan, the request includes \$10.0 million, or \$5.0 million more than enacted from State Fiscal Recovery funds to support low and moderate income households, and community organizations to purchase and install energy efficient electric heat pumps. The Office issued a request for proposals in September and received five bids. The Office is

reviewing the proposals and anticipates the program starting in March 2023. *The Governor recommends \$20.0 million in FY 2024, which advances \$10.0 million from the out-years to ensure timely obligation of funding to comply with federal requirements.*

Executive Climate Change Coordinating Council Projects. Under the Act on Climate, the Executive Climate Change Coordinating Council is charged with developing plans to incrementally reduce climate emissions to net-zero by 2050. The plan will be updated every five years. Also, it will “address areas such as environmental injustices, public health inequities and a fair employment transition as fossil-fuel jobs are replaced by green energy jobs.” Currently, the Council has no dedicated budget or staffing; it is relying on the Department of Environmental Management and the Office of Energy Resources, which serves as vice chair of the Council. The Department’s request does not include funding for Council.

The Governor proposed legislation in Article 5 of 2023-H 5200 to annually allocate \$4.5 million from the current surcharges on gas and electric customers to support the Council, including \$4.3 million for projects and \$0.2 million for operating expenses. The legislation requires the Council to annually report to the Governor and the Assembly how the funds were used in meeting objectives of the 2021 Act on Climate. It also creates a restricted receipt account for the purpose of collecting and expending these funds on programs that eliminate greenhouse gases. Article 2 exempts the account from the state’s ten percent indirect cost recovery.

Salaries and Benefits. The request includes \$2.2 million from restricted receipts and federal funds for staffing of 15.0 full-time equivalent positions for the Office of Energy Resources. This is \$0.1 million more and staffing authorization consistent with the enacted budget. The request includes benefits rates consistent with FY 2024 planning values and is essentially consistent with the current service estimate. The 2022 Assembly provided authorization to fill 3.0 positions to support the implementation of the Act on Climate, which established the Executive Climate Change Coordinating Council that is charged with developing plans to incrementally reduce climate emissions. At the time of the Department’s budget submission, the positions had not been filled but the Office notes that they should be filled by the end of November. Consistent with the enacted budget, the request does not assume any turnover savings and through November 5, there were six vacancies. *The Governor concurs.*

Regional Greenhouse Gas Initiative. Excluding salaries and benefits, the request includes \$14.4 million from Regional Greenhouse Gas Initiative restricted receipt funds or \$2.5 million more than enacted based on anticipated resources. The receipts are derived from the sale of carbon emission credits through an auction process; four auctions are held annually. The request includes \$11.9 million to provide grants to invest in projects that reduce long-term energy demands; the allocation and distribution plan for uses of these proceeds will be adopted in January or February 2023. The request includes the enacted amount of \$2.2 million for energy conservation projects. Program expenses of \$292,906 are \$75,000 more than enacted for contracted services to assist with reporting requirements. *The Governor concurs, with the exception of including \$500 less for statewide fleet expenses.*

Refrigeration Energy Management Grant. The Office was awarded a \$0.9 million grant from the U.S. Department of Energy to help implement the Refrigeration Energy Management project. Funds will be used to help supermarkets manage the amount of energy they use for refrigeration. The request assumes use of \$138,296, which is \$313,097 less than enacted to reflect remaining grant funds. *The Governor concurs.*

Other Expenses. The request includes \$2.3 million from all sources for all remaining expenses in the Office. This is \$1.1 million more than enacted, including increases of \$41,401 from restricted receipts and \$1.1 million from federal funds based on additional resources the Office received from the Infrastructure Investment and Jobs Act to implement clean energy programs. The Department of Environmental Management allocated a total of \$1.9 million of the Volkswagen Settlement funds to the Office to administer the Electric Vehicle Charging Station Incentive Program. Through FY 2022, \$1.4 million has

been spent and \$0.3 million is budgeted in the revised request. The FY 2024 request also includes \$0.3 million, or \$172,955 more than enacted. Subsequently, the Office indicates that these expenses should be reduced by \$169,608, reflecting available funds. *The Governor concurs and retains the overstated expenses.*

Revenue - EV Charging Stations. In the past several years, the Office has worked with the Department of Environmental Management and the Department of Transportation to establish a network of charging stations, with the goal of reducing greenhouse gas emission. There are currently 62 charging stations located on state properties and with additional federal funds authorized in the Infrastructure Investment and Jobs Act, the Office anticipates adding more charging stations. Currently, state employees and the public use these stations, and the cost to the state was \$0.1 million in FY 2022. With the increased cost for electricity and the additional stations to be added, the Office is proposing to charge a fee. Legislative authority would be needed to establish the fee; however, the assessment would be determined through rules and regulations. The revenues would be deposited as restricted receipts and would be used to help offset the cost of electricity and maintenance of the charging stations. The Office projects revenues of \$150,000 for FY 2024. *The Governor does not recommend this proposal.*

HealthSource RI

Health Reform Assessment Receipts. The 2015 Assembly adopted legislation authorizing the Department of Administration to charge a health reform assessment to support the operations of HealthSource RI. The 2019 Assembly concurred with the Governor's proposal and adopted legislation to decouple the state's premium assessment upon those insurers offering products on the Exchange from the rate charged for federally facilitated marketplaces and established a 3.5 percent fee in statute, effective January 1, 2020. The federal rate decreased from 3.5 percent to 3.0 percent on January 1, 2020. The request assumes receipts of \$10.5 million, \$1.9 million more than enacted based on estimated enrollments of 40,889 in the individual/family group; the enacted budget assumed 33,330. The average per member per month premium cost is projected to increase from \$489.21 to \$528.00. The Office assumes enrollments of 7,994 in the small business group, for which the enacted budget included 7,393. The average per member per month premium cost is projected to increase from the enacted amount of \$492.97 to \$530.11 in FY 2024. Enrollments as of October 31, 2022, were 30,040 in the individual/family group and 7,292 in the small business group.

At the end of FY 2022, there was \$0.9 million available from assessment receipts and the Department's revised request includes these funds. *The Governor concurs.*

Health Insurance Market Integrity Fund. The 2019 Assembly concurred with the Governor's recommendation and adopted legislation establishing a Reinsurance Program to provide stability in the individual insurance market. The legislation imposes a Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions, effective on January 1, 2020. The penalty will be collected by the tax administrator and deposited into a restricted account and will be used to provide reinsurance, or payments to health insurance carriers, as a means of ensuring that premiums do not increase drastically, and for administrative costs. Remaining funds from the penalty can be used for preventative health care programs in consultation with the Executive Office of Health and Human Services. Current law prohibits the use of general revenues for reinsurance payments.

The request includes expenditures of \$5.7 million from penalty payments, or \$0.6 million less than enacted based on FY 2022 actual receipts. It also includes \$9.7 million from federal funds, or \$2.7 million less than enacted, reflecting an updated award from the Centers for Medicare and Medicaid Services. Of the total \$15.4 million requested, \$14.8 million will be used for reinsurance payments to health insurance carriers. Program expenses are \$0.6 million, including \$0.5 million to support two positions in the Division of Taxation for collection activities and \$0.2 million will be used to support HealthSource RI's staff time

dedicated to reviewing and/or granting exemptions from making a penalty payment. *The Governor concurs.*

ARPA - Auto-Enrollment Program. The FY 2023 enacted 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. Funding will support two months of premiums and information technology upgrades to the Unified Health Infrastructure Project. The request retains \$21,000, reflecting a shift from FY 2023 for information technology services. The emergency has been repeatedly extended, and the November Medicaid caseload estimate assumes that redeterminations of eligibility begins in the fourth quarter of FY 2023. Those who lose eligibility and do not have access to an employer plan may access coverage through HealthSource RI. *Based on updated enrollment, costs projections and schedule, the recommended budget includes an additional \$1.3 million for FY 2024 for a total of \$2.6 million. Eligibility redeterminations will start in April 2023.*

Redetermination Activities. Subsequent to the Governor's FY 2022 revised and FY 2023 recommended budgets submissions, the public health emergency was extended through July 15, the first quarter of FY 2023. A total of \$30 million from all sources, including \$14.2 million from general revenues over three years in three agencies was assumed for redetermination process for Medicaid eligibility that is required once the public health emergency ends. HealthSource RI's share of information technology expenses for eligibility redetermination functions was preliminarily estimated at \$1.7 million, \$1.1 million was provided in FY 2023. The public health emergency was again extended to January 11, 2023. The Office's share of these expenses are now estimated at \$2.0 million. Its request assumes the extension and shifts \$0.2 million of FY 2023 expenses to FY 2024 and adds \$0.3 million.

The constrained request reduces these expenses by \$439,083. *The Governor recommends the requested expenditures. With passage of the Consolidated Appropriations Act of 2023 in December, Medicaid eligibility was decoupled from the Public Health Emergency declaration; redetermination activities will resume in April 2023.*

UHIP Expenses. The request includes \$5.1 million from all sources, including \$5.0 million from restricted receipts for HealthSource RI's share of the Unified Health Infrastructure Project expenses. These account for 48.6 percent of expenditures from the health reform assessment funds. The request is \$263,046 less than enacted, including \$307,162 from general revenues, primarily for information technology support. The request includes \$4.8 million for various contracts, including \$2.1 million for the call center, \$1.7 million for the Deloitte contract for information technology support, and \$1.0 million for data analytics, management consultants and other services. The request also includes \$0.2 million for salaries and benefits, which is \$24,483 more than enacted, reflecting staffing allocations and benefit rates consistent with FY 2024 planning values. *The Governor concurs.*

Other Salaries and Benefits (1.0 FTE). The request includes \$1.6 million from restricted receipts for salary and benefit expenses for the remaining 11.6 full-time equivalent positions. This is \$0.2 million less and 1.0 position more than enacted to convert a current contractor to a project manager position. The total cost of the position is \$158,450 with \$8,739 funded by HealthSource RI and the remaining \$149,711 allocated to the Executive Office of Health and Human Services. HealthSource notes that it has over 25 contracted employees and this conversion would allow it to manage more contracts in-house. The request also includes \$15,561 for partial funding for three appeals officer positions; the staffing authorization for them is included in the Executive Office of Health and Human Services. These expenses are offset by savings from staffing allocations and filling positions at the entry level. As of the pay period ending November 5, the Office has four vacancies.

The constrained request reduces these expenses by \$24,300 from restricted receipts to exclude funding for the new position. *The Governor concurs with the requested expenditures.*

Other Expenses. The request includes \$5.9 million from all sources for all remaining expenses for HealthSource RI. This is \$1.8 million more than enacted, including increases of \$24,120 from general revenues and \$1.8 million from restricted receipts, based on projected resources. The Office allocates \$0.8 million of this to marketing, and \$0.9 million for other expenses, including the Health Information Survey, data analytics, and reports. To the extent that enrollment is lower than the projected 40,889, these are the areas that the Office indicates it will reduce. The request includes the enacted amounts of \$2.3 million for the HealthSource RI for Employers program, previously known as “SHOP,” and \$0.5 million for the Rhode Island Health Center Association to provide one-on-one, face-to-face application and enrollment assistance. *The Governor recommends funding as requested.*

Information Technology

Cybersecurity Federal Grant Match. The Infrastructure Investment and Jobs Act includes a total of \$1.0 billion from federal FY 2022 through FY 2025 for a new formula grant program to provide states and local governments with funds to enhance cybersecurity. According to the Division of Information Technology, the state will receive \$11 million; a state match, starting with 10.0 percent increasing to 40.0 percent by FY 2026 is required. The request includes \$0.5 million from general revenues for the required match for FY 2024. The Division also notes that one option is to have municipalities provide the match; however, it indicates that this might result in limited participation in the program. The request does not include the federal funds, as the application was pending at the time of the budget submission. The act requires states to distribute at least 80 percent of funds to local governments. A cybersecurity planning committee to develop a plan for spending is also required, a 29-member committee has been established.

The constrained request removes funding for the state match. *The Governor recommends the requested \$0.5 million from general revenues.*

Large Systems Initiatives Fund. The 2011 Assembly adopted legislation to establish the Information Technology Investment Fund for acquiring information technology improvements, including, but not limited to, hardware, software, and ongoing maintenance. The fund is supported by land sale proceeds, surcharges on wireless and land lines, and direct appropriations. The 2021 Assembly transferred a total of \$67.0 million to the fund, including \$50.0 million for the Enterprise Resource Planning system and \$17.0 million to support the state’s share for a new child welfare system to replace the current Rhode Island Children’s Information System. The 2022 Assembly transferred an additional \$75.0 million for various projects, including \$22.4 million to purchase an electronic medical records system for the state-run Eleanor Slater Hospital and \$19.4 million to replace the Department of Labor and Training’s Temporary Disability Insurance and Employer Tax functions. At the end of FY 2022, the fund had a balance of \$153.0 million; however, \$132.3 million has already been allocated to various projects. The Department’s capital budget total funding is consistent with the approved plan for the various information technology projects.

The Governor proposes legislation in Article 2 of 2023-H 5200, establishing a Large Systems Initiatives Fund, outside of the general fund to be administered by the state’s Chief Information Officer. The fund is intended to support information technology projects to facilitate capture of federal participation for information technology projects once they are implemented. It converts the current Information Technology Investment Fund to a restricted receipt account and gives the Chief Digital Officer or designee, the sole discretion to determine the project expense allocation between the account and the fund. The Large Systems Initiatives Fund would be supported from direct appropriations. The Governor’s budget transfers \$79.1 million from the current Information Technology restricted receipt account for various approved projects and \$27.0 million from new general revenues to the fund. The budget identifies two projects to be funded from the new resources: \$22.0 million for the RIKidsBridge Child Support Case Management and \$5.0 million for the Gateway to Government initiative.

Approved Projects	IT Restricted Receipt Account		Large Systems Initiatives Fund					FY 2024 - FY 2027	Gov. Rec. Total	Total Approved	Gov. to Approved
	Pre-FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027					
Enterprise Resource Planning	\$ 0.3	\$ 21.3	\$ 15.7	\$ 15.5	\$ 0.5	\$ -	\$ 31.7	\$ 53.3	\$ 53.3	\$ -	
RI Children's Information System	-	0.8	7.5	4.8	3.6	-	15.9	16.7	17.0	(0.4)	
DLT Mainframe Replacement	-	14.7	4.7	-	-	-	4.7	19.4	19.4	(0.0)	
Hospital Electronic Medical Records	-	1.4	12.1	3.1	2.6	2.0	19.7	21.1	22.4	(1.3)	
DEM Permit & Licensing Systems	0.4	3.7	0.5	0.4	0.4	0.3	1.7	5.8	5.8	(0.0)	
Wi-Fi and Tech at the ACI	-	3.3	0.1	-	-	-	0.1	3.3	3.3	(0.0)	
RI Bridges Mobile Access & Child Care Tracking	-	2.4	2.4	1.9	-	-	4.3	6.7	6.7	-	
DBR e-Licensing & Blockchain	-	1.5	1.0	-	-	-	1.0	2.5	2.5	-	
Digital Identity	-	2.3	-	-	-	-	-	2.3	2.3	-	
DOR Tax Modernization	-	2.3	-	-	-	-	-	2.3	2.3	-	
Approved Projects - Total	\$ 0.7	\$ 51.3	\$ 44.0	\$ 25.7	\$ 7.1	\$ 2.3	\$ 79.1	\$ 131.1	\$ 132.8	\$ (1.7)	
New Projects											
Gateway to Government	\$ -	\$ -	\$ 2.5	\$ 2.5	\$ -	\$ -	\$ 5.0	\$ 5.0	\$ -	\$ 5.0	
Child Support Case Management	-	-	2.0	10.0	10.0	-	22.0	22.0	-	22.0	
New Projects - Total	\$ -	\$ -	\$ 4.5	\$ 12.5	\$ 10.0	\$ -	\$ 27.0	\$ 27.0	\$ -	\$ 27.0	
Total	\$ 0.7	\$ 51.3	\$ 48.5	\$ 38.2	\$ 17.1	\$ 2.3	\$ 106.1	\$ 158.1	\$ 132.8	\$ 25.3	

Enterprise Resource Planning. Consistent with the capital budget, the request includes \$20.5 million, or \$0.6 million more than enacted from the Information Technology Investment Fund to develop and implement an Enterprise Resource Planning System. The components of the project are not limited to human resources, payroll, and financial management; the current systems are nearing the end of their useful lives and are susceptible to security risks. The Auditor General has historically reported the inefficiencies with the various systems. A tentative award for a systems integrator was issued in April 2022. The Department is in the process of negotiating with the vendor and anticipates the project starting in January 2023. The project appears to be at least six months behind the original plan. *The Governor recommends total funding consistent with the approved plan. This assumes use of \$15.7 million in FY 2024, reflecting an updated project schedule.*

RI Children's Information System. The request includes \$7.5 million from the Information Technology Investment Fund to support the state's share of the cost for a new child welfare system to replace the current Rhode Island Children's Information System. This is \$6.1 million more than enacted and consistent with the capital budget request. Federal fund expenditures are included in the Department of Children, Youth and Families' budget, the awarding agency. The Department of Administration indicates that the project is in the design phase and is scheduled for implementation within the first quarter of FY 2026, a year later than the approved plan. *Consistent with the request, the Governor's recommended capital budget assumes use of \$7.5 million in FY 2024.*

DLT Mainframe Replacement. Consistent with the capital budget, the request includes \$4.7 million from the Information Technology Investment Fund to replace the Department of Labor and Training's Temporary Disability Insurance and Employer Tax functions. This is \$5.0 million less than enacted; the estimated project cost is \$19.4 million. The Department of Administration notes that the Department of Labor and Training is in the process of developing a Strategic Planning Request for Proposals, as a roadmap for modernizing its systems. The request for proposals process closed on September 14; no bids were received. Subsequently, another request for proposals was issued and eight bids were received. *Consistent with the request, the Governor's recommended capital budget assumes use of \$4.7 million in FY 2024.*

Hospital Electronic Medical Records. The Department's request includes \$10.0 million from the Information Technology Investment Fund to purchase an electronic medical records system for the state-run Eleanor Slater Hospital, which does not have one. This is \$0.4 million less than enacted and consistent with the capital request. The system would support the hospital's administrative, financial, clinical and reporting activities. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals reported that it would maximize reimbursements and develop treatment and residential options for

psychiatric patients, including geriatric, and developmentally disabled adults. The Department estimated that the system will take 30 months to implement. A draft request for proposals is being reviewed. *The Governor's capital budget assumes use of \$12.1 million in FY 2024 from the Large Systems Initiatives Fund.*

Other Expenses. The Department requests \$10.0 million from the Information Technology Investment Fund for several information technology projects and software maintenance expenses. Consistent with the capital budget, the request includes \$4.0 million, or \$7.5 million less than enacted for other agency projects; the 2022 Assembly approved these projects and included a specific allocation for them in the appropriations act. This includes Blockchain Digital Identity, RIBridges Mobile/Child Care Tracking, Wi-Fi and technology at the adult correctional institutions, improvements to the Department of Environmental Management's information technology for online permit and licensing systems for environmental and agriculture permitting, fish and wildlife, commercial fishing, and boating registration, and improvements to Division of Taxation business processes and taxpayer services. The request also includes \$6.0 million, or \$4.6 million more than enacted for projects that were subject to the Information Technology Governance process. This is \$5.7 million more than the capital budget request, reflecting available resources; however, specific projects to be funded have not been identified. *The Governor concurs, with exception of appropriating \$4.0 million less for agency projects; these expenses are assumed in the newly established Large Systems Initiatives Fund.*

Office of Management and Budget

Office of Internal Audit. The request includes \$4.7 million from all sources to support the Office of Internal Audit, which was consolidated to increase efficiency and decrease fraud and waste. Various positions were transferred from the Departments of Transportation and Human Services, the Office of Postsecondary Commissioner, and the University of Rhode Island to effectuate this. The request is \$128,541 more than enacted, including \$133,296 more from general revenues. The request includes \$3.9 million for salaries and benefits for 26.0 full-time equivalent positions. It appears that more funding is included than staffing authorization. The request inadvertently retains \$10,237 from the FY 2023 one-time retention bonuses. Consistent with the enacted budget, the request does not assume any turnover savings. As of November 5, the Office has three vacancies. The request also includes \$0.8 million, or \$33,986 more than enacted for operating expenses.

The Department's constrained request proposes turnover savings of \$727,807 from general revenues. This would be achieved by maintaining approximately five vacant positions. Of this amount, \$123,260 from one vacancy is allocated to the Office. *The Governor's recommendation is \$0.2 million less than requested, nearly all from general revenues to correct for overstated salary and benefit expenses. It corrects for retention bonus expenses and excludes additional funding for which no authorization was requested.*

Performance Management (2.0 FTE). The Office of Performance Management collects performance data and works with agencies to identify and implement projects to help agencies achieve performance goals. As a part of this process, the office publishes yearly performance measures within the state budget. The Department's FY 2021 budget request reorganized staffing within the Office of Management and Budget; personnel conducting performance reviews were transferred to the State Budget Office. The Department indicated that many of the functions of performance management are imbedded by statute and practice in the budget process and that it made sense to integrate the two functions. Currently, there are two positions dedicated to performing these functions, one is vacant. The request includes \$0.2 million from general revenues to fund 2.0 new full-time equivalent positions to enhance performance management reviews and audits, including a senior internal audit manager and a senior economic and policy analyst. The request assumes that the positions would be filled in September 2023, and includes \$47,872 in turnover savings.

The constrained request removes funding as well as the authorization for the new positions. *The Governor recommends \$0.3 million for 2.0 new positions. This is \$0.1 million more than requested, primarily to fund a chief data analyst in lieu of a senior internal audit manager position.*

Other Staffing and Operations. The request includes \$5.6 million from general revenues, or \$584,609 more than enacted for all remaining expenses in the Office of Management and Budget, including the Offices of the Director of Management and Budget, State Budget, and Regulatory Reform. The request includes \$4.9 million for salaries and benefits of 27.0 full-time equivalent positions. This is \$543,557 more than enacted and \$400,599 above the current service estimate, to restore turnover savings in the State Budget Office for 2.0 positions for which staffing authorization is not requested and are vacant. This includes the Deputy Budget Officer and an Assistant Director of Financial and Contract Management. As of the pay period ending November 5, there were 27.0 full-time equivalent positions filled. The request includes benefit rates consistent with FY 2024 planning values; however, it inadvertently retains \$13,162 from the one-time FY 2023 retention bonus. The request also includes \$41,052 more for operating expenses, including \$18,552 for training, and increases for printing and computer supplies. It also includes \$10,500 more for economic services relating to the Revenue Estimating Conference, based on recent history.

The Department's constrained request proposes turnover savings of \$727,807 from general revenues. This would be achieved by maintaining approximately five vacant positions. Of this amount, \$266,061 is allocated to the State Budget Office. As noted, though there are currently no vacancies. The request includes more funding than staffing authorization.

The Governor recommends \$0.1 million more than requested for updated staffing costs. This also corrects expenses for the retention bonus.

Division of Purchases

New Positions (2.0 FTE). The Department requests \$0.3 million from general revenues to support 2.0 new full-time equivalent positions in the Division of Purchases. This includes \$0.1 million for a programming services officer position to assist with the implementation of the electronic procurement system, including training. It also includes \$0.2 million for a deputy purchasing agent. The Department notes that with the influx of federal stimulus funds, additional staff is needed to process agency requisitions. The request assumes that the positions would be filled in July 2023.

The constrained request removes funding as well as authorization for the new positions. *The Governor recommends the new positions.*

Other Staffing and Operations. The request includes \$4.5 million from all sources for all other expenses in the Division. This is \$61,239 more than enacted, including \$53,770 less from general revenues and \$64,662 more from restricted receipts, reflecting available resources from the 1.0 percent assessed on master price agreements from vendors. The request also includes \$50,347 more from other funds to support positions that are dedicated to transportation related projects and one for the University of Rhode Island. Each entity reimburses the Department for the cost of the positions; however, pursuant to the Memorandum of Understanding with the University, the amount it would be reimbursed is capped at \$180,000.

The request includes \$3.9 million for salary and benefit expenses of 30.0 full-time equivalent positions, the authorized level. This is \$38,761 less than enacted, including \$93,477 of turnover savings for which the enacted budget did not include any. The request includes benefit rates consistent with FY 2024 planning values; however, it inadvertently retains \$26,419 from the one-time FY 2023 retention bonus. As of November 5, the Division has one vacancy.

The request includes \$323,384 for operating expenses. This is \$100,000 more than enacted, including \$50,000 each from general revenues and restricted receipts to support the electronic procurement system. It is unclear as to why general revenues is being requested since there is available funds from the assessment. At the end of FY 2022, the account had a balance of \$0.3 million and the Department's request projects a balance of \$0.9 million at the end of FY 2024. *The Governor concurs, with the exception of providing \$9,982 less to exclude expenses for the retention bonus and adjustments for statewide expenses.*

Division of Statewide Planning

Water Resources Board (2.0 FTE). The request includes \$0.9 million from all sources, all but \$3,050 is from general revenues and staffing of 5.0 full-time equivalent positions to support the Water Resources Board. The request is \$484,992 more than enacted, including \$427,071 to fund 3.0 new full-time equivalent positions; authorization for one position was repurposed from a vacancy in the Division of Statewide Planning. The Department indicates that the request is intended to bring the Water Resources Board back to its staffing level in FY 2011. The 2011 Assembly adopted legislation merging the Board into the Division of Planning to more closely align the water planning aspects of the Board with the statewide planning process. The Board was staffed with 6.0 filled full-time equivalent positions and when the merger occurred it was reduced to 3.0 positions. Subsequently, a vacated position was eliminated, bringing staffing to the current level of 2.0 positions. The new positions include a project manager to assist with development of water policy issues, a data analyst for water use mapping and other projects, and a programming services officer for administrative support. The request includes \$143,971, or \$32,500 more than enacted for operating expenses. This includes \$12,500 for computers and other supplies for the new positions and \$20,000 for stream gages.

The constrained request excludes staffing authorization and funding for the new positions and funding for stream gages, for general revenue savings of \$447,071. *The Governor recommends \$0.2 million less from general revenues than requested. He does not recommend the program manager position and the additional expense for stream gages.*

Statewide Planning (-1.0 FTE). The request includes \$6.0 million from all sources, including \$0.5 million from general revenues and \$5.5 million from other funds, passed through the Department of Transportation to the Division of Statewide Planning for transportation planning related projects. This is \$119,584 less than enacted from all sources, including \$168,396 more from general revenues. The request includes \$3.1 million to fund 20.0 full-time equivalent positions. This is \$0.2 million less and 1.0 position fewer than enacted, reflecting the Department's plan to repurpose a vacancy for the Water Resources Board. As of November 5, the Division has five vacancies. The request includes benefit rates consistent with FY 2024 planning values; however, it inadvertently retains \$21,000 from the one-time FY 2023 retention bonus. The request is \$0.2 million more than the current service estimate provided by the Budget Office, this includes \$59,015 to partially fund a position that the Division indicates will be working on required housing reports, such as the Accessory Dwelling Unit pursuant to 2022-H 7942, Substitute A. It also adds \$0.1 million to fund non-transportation planning initiatives.

The constrained request reduces funding by \$201,233 from all sources, including \$180,000 from general revenues to maintain expenses consistent with the current service budget. *The Governor recommends \$0.2 million less from all sources than requested to maintain a current service budget and correct retention bonus expenses.*

Division of Equity, Diversity and Inclusion

MBE/WBE Compliance Management System. The Minority Business Enterprise is responsible for supporting policies to ensure minority participation in state funded and directed construction programs and projects. State law requires that at a minimum, 10.0 percent of its purchasing and construction contracts

are awarded to women and minority owned businesses. To qualify, the business must be 51.0 percent or more owned and operated by a disadvantaged individual. The business must submit an application to the Division, which certifies this. According to the Division, there are 808 certified businesses. The request includes \$0.3 million from general revenues to establish a centralized cloud-based system. The Division notes that the current paper-based system is too labor intensive and at risk of failure. It should be noted that the Department's capital budget request assumes this expense; however, a source to fund it was not identified.

The constrained request removes this expense. *The Governor recommends \$250,000 from general revenues for the system, which is \$50,000 less than requested to reflect an updated estimate.*

He also proposes legislation in Article 3 of 2023-H 5200 to increase the minimum amount of state purchasing and construction contracts, including local school construction projects, that are awarded to women and minority-owned businesses from 10.0 percent to 15.0 percent, and requires at least 7.5 percent for each.

Staffing and Operations (1.0 FTE). The request includes \$1.7 million to support the Division of Equity, Diversity and Inclusion, previously the Office of Diversity, Equity and Opportunity. It includes \$1.6 million for salaries and benefits of 11.0 full-time equivalent positions. This is \$0.1 million and 1.0 position more than enacted to fund a programming services officer to conduct site visits to confirm MBE/WBE compliance. The Division notes that this position was recommended as part of the Disparity Study that was issued in 2021. It should be noted that the 2021 Assembly provided \$0.1 million from general revenues to fund the equal opportunity administrator position, which was filled in October 2022. As of November 5, the Division has one vacant position. Consistent with the enacted budget, the request does not assume any turnover savings. Operating expenses are \$14,012 more than enacted, including \$10,000 for minority media recruitment advertising.

The constrained request removes funding as well as staffing authorization for the new position. *The Governor concurs and includes funding and authorization for the new position.*

Other Programs

Wrongful Conviction Awards. The 2021 Assembly adopted legislation in 2021-H 5470, Substitute B, to compensate individuals who were wrongfully convicted of crimes and incarcerated. The legislation stipulates that a claimant can get an additional award for reasonable costs incurred for services such as housing, transportation, and other services, attorneys' fees, and release from outstanding obligations for child support. The total amount of the award is determined by the court. The annual compensation is up to \$50,000, or an individual can be compensated a fraction of the \$50,000 for the number of days served.

The 2022 Assembly provided \$1.2 million from general revenues for wrongfully convicted settlements in the FY 2022 final budget. It appears \$0.6 million was spent, resulting in a surplus of \$0.6 million. Consistent with the enacted budget, the request did not include additional expenses relating to wrongful convictions. *The Governor recommends \$1.7 million from general revenues, reflecting anticipated expenses, including \$1.5 million for FY 2023 and \$250,000 for FY 2024.*

City Year. The Department requests the enacted amount of \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individualized support to at-risk students. *The Governor concurs.*

Commission on Prejudice and Bias. Consistent with the revised request, the request includes \$18,000 from general revenues to support the Commission on Prejudice and Bias, which is established in the general laws and is charged with studying all forms of prejudice, bias or hatred in the state. It also required to

submit an annual report, with its recommendations for revising, adding, or consolidating the laws regarding prejudice, bias or hatred to ensure that these laws safeguard and protect the public. Historically, the Commission was supported with community service grants; these grants were eliminated by the 2016 Assembly. The Department entered into a memorandum of agreement with the Commission to partially fund a coordinator position to support the Commission's communication, grant administration, and program activities. The agreement took effect on September 1, 2022 and expires on August 31, 2023. *The Governor recommends funding as requested.*

Central Management (2.0 FTE). The request includes \$3.3 million from general revenues, or \$486,286 more than enacted for expenses in Central Management. This includes \$2.7 million to support 13.3 full-time equivalent positions; expenditures of \$0.9 million for another 6.7 positions that are allocated elsewhere in the Department. Salary and benefit expenses are \$428,426 more than enacted, or \$354,595 more than the current service estimate. This includes \$37,700 for overtime, reflecting recent experience, and \$284,395 to fund 2.0 new positions, including an economic and policy analyst, and an assistant director of financial management, who would support various programs in the Department. If approved, it appears that some of the cost of the position can be allocated to the programs it would support. The Department indicates that half of the staff who support the Central Business Office is eligible to retire and hiring the new positions now would prevent disruptions in services. The request restores the enacted turnover savings of \$83,084. As of November 5, there were three vacancies. The request also includes \$525,488, or \$57,860 more than enacted for operating expenses, of which \$45,000 is for contracted services to assist with invoice payments.

The constrained request excludes funding and authorization for the new positions. The Department's constrained request proposes turnover savings of \$727,807 from general revenues. This would be achieved by maintaining approximately five positions vacant. Of this amount, \$338,486 is allocated to Central Management, which equates to approximately two vacancies. *The Governor concurs with the requested expenditures and staffing. He also includes \$0.2 million from general revenues to fund a federal lobbying advisory firm contract for counsel and representation in obtaining future federal funds.*

Office of Library and Information Services. The request includes \$3.4 million from all sources and staffing of 13.0 full-time equivalent positions for the Office of Library and Information Services, which works to ensure that all residents will benefit from free and convenient access to library and information resources and services. The request is \$418,327 less than enacted, including an increase of \$109,285 from general revenues. Of the requested amount, \$1.8 million is for salaries and benefits. These expenses are \$80,420 more than enacted and \$30,695 more than the current service, reflecting employee medical benefit selections, retaining \$8,466 from the one-time FY 2023 retention bonus, and restoring the enacted turnover savings of \$13,385. As of November 5, the Office has one vacancy.

The request includes \$1.6 million for operating expenses. This includes \$842,245, or \$0.1 million more than enacted for the interlibrary loan delivery system, which includes the delivery of books, audio/visual materials and other resources which are shared between and among more than 180 public libraries, academic libraries, state institution libraries, school libraries and other special libraries, such as the Rhode Island Historical Society. The request is based on a one-year extension of a contract that expired in June 2022, and it assumes an increase in use of delivery. The rate per stop will increase from \$30.49 to \$36.41, reflecting labor and fuel costs. All other expenses are \$0.6 million less than enacted, reflecting removal of federal stimulus funds authorized under the American Rescue Plan Act to community libraries for various programs and projects.

The constrained request reduces expenses for the interlibrary loan delivery system by \$112,547. *The Governor recommends \$3.4 million from all sources, \$15,532 less than requested, nearly all from general revenues. It removes expenses for the retention bonus. It also includes \$54,707 less for the anticipated contract cost for the interlibrary loan delivery system and adds \$47,250 for computer supplies to meet maintenance of effort requirements.*

Pandemic Recovery Office. The request includes \$8.4 million from all sources for the Pandemic Recovery Office, which is responsible for policy coordination and compliance for federal COVID-19 related stimulus funds, and expenses for grants management. The request is \$0.7 million more than enacted, including increases of \$0.3 million each from federal funds and restricted receipts, and \$0.1 million from general revenues. It includes \$2.7 million for salaries and benefits of 15.0 full-time equivalent positions. This is \$0.3 million more than enacted and \$0.2 million more than the current service estimate to fund 2.0 positions within the Department's existing authorization. As of November 5, the Office has one vacancy.

The request includes \$5.8 million for operating expenses. This includes the enacted amount of \$3.7 million from federal funds to finance the planning oversight, compliance and reporting of federal stimulus funds. It also includes \$2.0 million, or \$0.3 million more than enacted for the federal grants management system for costs associated with U. S. Department of the Treasury reporting of American Rescue Plan Act funds. *The Governor recommends \$14.6 million from all sources, \$6.2 million more than requested, primarily to advance funding from the out-years to ensure timely obligation of funding to comply with federal requirements.*

Office of Accounts and Control. The Department requests \$4.6 million from general revenues and restricted receipts to support the Office of Accounts and Control. This includes \$4.1 million for salary and benefit expenses for 27.0 full-time equivalent positions, the authorized level. This is \$0.3 million more than enacted and \$81,212 more than the current service estimate, reflecting the restoration of turnover savings for which the enacted budget assumed \$0.2 million. As of November 5, the Office has one vacancy. Operating expenses are \$0.2 million more than enacted for additional contracted services relating to financial closing reconciliations and other technical accounting issues. *The Governor concurs.*

Capital Asset Management and Maintenance. Excluding expenditures for centralized services, the request includes \$2.2 million from general revenues to support the Division of Capital Asset Management and Maintenance. The request includes \$2.1 million for 12.0 full-time equivalent positions. This is \$205,306 more than enacted or \$136,486 more than current service estimates to reflect funding for a project manager position within the Department's existing authorization, and staffing allocations. Consistent with the enacted budget, the request does not assume any turnover savings. As of November 5, one position was vacant. The request includes \$10,688 more for operating expenses, including appraisal services and computer supplies.

The constrained request proposes to shift \$0.8 million of salary and benefit expenses for approximately five project manager positions from general revenues to Rhode Island Capital Plan funds. The Department indicates that the positions would be entirely dedicated to the development, oversight, and completion of capital projects. The Department further notes that the intent of this initiative is to develop a system to capture the time spent on various projects. If the initiative is adopted, a billing methodology would be developed to charge staff time to individual projects. Rhode Island Capital Plan funds have been limited to use on physical assets. The funds were used nearly exclusively for debt service in the early 1990s. The voters approved a constitutional amendment in 2006 to allow the funds to be used solely for capital projects beginning in FY 2008. *The Governor concurs, with the exception of including \$1,769 less based on medical benefit rates and state fleet expenses.*

Capital - Projects. The request includes the enacted amount of \$71.7 million from Rhode Island Capital Plan funds for 36 approved projects. This is \$82.4 million less than the capital budget request. *The Governor recommends \$135.8 million for 38 projects. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Expenses. The request includes \$2.7 million from general revenues for the Division of Legal Services, Human Resources and the Personnel Appeal Board. This includes \$2.4 million for salary and benefit expenses of 14.6 full-time equivalent positions, which is \$404 less than enacted and \$81,810 less

than the current service estimate to reflect staffing allocations and employee medical benefit selections. The request includes \$0.3 million, or \$94,397 more than enacted for operating expenses. This includes \$33,772 for advertising and \$40,000 for temporary staffing. *The Governor concurs.*

Department of Business Regulation

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Central Management	\$ 3,801,190	\$ 3,209,105	\$ 4,232,747	\$ 4,609,968
Banking Regulation	2,005,687	1,836,005	1,862,845	1,864,125
Securities Regulation	878,630	855,351	880,063	880,851
Insurance Regulation	6,460,978	6,454,474	6,550,021	6,553,051
Office of the Health Ins. Comm.	4,683,439	4,855,878	3,972,261	3,778,878
Board of Accountancy	5,490	5,490	5,490	5,490
Commercial Licensing, Gaming & Athletics	2,082,482	2,034,094	2,082,636	2,083,836
Building, Design & Fire				
Professionals	12,116,181	11,708,701	16,768,094	16,429,499
Office of Cannabis Regulation	6,462,236	6,449,528	6,711,980	6,117,205
Total	\$ 38,496,313	\$ 37,408,626	\$ 43,066,137	\$ 42,322,903
Expenditures by Category				
Salaries and Benefits	\$ 23,052,100	\$ 22,887,689	\$ 23,776,204	\$ 23,858,012
Contracted Services	4,890,968	5,092,011	4,302,970	4,102,970
Subtotal	\$ 27,943,068	\$ 27,979,700	\$ 28,079,174	\$ 27,960,982
Other State Operations	7,863,258	6,961,939	7,477,176	6,889,354
Aid to Local Units of Government	-	-	-	-
Assistance, Grant, and Benefits	285,000	285,000	285,000	285,000
Capital	2,404,987	2,181,987	7,224,787	7,187,567
Total	\$ 38,496,313	\$ 37,408,626	\$ 43,066,137	\$ 42,322,903
Sources of Funds				
General Revenue	\$ 26,270,761	\$ 25,495,172	\$ 25,549,726	\$ 25,928,212
Federal Aid	691,187	869,963	645,827	641,503
Restricted Receipts	10,789,638	10,298,764	11,154,145	9,966,273
Other	744,727	744,727	5,716,439	5,786,915
Total	\$ 38,496,313	\$ 37,408,626	\$ 43,066,137	\$ 42,322,903
FTE Authorization	181.0	181.0	181.0	181.0

Summary. The Department of Business Regulation requests FY 2024 expenditures of \$43.1 million from all funds, including \$25.5 million from general revenues. The request is \$4.6 million more than enacted, including \$0.7 million less from general revenues, \$45,360 less from federal funds, \$0.4 million more from restricted receipts, and \$5.0 million more from other fund sources. The Department requests 181.0 full-time equivalent positions, consistent with the enacted authorization. *The Governor recommends \$0.7 million less than requested, including \$0.4 million more from general revenues, \$4,324 less from federal funds, \$1.2 million less from restricted receipts, and \$70,976 more from Quonset Development Corporation funds.*

Target Issues. The Budget Office provided the Department of Business Regulation with a general revenue target of \$23.5 million. The amount includes a reduction for current service adjustments of \$1.6 million and a 5.0 percent target reduction of \$1.1 million, adjusted for certain exclusions.

FY 2024 Budget	Budget Office		DBR		Difference
FY 2023 Enacted	\$	26,270,761	\$	26,270,761	\$ -
Current Service Adjustments		(1,636,491)		(921,035)	715,456
New Initiatives		-		200,000	200,000
Change to FY 2023 Enacted	\$	(1,636,491)	\$	(721,035)	\$ 915,456
FY 2024 Current Service/Unconstrained Request	\$	24,634,270	\$	25,549,726	\$ 915,456
Target Reduction/Initiatives		(1,111,777)		(1,907,477)	(795,700)
FY 2024 Constrained Target/Request	\$	23,522,493	\$	23,642,249	\$ 119,756
<i>Change to FY 2023 Enacted</i>	\$	<i>(2,748,268)</i>	\$	<i>(2,628,512)</i>	\$ <i>119,756</i>

The constrained request is \$19,944 less than the target when \$0.1 million in revenue enhancements are coupled with \$1.9 million in expenditure reductions. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor’s recommendation is \$2.4 million more than the target.*

Staffing. The 2022 Assembly authorized 181.0 full-time equivalent positions for FY 2023, including 1.0 new position for the Division of Building, Design and Fire Professionals and 18.0 new positions for the Office of Cannabis Regulation for a new adult use program. It also assumed the reallocation of two positions from Insurance Regulation to Banking Regulation.

The request includes position distributions and authorizations consistent with the enacted budget. It should be noted that funding is included in the Office of Cannabis Regulation for two commissioners who are not state employees but are paid a monthly stipend. *The Governor recommends positions and distributions as requested.*

Office of the Health Insurance Commissioner

State Flexibility Grant. The Office requests \$0.2 million from federal funds for a State Flexibility to Stabilize Market Program, Cycle II grant to ensure states’ laws, regulations, and procedures are in line with federal requirements. The Office received the award in September 2021 for three years and a total of \$666,830, of which \$317,760 is for staffing, \$330,000 is for contracted expenditures, and \$19,090 is for other operational expenses. The grant’s staffing allocation supports one full-time equivalent senior policy analyst to administer the program. The request is \$48,016 less than enacted as expenses are shifted to FY 2023, which is noted in the Office’s revised request. The request also reflects federal authorization to use \$0.1 million previously approved for staffing expenses on contracted legal services instead. *The Governor recommends funding essentially as requested.*

Health Spending Accountability and Transparency Program. The Office requests the enacted amount of \$0.5 million from general revenues for contracted technical assistance and data analysis of healthcare claims. Work supports the Cost Trend Steering Committee’s Rhode Island Healthcare Cost Trend Project. From FY 2018 to FY 2022, this program was funded by a grant from the Peterson Center on Healthcare through Brown University. *The Governor recommends funding as requested.*

Human Service Programs Rates and Benefit Analysis. The Office requests \$0.6 million from general revenues, \$0.9 million less than enacted, to conduct to a biennial comprehensive rate and program review of social and human service programs and support 1.0 associated full-time equivalent position. The state contracts and licenses a variety of service providers to conduct social and human service programs; however, a comprehensive review of the adequacy of rates paid to providers has never been conducted.

The 2022 Assembly provided \$1.5 million for a new initiative to conduct an examination of all contracted and licensed social and human service providers focused around programs funded through Medicaid and those within the Departments of Children, Youth and Families; Behavioral Healthcare, Developmental Disabilities and Hospitals; Human Services; and Health. It required an analysis of rates to be submitted January 1, 2023, a final report by April 1, 2023, and in assessment and review of rate adjustments to be completed by September 1, 2023. The departments must include recommended rates in their budget requests starting October 1, 2023. This schedule repeats on a biennial basis, therefore the largest reporting requirements fall within odd number fiscal years. The Office submitted a status report in January 2023 noting additional time was needed to meet the statutory requirements because of delays in hiring a contractor for the work as well as other complexities.

The request represents extending funding into FY 2024 for which only two months of work is contemplated to review proposed rate adjustments. The cost for an equivalent level of support in FY 2024 would be approximately \$250,000. The Office indicates its request represents costs associated with public meetings and budget planning.

The constrained request includes no funding for this initiative. *The Governor recommends funding as requested.*

All Payer Health Care Payment Reform. The Office requests \$0.2 million from general revenues for a new initiative to conduct an analysis of hospital budgets and funding methods. The request includes proposed legislation contained in S-2022 2994, Substitute A, as amended, passed by the Senate but not the House, which would require a series of reports aimed at changing the method governments and private payers reimburse health care providers to a model based on outcome benchmarks. Funding is currently provided based on the quantity and cost of services rendered, which the Office indicates does not account for quality or efficiency. The Office intends to contract for an analysis of available hospital financial data and for recommendation of a value-based payment model to be piloted on at least two types of physicians, such as primary care providers and orthopedic doctors.

The proposed legislation directs the Office and Medicaid Director to seek federal funding for value-based payment models and requires several reports which: by July 1, 2024, examine the cost structure and financial performance of all state licensed hospitals; by July 1, 2024, examine cost-shifting between payers and the impact of changes to Medicaid reimbursement rates for hospital services; by July 1, 2025, recommend payment models for professional services for at least two types of physicians; by March 1, annually detail implementation and recommendations for value-based payment models. The proposed legislation also creates a working group of interested parties for model design recommendations.

The constrained request excludes this initiative and funding. *The Governor's budget does not include this initiative or proposed language.*

RI REACH. The Office requests \$559,097 from all sources for its contracted consumer assistance helpline and outreach vendor. The request is \$28,052 more than enacted, including \$23,052 more from general revenues, which reflects a 5.0 percent increase for call center personnel and operating costs. These funds support at least 6.0 full-time equivalent positions for the Rhode Island Insurance Resource, Education, and Assistance Consumer Helpline, operated by the Rhode Island Parent Information Network. The helpline serves as the Office's designated health insurance consumer assistance program, through a live-answer toll-free helpline. The helpline has operated since FY 2014, and was federally funded through FY 2016. It was entirely general revenues funded in FY 2017.

The constrained request includes \$116,648 less from general revenues, which would force the vendor to reduce staff. It also includes a restricted assessment to cover this difference, discussed later, which funds

up to 25.0 percent of general revenues costs through an assessment on domestic insurance companies. *The Governor recommends funding as requested.*

OHIC - Other Personnel and Operations. The Department requests \$1.8 million from all sources, including \$1.3 million from general revenues, for all other operations and the Office's remaining 10.0 full-time equivalent positions. The request is \$11,849 more than enacted, including \$27,414 more from general revenues and \$15,565 less from restricted receipts, which represents current service adjustments. *The Governor recommends \$330 more than requested, mostly from general revenues, to reflect updated estimates.*

Revenue Enhancement - OHIC Restricted Assessment. The Office proposes a revenue enhancement to achieve its constrained budget target. The proposal would provide the Health Insurance Commissioner the authority to levy an assessment against all domestic insurance companies offering health care, vision, dental, or catastrophic plans up to an aggregate amount of 25.0 percent of the annual helpline appropriation provided by the General Assembly. Each assessment would be apportioned according to the percentage of annual premiums accrued to each domestic company as provided by the Office. The Office would also be permitted to apply penalties for non-compliance, consistent with Rhode Island General Law, Section 42-14-16. As submitted, estimated revenues totaling \$139,700 for FY 2024 are intended to offset general revenue support for its contracted consumer assistance helpline and outreach vendor discussed previously.

This proposal is similar to an assessment proposed by the Office in prior years, but not recommended by the Governor. *The Governor does not recommend this initiative.*

Building, Design, and Fire Professionals

E-Permitting Expansion. The Department requests the enacted amount of \$1.2 million from general revenues to implement online construction permitting for all Rhode Island municipalities and support 1.0 associated full-time equivalent position. Municipalities are required under Rhode Island General Law, Chapter 23-27.3 to adopt online construction permitting by July 1, 2023. Funds support a project to manage online permitting for all 39 municipalities through the Department, which would develop a unified online application format and provide necessary equipment and software licenses. The enacted budget includes both recurring operating costs of \$0.9 million and up to \$0.3 million in one-time upgrade costs. The current request is \$0.3 million more than previously expected for FY 2024, which the Department indicates is a result of 5.0 percent inflation expectations and a buffer for migration and integration efforts for remaining municipalities estimated to cost \$50,000 to \$85,000. *The Governor recommends funding as requested.*

State Building Office Staffing and Operations. The Department requests \$3.0 million, including \$1.6 million from general revenues, for staffing and operations of the State Building Office for 23.0 full-time equivalent positions. The Department's request is \$4,059 more than enacted and shifts \$0.3 million from general revenues to restricted receipts. Article 6 of 2021-H 6122, Substitute A, as amended, changed the registration terms for the Contractors' Registration and Licensing Board from two years at \$200 to an annual \$150 fee, increasing the fee \$100 over a two-year period. The requested shift of expenses to restricted receipts reflects that FY 2024 is the first year in which all licenses are renewed annually and at the higher rate. It should be noted that the Department's own projections do not indicate sufficient restricted receipts collections to justify this shift and, as of December 2022, restricted receipts collections in FY 2023 are estimated to be \$0.1 million less than requested for FY 2024. *The Governor's recommendation is \$84,451 more than requested to reflect updated medical benefit cost expectations and correct for the inadvertent exclusion of Corporation funds; however, it does not include a corresponding reduction to general revenues. It also shifts \$122,332 associated with the costs of one position from restricted receipts to general revenues to reflect updated revenue expectations.*

Capital - Fire Academy Expansion. Consistent with the approved plan, the Department requests \$5.7 million from Rhode Island Capital Plan funds to expand the State Fire Academy in Exeter. Major items include an auditorium, four additional classrooms, and an equipment storage building. The Academy indicates the expansion will allow it to meet the high level of demonstrated demand and expand its certification offerings. *The Governor's recommendation includes \$500 less than requested and approved. A detailed description of the project is included in the Capital Budget section of this publication.*

Fire Academy Staffing and Operations. The Department requests \$1.4 million from all sources, \$9,202 more than enacted from general revenues, for staffing and operations of the State Fire Academy. The request includes \$0.4 million from general revenues, \$0.2 million from federal funds, and \$0.8 million from restricted receipts. The increase represents current service adjustments. General revenues exclusively support 3.0 full-time equivalent positions and the Fire Academy charges fees to those taking courses, typically paid by local fire departments, and uses these restricted receipts to support the facility and instructors. The Department indicates its request inadvertently overstates restricted receipt expenses by around \$250,000. *The Governor recommends \$0.2 million less than requested, almost entirely from Fire Academy restricted receipts, to correct the overstatement and reflect updated estimates.*

Bomb Squad Equipment. The Department requests \$0.1 million from general revenues, \$0.8 million less than enacted, for Bomb Squad safety equipment to increase readiness and maintain Federal Bureau of Investigation certification. The 2022 Assembly provided one-time funding of \$1.1 million from general revenues in FY 2022 and FY 2023 to replace four bomb robots and provide other lacking specialized equipment. The Department indicated future years would require ongoing replacement expenses of around \$100,000 annually, consistent with its current request. *The Governor recommends funding as requested.*

Fire Marshal Staffing and Operations. The Department requests \$4.8 million for all other staffing and operations of the State Fire Marshal, including \$4.7 million from general revenues, \$0.1 million from federal funds, and \$939 from Quonset Development Corporation funding. Funds support its remaining 35.0 full-time equivalent positions, including 3.0 positions allocated for the Fire Safety and Inspection and Review Unit. The request is \$379,007 more from all funds, including \$447,550 more from general revenues, \$245 more from federal funds, and \$68,788 less from Corporation funds. This increase represents current service adjustments and around \$240,000 from general revenues for overtime expenses related to a significant increase in permit and inspection requests, a rate which is expected to continue for the foreseeable future. The Department indicates its request unintentionally shifts \$68,788 and 1.0 position from Corporation funds to general revenues. *The Governor recommends \$0.1 million more than requested, including \$64,656 more from general revenues, to correct for the inadvertent exclusion of Corporation funds and reflect updated state fleet and medical benefit estimates.*

Office of Cannabis Regulation

Cannabis Control Commission. The Office requests \$0.7 million from restricted receipts, \$77,317 more than enacted, for staffing of the Cannabis Control Commission. Funds support 5.0 full-time equivalent positions, including the Commission Chair, and monthly stipends of \$1,666 for the other two Commissioners who are not state employees. The increase reflects restoration of \$72,497 in turnover savings included in the enacted budget as well as current service adjustments.

The 2022 Assembly created the Commission to oversee the Cannabis industry, including authority to issue regulations, review and approve applicants, set fees, and issue emergency orders. The Office retains the powers of the Commission until its members are appointed, which has not occurred as of December 2022. Upon final issuance of the Commission's rules and regulations the Office of Cannabis Regulation shall be renamed the Cannabis Office and will be functionally transferred to the Commission, although both will remain within the Department for budgetary purposes. *The Governor recommends funding as requested.*

Seed to Sale System. The Department requests the enacted amount of \$1.2 million from restricted receipts to contract with a new vendor to develop and manage a cannabis licensing and tracking system. The Department's previous vendor failed to meet contractual requirements. The Department contracted with two new service providers in June 2022 to design and operate the software, with final project delivery expected in early 2023. The new system will allow inspectors and auditors to automate code compliance for customers and prevent abuse of the home-grow system.

The Office indicates its request is in error and it intended to request \$230,000 from Rhode Island Capital Plan funds for ongoing operating costs to be consistent with its capital request. Contracts provided by the Office indicate ongoing operating costs of \$182,800. The enacted budget uses funds from the medical marijuana restricted receipts account, which was created to finance necessary regulatory expenses. Rhode Island Capital Plan funds are limited to capital projects related to physical assets and are not allowed for ongoing operating expenses. *The Governor recommends \$0.5 million from restricted receipts, \$0.7 million less than requested.*

Office of Cannabis Regulation Other Operations. The Office requests \$6.0 million, including \$1.4 million from general revenues and \$4.6 million from restricted receipts, for its remaining 20.0 full-time equivalent positions and operations associated with regulation and oversight of the state's retail and medical marijuana and industrial hemp programs. The request is \$172,427 more than enacted from restricted receipts, including \$96,995 to reflect current service adjustments and \$75,432 to partially restore turnover savings.

Restricted receipts are collected into two accounts: the Medical Marijuana Licensing Account, which receives fees related to the medical program, and the Marijuana Trust Fund, which receives fees and a 10.0 percent sales tax related to the retail program. The Fund is used to support program administration and cannabis related services across five state agencies and the Judiciary. The 2022 Assembly included a one-time use of \$1.4 million from general revenues to account for a projected shortfall in FY 2023 only. Based on agency requests and revenue projections as of December 2022, the Fund is expected to end FY 2024 with a positive balance of \$1.6 million and general revenues should not be needed.

The constrained request includes \$1.0 million less from general revenues. *The Governor recommends \$0.1 million more than requested, almost entirely from general revenues, to purchase three vehicles.*

Other Business Regulation Programs

Other Salaries and Benefits. The Department requests \$11.3 million, including \$10.4 million from general revenues and \$0.9 million from restricted receipts, for staffing costs of its remaining 84.0 full-time equivalent positions for the banking, securities, and insurance regulation, commercial licensing, and central management divisions. The request is \$0.2 million more than enacted, including \$0.4 million more from general revenues and \$0.2 million less from restricted receipts. This reflects current service adjustments, updated restricted receipts revenue projections, and two positions funded from general revenues that were incorrectly partially allocated to restricted receipts. The Governor proposed a pay raise for the vacant Director position from a salary of \$135,000 to \$160,473, which became effective December 4, 2022, and is not included in the request. *The Governor recommends \$7,115 more than requested, almost entirely from general revenues, to reflect updated estimates. It does not reflect the Director pay raise.*

Blockchain Digital Identity. The Department requests use of \$1.0 million from Information Technology Investment funds in the Department of Administration's budget to implement a digital government initiative using blockchain technology for use in credential issuance, authentication, and automated compliance. This initiative is based on a pilot that initially ran from January to May 2022, and used the Division of Motor Vehicles to issue credentials to licensed public accountants and linked licenses to firms. The 2022 Assembly approved \$2.5 million from Information Technology Investment funds, including \$1.5 million

for FY 2023 and \$1.0 million for FY 2024, to expand the program to other businesses and professions. As of December 2022, the Department is preparing to release a request for proposals.

The technology is currently used by around a dozen government entities worldwide, but is more widespread in the private sector. Rhode Island is the first state in the nation to implement this type of digital government initiative. The Department previously indicated that the system could be expanded to other departments and offices. The Executive Office of Commerce's capital budget request includes \$5.0 million annually for FY 2024 through FY 2026 to expand this initiative.

Blockchain increases the transparency and security of internet transactions and certifications. Any transaction, such as a license certification, is immediately recorded on a publicly available internet register along with select identifying information. Any falsifications or changes to the data will be apparent on the register. Public transaction data are scrambled by a one-way encryption, which prevents the release of sensitive personal information. *The Governor recommends funding as requested and \$5.0 million more from information technology funds in the Department of Administration's budget to expand this initiative.*

Information Technology Projects. The Department's request does not include \$215,000 from Rhode Island Capital Plan funds proposed in its capital budget request for projects to upgrade and replace the Department's websites and licensing software. The Department indicates this exclusion is unintentional. *The Governor does not recommend funding for these projects. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Department requests \$4.9 million from all sources, including \$0.3 million from general revenues, for all other expenses. This includes \$2.7 million for centralized services provided through the Department of Administration, of which \$1.4 million is for information technology expenses, \$1.6 million for actuarial services associated with insurance rate filings, \$0.1 million for travel expenses, \$0.1 million for software licenses, and \$0.4 million for office supplies and a variety of other expenses. The request is \$0.2 million more than the enacted budget, primarily from general revenues, almost entirely for information technology centralized services provided through the Department of Administration. FY 2022 spending on information technology was \$0.9 million and the first quarter internal service fund report projects FY 2023 spending of \$1.0 million. The Department made a similarly high request for \$1.2 million in FY 2023 without providing an explanation, which was recommended and enacted. As of November 2022, the Department has been unable to explain why its FY 2024 request is \$0.2 million more than enacted. *The Governor's recommendation is \$12,215 less than requested to reflect updated centralized services estimates, including \$0.2 million more from general revenues, \$4,326 less from federal funds, and \$0.2 million less from restricted receipts.*

Executive Office of Commerce

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Executive Office of Commerce	\$ 2,356,175	\$ 2,161,710	\$ 2,767,382	\$ 2,249,368
Housing & Community Dev.*	122,311,142	140,705,667	-	-
Quasi-Public Appropriations	26,240,014	31,995,336	27,102,999	68,261,774
Economic Dev. Initiative Funds	36,950,000	42,079,000	47,435,000	76,110,000
Commerce Programs	54,833,000	53,321,368	50,833,000	118,823,500
Total	\$ 242,690,331	\$ 270,263,081	\$ 128,138,381	\$ 265,444,642
Expenditures by Category				
Salaries and Benefits	\$ 3,281,829	\$ 2,697,844	\$ 1,154,946	\$ 1,039,888
Contracted Services	7,261,000	921,391	1,500,000	-
Subtotal	\$ 10,542,829	\$ 3,619,235	\$ 2,654,946	\$ 1,039,888
Other State Operations	8,476,684	5,032,377	2,207,186	204,230
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	79,425,554	100,234,340	36,283,000	30,473,500
Capital	1,810,250	2,065,572	2,210,250	1,705,250
Capital Debt Service	-	-	-	-
Operating Transfers	142,435,014	159,311,557	84,782,999	232,021,774
Total	\$ 242,690,331	\$ 270,263,081	\$ 128,138,381	\$ 265,444,642
Sources of Funds				
General Revenue	\$ 49,213,482	\$ 54,244,460	\$ 55,450,381	\$ 77,671,142
Federal Aid	185,007,699	207,294,149	71,883,000	187,073,500
Restricted Receipts	7,664,150	7,664,150	-	-
Other	805,000	1,060,322	805,000	700,000
Total	\$ 242,690,331	\$ 270,263,081	\$ 128,138,381	\$ 265,444,642
FTE Authorization	20.0	20.0	6.0	5.0

*FY 2024 reflects the transfer of operations to the new Department of Housing

Summary. The Executive Office of Commerce requests total expenditures of \$128.1 million for FY 2024, including \$55.5 million from general revenues, \$71.9 million from federal funds, and \$0.8 million from other sources. The request includes 6.0 full-time equivalent positions. The request excludes funding for the Office of Housing and Community Development which is transferred to the new Department of Housing. Adjusting for this transfer, the request is \$7.8 million from general revenues and 3.0 positions more than enacted. *The Governor recommends 5.0 positions and \$265.4 million from all sources or 2.0 positions and \$137.3 million more than requested, including \$22.2 million more from general revenues, \$115.2 million more from federal funds, and \$0.1 million less from Rhode Island Capital Plan funds.*

Target Issues. The Budget Office provided the Executive Office with a general revenue target of \$29.5 million. The amount includes a reduction for current service adjustments of \$17.2 million, exclusion of functions transferred to the Department of Housing totaling \$1.5 million, and a 5.0 percent target reduction of \$1.0 million, adjusted for certain exclusions. The constrained budget submitted by the Executive Office

is \$4.1 million less than the target. The proposals to achieve the reductions are noted among the items described where appropriate. *The Governor's recommendation is \$48.2 million more than the target.*

FY 2024 Budget	Exec. Office		
	Budget Office	of Commerce	Difference
FY 2023 Enacted	\$ 49,213,482	\$ 49,213,482	\$ -
Current Service Adjustments	(17,188,940)	(15,044,497)	2,144,443
Exclude Department of Housing*	(1,522,293)	(1,522,293)	-
New Initiatives	-	18,387,985	18,387,985
Change to FY 2023 Enacted	\$ (18,711,233)	\$ 1,821,195	\$ 20,532,428
FY 2024 Current Service/Unconstrained Request	\$ 30,502,249	\$ 51,034,677	\$ 20,532,428
Target Reduction/Initiatives	(1,047,193)	(25,692,468)	(24,645,275)
FY 2024 Constrained Target/Request	\$ 29,455,056	\$ 25,342,209	\$ (4,112,847)
<i>Change to FY 2023 Enacted</i>	\$ (19,758,426)	\$ (23,871,273)	\$ (4,112,847)

*Represents removal of functions transferred to the Department of Housing

Centralized Services. The Executive Office requests \$75,497 from general revenues, \$19,975 less than enacted, for its share of centralized services provided by the Department of Administration. The request includes \$61,897 for information technology services and \$13,600 for human resources. The request is \$27,591 less than the Budget Office's current service estimate and \$9,173 less than FY 2022 spending. *The Governor recommends \$2,956 less than requested based on updated estimates.*

I-195 Redevelopment Fund. The Executive Office requests \$5.0 million from general revenues for real estate development incentives for construction on former I-195 land for which the enacted budget includes no funding. The 2015 Assembly created the I-195 Redevelopment Project Fund to be administered by the I-195 Redevelopment District Commission to provide developers and businesses with financing for capital investment, including land acquisition in order to promote the development of the land. The FY 2016, FY 2018, and FY 2019 budgets included a total of \$28.0 million from general revenues to support the fund; funding is available until exhausted or the program ends. As of November 2022, the Commission had active commitments of \$25.5 million, of which \$21.2 million had been disbursed, which suggests available funding is \$2.5 million. The 2022 Assembly extended the program's sunset date from December 31, 2022 to December 31, 2023. The Commission may not enter into any agreement for funding or incentives after that date.

During FY 2017, Wexford Science and Technology was awarded \$19.8 million, or 70.7 percent of all appropriated funds and 77.6 percent of all awarded funding. The Commission has also essentially awarded itself \$4.1 million for infrastructure improvements throughout the FY 2017 to FY 2021 period, including burying National Grid power lines, screening a nearby transformer yard, and adding walkways between the nearby South Street Landing, city walkways, and new parks. That also includes funding for art installations, streetscape improvements, activity programming, temporary parking and storage, parks management and infrastructure, and development plan expenses related to its status as a special economic development district. During FY 2020, the Commission awarded \$1.2 million for a project on parcel 28 for which the land cost was \$100,000; after associated sales costs, proceeds totaled \$58,820.

The constrained request excludes this funding. *The Governor recommends \$2.0 million, which is \$3.0 million less than requested. He also proposes extending the sunset one year to the end of 2024.*

Rebuild Rhode Island Tax Credit. The Executive Office requests \$9.4 million from general revenues for the Rebuild Rhode Island Tax Credit program, a real estate development tax credit for qualified construction for which tax credits are redeemed over time. The design of the program is to forward fund credits, thereby creating a lesser burden on state sources when those credits begin to be redeemed in the future; current project credits are estimated to be redeemed through at least FY 2035. The 2022 Assembly raised total program funding to \$148.2 million by appropriating \$13.5 million against an award cap of \$210.0 million

set by the 2019 Assembly. It would require \$12.3 million annually for the next five years to fully fund the existing obligation limit; a somewhat lower level would be required if more years were assumed. As of November 2022, the Commerce Corporation had 54 active approved awards valued at an estimated \$201.9 million inclusive of the sales and use tax exemptions, adjusted for certain agreements.

The 2016 Assembly capped the total amount of credits awarded under the program at \$150.0 million. Credits valued between 20.0 percent and 30.0 percent of qualified project costs up to a maximum of \$15.0 million are available to projects that have demonstrated a gap between available funding and total estimated project costs. The Rebuild Rhode Island Tax Credit also includes the option to offer a sales and use tax exemption. The 2019 Assembly subjected the sales tax exemption to the cap and authorized separately up to \$25.0 million specifically dedicated to a project pending for parcels 42 and P4 in the I-195 Redevelopment District.

The 2022 Assembly extended the program's sunset date from December 31, 2022 to December 31, 2023. The Corporation may not enter into any agreement for funding or incentives after that date. *The Governor's budget includes Article 7 of 2023-H 5200, which would raise the award cap by \$15.0 million to \$225.0 million and extend the program's sunset one year to the end of 2024. It also includes \$26.4 million to bring total funding to \$174.6 million.*

Innovation Initiative. The Executive Office requests \$2.0 million from general revenues, \$1.0 million more than enacted, to support the innovation voucher and network matching grant initiatives. Vouchers are for small businesses with less than 500 employees to facilitate the purchase of research and development support from the state's institutions of higher education and other providers through vouchers ranging from \$5,000 to \$50,000 per business. The 2017 Assembly amended the legislation to allow awards made to small business manufacturers to support internal research and development. The Executive Office's request includes raising the maximum award cap to \$100,000 per business, which would require a statutory change. Network matching grants are available for specified industries for technical assistance, physical space, or access to capital.

For the FY 2016 through FY 2022 period, the program averaged about 19 awards each year, of which 15 were for vouchers. As of November 2022, the Corporation has awarded two vouchers for the current fiscal year. The program awarded a total of 105 vouchers to 85 recipients, including 18 recipients receiving total funding over \$90,000, with awards averaging \$47,554. It also awarded 31 matching grants to 21 recipients averaging \$124,206, including one recipient with three awards totaling \$650,000 and four with two or more awards totaling over \$310,000. As of September 30, 2022, the Corporation paid out \$4.1 million for vouchers, around 83 percent of awarded voucher funding, and \$3.0 million of the awarded matching grant funds, around 76 percent of its matching grant awards.

The FY 2016 through FY 2023 enacted budgets provided total appropriations of \$9.5 million; the Corporation awarded \$8.5 million against it as of November 2022, and has \$1.0 million remaining in addition to any resources available for projects which have closed or been paid out at a lesser amount than awarded. The Corporation indicates around \$395,000 in unspent funding has been recaptured from previous awards. There is not a set distribution of funding between the two aspects of the Innovation Initiative. The funding is distributed between the award types based on the level of demand and quality of applications received by the Corporation.

The 2022 Assembly extended the program's sunset date from December 31, 2022 to December 31, 2023. The Corporation may not enter into any agreement for funding or incentives after that date. The constrained request includes \$1.0 million less, consistent with the enacted level, and maintains the existing cap. *The Governor recommends funding as requested, extends the sunset one year to the end of 2024, and raises the maximum award cap to \$75,000.*

First Wave Closing Fund. The Executive Office requests \$5.0 million from general revenues to capitalize the First Wave Closing Fund. For the FY 2016 through FY 2018 period, the Assembly appropriated \$15.3 million; prior to FY 2022, the Corporation awarded \$3.3 million to nine recipients. The 2019 Assembly transferred \$5.0 million in unutilized resources to the state, leaving a balance of \$7.7 million. Only \$1.1 million of awarded funding has been disbursed as of September 30, 2022. There was no program activity for FY 2020. The Corporation made two awards for FY 2021, including \$250,000 to be reimbursed by the Governor’s Workforce Board for Virgin Pulse and \$0.5 million to 401 Tech Bridge, a non-profit economic development organization affiliated with the Polaris Manufacturing Extension Partnership and similarly under the hierarchy of the URI Foundation. It made one award in FY 2022 of \$5.7 million to support redevelopment of 111 Westminster Street. As of November 2022, the program has \$1.5 million in reserves from which to draw awards.

First Wave Closing Fund	FY 2016 - FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<i>Balance Forward</i>	\$ -	\$ 12,702,500	\$ 7,702,500	\$ 7,202,500	\$ 1,502,500
<i>Appropriation</i>	15,300,000	-	-	-	-
<i>FY 2020 Recapture</i>	-	(5,000,000)	-	-	-
<i>Available Resources</i>	\$ 15,300,000	\$ 7,702,500	\$ 7,702,500	\$ 7,202,500	\$ 1,502,500
<i>Grants Awarded</i>	(2,597,500)	-	(500,000)	(5,700,000)	-
Balance Forward	\$ 12,702,500	\$ 7,702,500	\$ 7,202,500	\$ 1,502,500	\$ 1,502,500

The fund was enacted in 2015 to provide financing to ensure that certain transactions that are critical to the state’s economy occur, subject to the Commerce Corporation’s Board approval. The funds can be used for working capital, equipment, furnishings, fixtures, construction, rehabilitation, purchase of property, or other purposes approved by the Corporation. Reported uses include office fit-out and occupancy, talent attraction, and a Stay Invested in RI Wavemaker Fellowship-style student debt loan relief for one awardee.

The 2022 Assembly extended the program’s sunset date from December 31, 2022 to December 31, 2023. The constrained request excludes this funding. *The Governor recommends \$20.0 million to recapitalize the fund, \$15.0 million more than requested and \$11.2 million more than awarded since its creation. He also proposes to extend the sunset one year to the end of 2024.*

P-Tech Initiative. The Executive Office requests \$0.3 million from general revenues for the High School, College, and Employer Partnerships program, known as P-Tech, which supports partnerships among high schools, the Community College of Rhode Island, other institutions of higher education, and employers to offer courses towards high school diplomas, internships, and associate degrees. It indicates additional funds would be used to support two new awards, a new website, student summer travel, and program administration. Six programs were approved over FY 2016 and FY 2017; as of November 2022, only one new program has been established for \$0.2 million. Of the \$1.6 million awarded, \$1.1 million was disbursed through September 2022. The 2022 Assembly extended the program’s sunset date from December 31, 2022 to December 31, 2023 but appropriated no funds. The Corporation may not enter into any agreement for funding or incentives after that date.

The Commerce Corporation Board of Directors approved funding for three districts in FY 2016, Newport, Providence, and Westerly, and extended funding to three programs in FY 2017, North Providence, Woonsocket, and the William M. Davies Jr. Career and Technical School. The Board also approved an allotment to the Community College of Rhode Island for administrative purposes related to its participation in the program; during FY 2018, it increased the allotment from \$100,000 to \$150,000. In FY 2021, the Corporation extended funding to one program at E-Cubed Academy. In FY 2022, the Corporation provided an additional allotment to the Community College of Rhode Island of \$30,000.

The constrained request excludes this funding. *The Governor does not recommend new funding, but proposes to extend the sunset one year to the end of 2024.*

ARPA - Small Business and Technical Assistance. The Assembly enacted 2021-H 6494, Substitute A, containing \$32.0 million from State Fiscal Recovery funds to provide grants and technical assistance to businesses impacted by the pandemic. The FY 2022 final budget allocated \$12.5 million in direct grants, \$10.5 million in technical assistance, \$7.5 million for Public Health Capital Improvements, and \$1.5 million for administrative costs associated with this and for the Assistance to Impacted Industries program. Awards are limited to not more than \$10,000 through any single program or more than \$20,000 in aggregate. It also limits eligibility to businesses with less than \$1.0 million in annual gross revenues that can demonstrate a negative impact from the COVID-19 pandemic and requires that 20.0 percent of funds be reserved for awards to assist minority business enterprises. *The Governor recommends \$13.3 million for FY 2023 and \$5.0 million for FY 2024, including \$13.6 million from unspent FY 2022 funds and \$4.7 million in new resources. Funding for FY 2024 is intended for additional awards for public health and energy efficiency improvements.*

Small Business Promotion. The Executive Office requests \$1.0 million from general revenues, \$0.7 million more than enacted, to support the small business promotion program known as SupplyRI. The Corporation approved the program in December 2017 with a \$325,000 budget, assuming no state funding. The FY 2019 through FY 2023 enacted budgets each provided \$300,000 from general revenues. The requested \$0.7 million increase includes \$150,000 to commission a five-year planning study, \$145,000 for additional staff at the Commerce Corporation, \$50,000 for website upgrades, with the remainder dedicated to additional programming and grants.

In support of its original request, the Executive Office reported its intent to create a permanent program at the Commerce Corporation, with program infrastructure hosted by a partner of the Corporation. The goal was to increase in-state procurement from large purchasers by creating a platform to connect large buyers with small suppliers and provide training to help small suppliers compete for business from large suppliers. As presented to the Corporation's Board, the larger participating companies collaboratively work to plan events and training for smaller companies. The Corporation indicates this program has provided assistance to over 2,500 local businesses.

The constrained request includes \$0.7 million less, consistent with the enacted level of funding. *The Governor recommends the requested \$0.7 million.*

Small Business Assistance. The Executive Office requests \$3.3 million from general revenues, \$2.6 million more than enacted, for the Small Business Assistance Program authorized by the 2015 Assembly. Originally capitalized with \$5.5 million made available from debt restructuring, the program supports businesses with less than 200 employees that are having difficulty obtaining financing from traditional lending organizations. Following discussions with participating lenders, the Executive Office indicates its request should bring the program closer to being self-sustaining.

Loanable funds are capped at \$750,000. The 2018 Assembly amended the program to increase the amount reserved for microloans from 10.0 percent to a range between 10.0 percent and 25.0 percent. The 2019 Assembly provided an additional \$0.5 million to recapitalize the program. The 2021 Assembly provided \$0.7 million. The 2022 Assembly provided an additional \$0.7 million and extended the program's sunset date from December 31, 2022 to December 31, 2023. The Corporation may not enter into any agreement for funding or incentives after that date.

The program capitalizes third-party lenders, including those with expertise in microloans, to provide access to capital. State funds are leveraged to provide access to additional lenders' funds or provide technical

assistance. As of November 2022, the Corporation reports \$7.2 million in appropriations has leveraged \$27.6 million in loans with \$2.1 million available from the appropriated funding.

The constrained request includes \$0.3 million, \$3.0 million less than requested. *The Governor recommends the \$3.3 million as requested, and proposes extending the sunset one year to the end of 2024.*

State Small Business Credit Initiative. The Executive Office requests the enacted amount of \$20.0 million from federal funds provided under the American Rescue Plan Act. Rhode Island will receive one time funding of \$62.5 million from the State Small Business Credit Initiative. The Executive Office indicates funds will be received in tranches of \$20.5 million, the first of which is expected to be disbursed to the state in the first quarter of 2023.

The American Rescue Plan Act provided \$10.0 billion to recapitalize the State Small Business Credit Initiative established by the Small Business Jobs Act of 2010, to support small businesses impacted by the economic effects of the coronavirus pandemic. Funding is available to expand or create new state small business investment programs that provide access to capital, collateral support, loan participation, loan guarantees, and venture capital. The Act includes a set-aside to support businesses controlled by the socially and economically disadvantaged, with technical assistance and enhanced support for recipients that “demonstrate robust support” for those groups. The United States Department of Commerce subsequently announced \$100.0 million for the Minority Business Development Agency to provide technical assistance to eligible underserved small businesses, from which Rhode Island is expected to receive \$0.8 million. *The Governor recommends funding as requested.*

Main Streets Revitalization. The Executive Office requests \$1.0 million from general revenues, \$4.0 million less than enacted, to recapitalize the Rhode Island Streetscape Improvement Fund. The Executive Office’s request includes technical assistance and administrative costs, which would require a statutory change. The 2015 Assembly authorized \$3.0 million from general revenues for 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. Initial funds were awarded to 24 municipalities and community organizations, with the most recent award round in November 2018. As of November 2022, \$1.6 million has been disbursed. The 2022 Assembly provided \$5.0 million from general revenues to recapitalize the program and extended the sunset from December 31, 2022 to December 31, 2023.

The constrained request includes \$1.0 million less. *The Governor’s budget includes \$0.1 million as requested and proposes language to allow funds to be used for technical assistance and administrative costs. It also proposes extending the sunset one year to 2024.*

ARPA - Bioscience Investments. The Executive Office requests the enacted amount of \$5.0 million from State Fiscal Recovery funds to finance a wet lab facility and provide technology development supports. Lack of wet lab space appropriate for use by newly founded life science companies is specifically noted as an obstacle for biomedical innovation in Rhode Island’s 2020 Comprehensive Economic Development Strategy. The Governor’s FY 2023 recommendation included this initiative, intended as a match for the BioConnects New England grant application to the Economic Development Administration.

The Assembly enacted Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, which contains multiyear appropriations of State Fiscal Recovery funds, including \$30.0 million for this initiative, programmed at \$5.0 million for FY 2023, \$15.0 million for FY 2024, \$9.0 million for FY 2025, and \$1.0 million for FY 2026. It also stipulated that funds be used for purposes specified in the grant application and only if at least a \$15.0 million federal match from that grant was secured. The Economic Development Administration announced awardees in September 2022 and Rhode Island was not selected. The Executive Office intends to request these funds under a different plan which it is still developing as of November

2022. *The Governor's budget includes total funding of \$45.0 million to finance one or more wet lab facilities and a new fund to promote bioscience business and workforce development. The proposal is \$15.0 million more than enacted and shifts \$15.0 million approved for FY 2023, FY 2025, and FY 2026 to FY 2024 to ensure timely obligation of funds. It also removes language tying funding availability and uses to the unawarded grant.*

ARPA - Blue Economy Investments. The Executive Office requests the enacted amount of \$10.0 million from State Fiscal Recovery funds for blue economy-related capital investments. The Rhode Island 2030 process initiated by Governor McKee in partnership with the University of Rhode Island presented a working document in October 2021 which indicates significant investments in the blue economy as a priority. Notable investment areas include, but are not limited to, ports and shipping, defense, marine trade, ocean-based renewables, aquaculture, and tourism. The Governor's FY 2023 recommendation included this initiative, intended as a match for the Blue Economy Technology Cluster grant application to the Economic Development Administration.

The Assembly enacted Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, which contains multiyear appropriations of State Fiscal Recovery funds, including \$70.0 million for this initiative, programmed at \$10.0 million for FY 2023, \$40.0 million for FY 2024, and \$20.0 million for FY 2025. It also stipulated that funds be used for purposes specified in the grant application and only if at least a \$35.0 million federal match from that grant was secured. The Economic Development Administration announced awardees in September 2022 and Rhode Island was not selected. *The Governor's budget excludes this initiative.*

ARPA - South Quay Marine Terminal. The Executive Office requests the enacted amount of \$12.0 million from State Fiscal Recovery funds for the first phase of a project to create a new South Quay Marine Terminal in East Providence. Since FY 2020, the Commerce Corporation has awarded \$15.0 million from Rebuild Rhode Island tax credits and \$0.2 million in Site Readiness grants to Rhode Island Waterfront Enterprises for initial dredging, infrastructure upgrades, and design work. The terminal and related upgrades to waterfront port facilities are part of a statewide infrastructure expansion plan focused around the blue economy. The facilities will be managed by a public-private partnership on land leased from a participating private developer.

The Assembly enacted Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, which contains multiyear appropriations of State Fiscal Recovery funds, including \$35.0 million for this initiative, programmed at \$12.0 million for FY 2023 and \$23.0 million for FY 2024. The Executive Office indicates it intended to request \$23.0 million to be consistent with Section 16. *The Governor's budget includes total funding of \$60.0 million for FY 2024, which is \$25.0 million more than enacted to represent support for an additional phase of the project related to berthing and landside improvements for offshore wind developers. A detailed description of this project is included in the Capital Budget section of this publication.*

ARPA - Destination Marketing. Consistent with the enacted budget, the Executive Office requests \$1.5 million from State Fiscal Recovery funds to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. It indicates that airlines have struggled to sustain past routes as outbound travelers far exceed inbound travelers compared to other national airports, and that this initiative is intended to balance passenger travel.

The Assembly enacted Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, which contains multiyear appropriations of State Fiscal Recovery funds, including \$3.0 million for this initiative programmed at \$1.5 million in each FY 2023 and FY 2024. It also required an equivalent match from the Commerce Corporation's allocation of State Hotel Tax receipts. *The Governor recommends funding as requested.*

Other Commerce Programs

Air Service Development Fund. Consistent with the enacted budget, the Executive Office requests \$2.3 million from general revenues to recapitalize the Air Service Development Fund used to reimburse marketing expenses for airlines connecting to Rhode Island T.F. Green International Airport. The intent of the program is to incentivize airlines to add more direct air routes to and from major metropolitan areas to their schedules at the airport. The Assembly provided \$2.5 million from FY 2017 to FY 2019 to be administered by the Commerce Corporation. The 2020 Assembly recaptured \$0.5 million of unspent excess funds. The 2022 Assembly provided \$2.3 million to recapitalize the program, which has not been awarded as of November 2022 but was provisionally obligated for Breeze Airways in August 2022. *The Governor recommends funding as requested and proposes to extend the sunset one year to the end of 2024.*

Wavemaker Fellowships. The Executive Office requests the enacted amount of \$3.2 million from general revenues for a student loan repayment tax credit program for graduates of accredited institutions of higher education who receive an associate's, bachelor's, or master's degree and who remain in, become a resident of, and are employed within the state in the fields of life, natural or environmental sciences; computer, information or software technology; engineering or industrial design; and medicine or medical device technology. Awards are typically announced in late spring. The 2022 Assembly created a separate fund within the program for eligible applicants in the fields of healthcare and mental health and provided an additional \$1.6 million. On October 5, 2022, the Corporation appointed two new selection committee members recommended by the Executive Office of Health and Human Services. The current request continues the higher level of support for the expanded program. Given an average cohort award of \$1.6 million per fund, and based on reported utilization through November 2022, the request reflects sufficient funding for one new cohort, and partial funding of an eighth cohort. The estimate assumes full utilization of awards, which is inconsistent with recorded disbursements.

The amount of the tax credit is up to a maximum of \$1,000 for an associate's degree, \$4,000 for a bachelor's degree and \$6,000 for a graduate degree for up to four years. Current law requires that the Commerce Corporation reserve 70.0 percent of the awards per calendar year to permanent residents of the state. It also requires that recipients must work at least 35 hours per week for an employer located in the state, which is defined as having at least 51.0 percent of its employees located in the state. The program allows for up to four years of reimbursements to awardees. The Office of Revenue Analysis publishes a statutorily required evaluation of the program, which is available on the Department of Revenue's website. The analysis assumes the full four-year utilization; however, the Corporation provides two-year awards to recipients.

The Corporation awarded six, two-year cohorts of 208, 219, 240, 206, 225, and 121 fellowships for the FY 2016 through FY 2022 period. The program has been appropriated \$13.4 million across the FY 2016 through FY 2023 enacted budgets. The Corporation also allocates staffing costs for a program director. Accounting for estimated staffing costs, the program should have \$5.2 million in uncommitted funding from which to make awards to a seventh cohort in FY 2023. The 2022 Assembly extended the program's sunset date from December 31, 2022 to December 31, 2023. The Corporation may not enter into any agreement for funding or incentives after that date.

The constrained request includes \$1.6 million less. *The Governor recommends \$0.8 million more than requested and proposes to extend the sunset one year to the end of 2024. The Governor's budget also includes language in Article 7 of 2023-H 5200 to expand eligibility to teachers. The Corporation would define "teacher" in consultation with the Department of Elementary and Secondary Education. The proposal also merges all reserves into a single fund.*

Stay Invested in Wavemaker Fellowship Program - Cash Flow						
Fiscal Year Awards	2016 - 2019	2020	2021	2022	2023 Revised	2024 Gov.
Balance Forward	\$ -	\$ 3,718,011	\$ 3,370,023	\$ 2,926,612	\$ 3,952,201	\$ 5,948,266
Appropriation	6,150,000	1,200,000	1,200,000	1,600,000	3,200,000	4,000,000
Total Resources	\$ 6,150,000	\$ 4,918,011	\$ 4,570,023	\$ 4,526,612	\$ 7,152,201	\$ 9,948,266
<i>Committed</i>						
2016 - 208	(1,576,103)	-	-	-	-	-
2017 - 219	(863,128)	(863,128)	-	-	-	-
2018 - 240	-	(875,557)	(875,557)	-	-	-
2019 - 226	-	-	(854,309)	(854,309)	-	-
2021 - 160	-	-	-	(620,066)	(620,066)	-
2022 - 121	-	-	-	-	(455,771)	(455,771)
Awards Anticipated	\$ (2,439,231)	\$ (1,738,685)	\$ (1,729,865)	\$ (1,474,375)	\$ (1,075,837)	\$ (455,771)
Administrative Costs*	(301,702)	(136,422)	(169,599)	(123,171)	(128,098)	(133,222)
Award Utilization*	(2,130,287)	(1,411,566)	(1,473,812)	(451,240)	(1,075,837)	(455,771)
Balance Forward	\$ 3,718,011	\$ 3,370,023	\$ 2,926,612	\$ 3,952,201	\$ 5,948,266	\$ 9,359,273

*Shaded areas are estimates and omit unutilized 2018 and 2019 cohort awards deferred as a result of CARES Act loan forbearance

Quasi-Public Appropriations

Tourism Marquee Events. The Executive Office requests \$4.0 million from general revenues for a new program to create large events in the tourism offseason between December and February. The Executive Office would manage marketing and hire a contractor to propose, plan, and coordinate two festivals and a major event. The initiative is intended to more evenly balance revenues for hospitality and tourism businesses to reduce the seasonal impact on employment. The Executive Office expects events to recur annually and be fully self-sustaining by FY 2028.

The constrained request excludes this initiative and funding. *The Governor does not recommend this initiative.*

Commerce Corporation Operations. The Executive Office requests \$9.0 million, \$1.1 million more than enacted from general revenues, for Commerce Corporation's operations. Though not a direct appropriation, the Commerce Corporation also receives a share of the 5.0 percent hotel tax to support tourism and marketing. As of August 2022, the Corporation had received \$2.2 million for FY 2023, which is \$0.2 million more than the same point in FY 2022 and \$0.4 million more than August of FY 2020 preceding the pandemic. It should be noted that current law requires these funds be spent annually directly on tourism-related expenses. The Corporation received \$6.5 million for FY 2022, \$3.8 million for FY 2021, \$4.6 million for FY 2020, \$5.8 million for FY 2019, and \$6.4 million for FY 2018. For FY 2020 and FY 2021, the reduction is directly related to the coronavirus pandemic; changes in the prior years are generally reflective of changes to the hotel tax distribution formula.

The Executive Office indicates that the requested increase includes \$398,863 for three new positions, \$330,230 for cost-of-living adjustments consistent with those approved for state employees, \$158,663 to support the Broadband Director position assuming federal funds are insufficient, \$100,791 for technology upgrades; \$79,139 for legal costs, and \$11,280 for projected utility expenses. The 2022 Assembly provided \$0.3 million more for FY 2023 than FY 2022 for a biennial audit of IGT and Bally's and upgraded salary and benefit costs.

The constrained request is \$0.7 million less, which is \$0.3 million more than enacted and includes only the cost-of-living adjustments and antivirus software. *The Governor recommends funding consistent with the constrained request.*

ARPA - Port of Davisville. The Executive Office requests the enacted amount of \$6.0 million from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. The project will support the port's

master plan and current area businesses through the construction of a new pier at terminal 5, rehabilitation of Pier 1, dredging, heavy project laydown space, 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 growth capacity.

The Assembly enacted Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, which contains multiyear appropriations of State Fiscal Recovery funds, including \$60.0 million for this initiative, programmed at \$6.0 million for FY 2023, \$19.4 million for FY 2024, \$27.0 million for FY 2025, and \$7.6 million for FY 2026. The Corporation indicates private funds estimated at \$35.8 million are under negotiation for additional dedicated offshore wind infrastructure and laydown space. It did not include these funds in its operating request. The Executive Office indicates it intended to request \$19.4 million to be consistent with Section 16. *The Governor recommends \$54.0 million for FY 2024, correcting for the exclusion and accelerating \$34.6 million from FY 2025 and FY 2026 to ensure timely obligation of funds.*

I-195 Redevelopment District Commission. The Executive Office requests \$1.2 million from general revenues, \$0.3 million more than enacted, for operational needs of the I-195 Redevelopment District Commission. The requested increase includes \$156,000 for one new project manager position for a total of 5.5 full-time equivalent positions, \$80,000 for community engagement and marketing, and \$48,050 for other operating expenses. The Commission was created by the 2011 Assembly as the responsible authority for the sale, marketing and oversight of land made available as a result of the relocation of Interstate 195. The enacted budget also assumes \$805,000 from Rhode Island Capital Plan funds for the Commission.

General obligation bonds approved in the March 2, 2021 special election included \$4.0 million to finance infrastructure and development projects for the parks within the I-195 Redevelopment District.

Pursuant to Rhode Island General Laws, Section 42-64.14-8, the Commission is authorized to assess fees for services or commodities supplied by the Commission, provided that it disburses to the City of Providence one-half of such fees collected or one-half of such fees the city would have received from the project. The Commission approved a fee schedule during a public hearing on August 28, 2018, of 1.4 percent of building costs. The Commission has also instituted third-party fees for some services during the Commission's review process. For example, the Commission has put a per square foot of building area fee in contract terms to provide support to the District's seven acres of parks; for FY 2024, this fee is estimated to generate around \$310,000. As additional property is developed, those proceeds will grow. The 2021 Assembly also authorized an agreement between Twin River and the Commission to grant naming rights to parklands under the Commission's ownership in exchange for \$250,000 for FY 2022, \$150,000 for FY 2023, and \$100,000 each year thereafter.

The constrained request includes \$0.3 million less. This would likely shift expenses to the I-195 Redevelopment Fund, as the Commission typically awards itself from the fund when costs exceed appropriations. *The Governor recommends the requested increase.*

Polaris Manufacturing Extension Partnership. Consistent with the enacted budget, the Executive Office requests \$450,000 from general revenues for the Polaris Manufacturing Extension Partnership. Polaris is a Providence-based non-profit organization that provides support to manufacturers within the state through training and consultation for sustainable growth, innovative technology strategies and cost efficient operations, and talent development. Polaris also supports the economic development initiatives of the Executive Office and Commerce Corporation by gathering industry-specific information to inform policy initiatives. The 2022 Assembly increased funding by \$100,000 to Polaris to provide a match for federal National Institute of Science and Technology funding.

Polaris Manufacturing Extension Partnership is under the hierarchy of the URI Foundation, and is affiliated with the 401 Tech Bridge, a non-profit economic development organization which has received several

funding awards from the Corporation under a variety of sources. Funding has been provided under the Industry Cluster Grant, First Wave Closing Fund, Rebuild Rhode Island, and an Innovation Campus award paid from 2016 general obligation bond funds. *The Governor recommends funding as requested.*

Small Business Innovation Research. The Executive Office requests the enacted level of \$1.0 million from general revenues to support the Innovate RI Small Business Fund and the Bioscience and Engineering Internship programs. The Science and Technology Advisory Council developed guidelines to administer the programs. To be eligible, a business must meet the following conditions: be a Rhode Island-based business with 50 or fewer employees and have at least 51.0 percent of its employees residing in the state. A business must also certify that at least 51.0 percent of its research will be conducted in the state. Pursuant to the guidelines, an applicant may receive a matching grant of 30.0 percent of the amount of the recipient's federal award with a maximum matching grant not to exceed \$45,000 for a phase I award and a 10.0 percent match up to \$0.1 million for phase II awards.

The constrained request reduces funding by \$0.5 million, which represents carry-over funding from a one-time lag in FY 2017 awards. *The Governor recommends funding consistent with the enacted budget.*

Urban Ventures. The Executive Office requests the enacted level of \$140,000 from general revenues to support an urban business incubator operated by Urban Ventures, a 501(c)(3) organization founded in January of 1999 under the State Urban Economic Development Agenda. Section 42-64-13.1 of the General Laws, provides for the establishment of an urban enterprise equity fund and an annual appropriation to an urban business incubator. Historically, Urban Ventures has been the operator of the incubator and was previously funded through the community service grant program. The incubator is designed to assist and support entrepreneurial activities by minority and low or moderate income persons, and to assist urban communities and neighborhoods where there is insufficient economic and business investment to revitalize their local economies. Rhode Island General Laws, Section 42-64-13.1(e) requires the state to provide support to an urban business incubator. *The Governor recommends funding as requested.*

ARPA - Minority Business Accelerator. The Executive Office requests \$4.0 million, including \$2.0 million each from general revenues and State Fiscal Recovery funds, for a minority business accelerator grant program. The proposal includes capital grants to businesses, service and program grants to business support organizations, and technical assistance. The request includes \$2.0 million more from general revenues than enacted to provide additional grants. The Executive Office indicates it intended to request a total of \$6.0 million, including \$4.0 million from federal funds to be consistent with Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, which contains multiyear appropriations of State Fiscal Recovery funds.

The 2022 Assembly required that \$0.5 million support the Rhode Island Black Business Association and \$0.3 million support the Roger Williams University Business Start-Up Clinic. It also required that the Executive Office work with minority small business associations to advance this program. The Executive Office indicates program design and additional requested funding are the result of discussion with these organizations and its March 2022 Black, Indigenous, and People of Color Small Business Ecosystem Assessment, developed in collaboration with the Rhode Island Foundation.

The constrained request excludes \$2.0 million from general revenues. *The Governor recommends \$4.0 million from State Fiscal Recovery funds, consistent with the approved plan.*

Chafee Center. The Executive Office requests the enacted amount of \$476,200 from general revenues for the Chafee Center at Bryant University. The Chafee Center is the state's designated State International Trade Office and works to increase the value of small and medium business' international exports. The Chafee Center had been funded at \$376,200 from FY 2016 to FY 2018. It has been funded at the current level since FY 2019. *The Governor recommends funding as requested.*

Airport Impact Aid. The Executive Office requests the enacted amount of \$1.0 million from general revenues passed through to communities that host the state’s airports. There are six airports in Rhode Island located in Warwick, New Shoreham, Middletown, Smithfield and Lincoln, North Kingstown, and Westerly. The community payments are made proportionally based on the number of total landings and takeoffs.

The Assembly annually authorizes 60.0 percent of the appropriated funds that shall be distributed to each airport serving more than one million passengers based upon its percentage of the total passengers served by all airports serving more than one million passengers. The remaining 40.0 percent is distributed based on the shares of total takeoffs and landings during the prior calendar year. Each airport shall make a payment to the cities or towns in which any part of the airport is located within 30 days of receipt of payment from the Corporation and each community shall receive at least \$25,000.

The constrained request includes \$197,193 less. *The Governor recommends funding at the enacted level.*

Municipal Infrastructure Grant Program. The Executive Office’s request excludes funding for the Municipal Infrastructure Grant program for which the enacted budget includes \$2.5 million from general revenues. The 2018 Assembly established a program within the Department of Administration to support publicly-owned infrastructure projects including, but not limited to, sewers, utility extensions, streets, roads, curb-cuts, parking, water treatment systems, telecommunications systems, transit improvements, and pedestrian ways. The projects are intended to support job creation and expansion, housing development and rehabilitation, and other community development projects. The 2021 Assembly provided \$1.0 million, transferred from the program to the Rhode Island Infrastructure Bank, and repealed the state appropriation prohibition. The 2022 Assembly provided \$2.5 million. *The Governor excludes funding as requested.*

OSCAR Program. The Executive Office’s request excludes funding for the Ocean State Climate Adaptation and Resilience Fund for which the enacted budget includes \$4.0 million from general revenues intended as one-time funding. The Fund was established 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. The Fund consists of any sums appropriated by the General Assembly, federal, state or bond funds, money received from private donors and any interest earned on the money in the fund. The 2021 Assembly provided \$1.0 million and the 2022 Assembly provided \$4.0 million. As of January 2023, the Bank is holding public hearings on proposed program rules. *The Governor excludes funding as requested.*

Other Pass-Through Initiatives. The Executive Office requests the enacted level of \$950,000 from general revenues for two initiatives that are passed through the Executive Office’s budget but are not part of its core operations.

Science and Technology Advisory Council. The request includes the enacted amount of \$0.9 million for participation in the National Science Foundation’s Experimental Program to Stimulate Competitive Research. Initially, this was a three-year commitment, which ended in FY 2011; FY 2015 marked the last year of the second five-year commitment. In FY 2015, the Science and Technology Advisory Council was awarded a federal grant to continue the program, which requires state support. Funding provides the state match to federal grant awards to establish a partnership between state government, higher education and industry to effect lasting improvements in research infrastructure and national research and development competitiveness. *The Governor recommends funding as requested.*

East Providence Waterfront Commission. The request includes the enacted amount of \$50,000 from general revenues for the East Providence Waterfront Commission, of which \$45,000 is for Commission staff. The Commission is charged with facilitating the transformation of the East Providence waterfront into a model of urban revitalization. *The Governor recommends funding as requested.*

Executive Office

CPF - Broadband. The Executive Office requests \$15.4 million from federal Capital Projects funds to invest in broadband projects to provide high-speed, reliable internet to all Rhode Islanders. Rhode Island will receive at least \$100.0 million from federal funds for broadband through the Infrastructure Investment and Jobs Act and the Digital Equity Act, both passed in 2021. Municipalities, public housing authorities, businesses, and internet service providers can use these funds to expand access to reliable, high-speed internet to unserved and underserved communities; however, matching funds and a five-year statewide strategic plan are required. The Corporation anticipates receiving \$5.0 million for planning expenses in FY 2023.

The Assembly enacted 2021-H 6494, Substitute A, containing \$0.5 million from State Fiscal Recovery funds to develop a state broadband infrastructure strategic plan and hire a new Broadband Director position at the Commerce Corporation. The strategic plan is due December 31, 2022 and the Corporation indicates the position was filled in July 2022. Article 1 of 2022-H 7123, Substitute A, as amended, contains multiyear appropriations of Capital Projects funds, including \$25.0 million to augment or provide a match for broadband investments made available through the Infrastructure Investment and Jobs Act programmed at \$15.4 million for FY 2023, \$5.2 million for FY 2024, and \$4.4 million for FY 2025. It also stipulated that funds be used for purposes specified in the strategic plan and may not be obligated prior to its submission. The strategic plan was submitted on December 30, 2022.

The Executive Office indicates it intended to request \$5.2 million, consistent with Section 16. *The Governor recommends \$9.6 million, correcting for the overstatement and advancing \$4.4 million from FY 2025. A detailed description of this project is included in the Capital Budget section of this publication.*

Digital Governance. The Executive Office's capital request includes \$15.0 million from Rhode Island Capital Plan funds for a new project to implement a digital government initiative to centralize and digitize transactions with the state. The enacted budget includes \$2.5 million from Information Technology Investment funds for a similar project within the Department of Business Regulation, which the Executive Office intends to expand. The Executive Office intends to manage a multiagency paperless initiative which will also centralize forms and other interactions with businesses onto a single website. It indicates details on the cost, scope, and governance structure of this initiative is subject to ongoing discussions with the Division of Information Technology and other agencies. The Executive Office indicates it intended to request funding consistent with its capital request, which includes \$5.0 million annually for FY 2024 through FY 2026. Rhode Island Capital Plan funds are typically limited to capital projects related to physical assets. *The Governor's recommendation includes \$5.0 million from information technology funds in the Department of Administration's budget.*

Site Readiness. The Executive Office requests \$1.4 million from general revenues, \$0.4 million more than enacted, to assist municipalities to develop pad-ready industrial sites. The Governor's FY 2020 budget recommendation included \$3.3 million, including \$2.3 million from general revenues and \$1.0 million from Rhode Island Capital Plan funds for a pilot program to provide municipalities with training, investments, and authority to expedite development. The 2019 Assembly did not concur with the majority of the proposal but provided \$1.0 million from general revenues. In the March 2, 2021 special election, voters approved question seven for \$40.0 million from new general obligation bonds to fund an industrial site development program overseen by the Quonset Development Corporation. The Executive Office indicates additional funding would support a fellowship program to provide technical experts to municipalities, subject to a matching requirement.

The program began accepting applications on October 1, 2019. Funding is awarded for two categories, site specific improvement and municipal assistance. Improvements considered by the Corporation include engineering, environmental, and survey studies, infrastructure improvements, land clearing, and building

improvements. Minimum acreage thresholds for urban projects are two acres or 0.1 million square feet; projects in other areas should be at least one acre. Municipal assistance could include streamlining land use and permitting processes, zoning and planning board member or building code official training, assistance writing zoning ordinances or planning documents or marketing support. As of November 2022, the Commerce Corporation has awarded \$3.0 million to 53 projects with 47 distinct recipients. Including carry-forward funding, there should be \$1.4 million available.

The constrained request is consistent with the enacted level of funding. *The Governor recommends the enacted level of funding.*

New Positions (3.0 FTE). The Executive Office requests \$415,704 from general revenues for three new positions for its central management section. After the establishment of the Department of Housing, the Executive Office will only have 3.0 full-time equivalent positions and will lose access to a fiscal officer residing in the Office of Housing and Community Development. Consistent with its revised request, the Executive Office requests a chief financial officer for \$154,850, a communications position for \$147,850, and an administrative secretary for \$113,004. Agencies of similar size rarely maintain a dedicated financial position at this classification level and most resources budgeted for the Executive Office are passed through to quasi-public entities with their own financial officers. It should also be noted that the Executive Office essentially uses the Commerce Corporation as an extension of its office; as of the Corporation's calendar year 2022 budget, there are 6.0 full-time equivalent positions at the Corporation explicitly associated with the Executive Office. *The Governor recommends \$0.3 million for the finance officer and administrative secretary positions, which would increase the Executive Office's total authorization to 5.0 positions.*

Other Personnel and Operations. The Executive Office requests \$0.9 million from general revenues, \$384,522 less than enacted, for operations and personnel expenditures associated with 3.0 full-time equivalent positions. The requested reduction reflects current service level adjustments, filling positions at lower pay steps, transfer of the Secretary of Housing to the new Department of Housing, and excluding costs associated with the time of a fiscal officer who resides in the Office of Housing and Community Development. *The Governor recommends \$32,792 more than requested from general revenues to reflect updated medical benefit estimates.*

Capital Projects. The Executive Office requests the enacted amount of \$0.8 million from Rhode Island Capital Plan funds to support the I-195 Commission's planning and zoning expenses. Requested expenditures typically do not fit the definition of capital projects; however, the Commission capitalizes these costs due to their project-specific transactional nature. The Executive Office indicates it intended to request \$100,000 more to finance infrastructure and development projects for the District's parks.

The approved plan includes \$104.0 million for FY 2023 from general obligation bonds for five projects approved by voters in November 2016 and in a March 2021 special election. This includes \$80.0 million for three projects overseen by the Quonset Development Corporation, \$20.0 million for land acquisition for the Port of Providence, and \$4.0 million for the parks located in the I-195 Redevelopment District. *The Governor recommends \$0.1 million less than enacted from Rhode Island Capital Plan funds for the I-195 Commission's planning and zoning expenses. A detailed description of the projects is included in the Capital Budget section of this publication.*

Department of Housing

	FY 2023 Enacted*	FY 2023 Revised*	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 2,144,773	\$ 1,753,337	\$ 5,238,472	\$ 5,364,538
Contracted Services	5,761,000	921,391	500,000	500,000
Subtotal	\$ 7,905,773	\$ 2,674,728	\$ 5,738,472	\$ 5,864,538
Other State Operations	6,262,815	4,820,424	3,238,109	1,433,065
Aid to Local Units of Government		-	-	-
Assistance, Grants, and Benefits	35,642,554	54,451,340	43,253,340	64,253,340
Capital	-	-	126,600	105,000
Capital Debt Service	-	-	-	-
Operating Transfers	72,500,000	78,759,175	72,500,000	110,500,000
Total	\$ 122,311,142	\$ 140,705,667	\$ 124,856,521	\$ 182,155,943
Sources of Funds				
General Revenue	\$ 1,522,293	\$ 1,247,736	\$ 4,893,548	\$ 4,997,895
Federal Aid	113,124,699	131,793,781	112,298,823	169,493,898
Restricted Receipts	7,664,150	7,664,150	7,664,150	7,664,150
Other	-	-	-	-
Total	\$ 122,311,142	\$ 140,705,667	\$ 124,856,521	\$ 182,155,943
FTE Authorization	17.0	17.0	35.0	38.0

*FY 2023 duplicates operations transferred from the Executive Office of Commerce for reference

Summary. The 2022 Assembly adopted several pieces of legislation pertaining to housing. One of which created the Department of Housing to be administered by a secretary of housing, effective January 1, 2023. The Department will oversee and serve as the lead agency of the Executive Branch for the promotion of housing creation, affordable housing, and homelessness support. Beginning July 1, 2023, the Department will be transferred the functions and operations of the Office of Housing and Community Development from the Executive Office of Commerce. The Department requests expenditures of \$124.9 million, including \$4.9 million from general revenues and 35.0 full-time equivalent positions. Compared to the Office's enacted budget, the request is \$2.5 million more, including \$3.4 million more from general revenues and 18.0 new positions. *The Governor recommends 3.0 more positions and \$57.3 million more than requested, including \$0.1 million more from general revenues and \$57.2 million more from federal funds, largely to reflect the advancement of State Fiscal Recovery funds compared to the approved plan.*

Housing Reorganization Plan. The 2022 Assembly passed 2022 H-7940, Substitute A, as amended, which elevates the Deputy Secretary of Commerce for Housing to the new position of Secretary of Housing. It transfers authority and coordination responsibilities for all state housing initiatives, the development of a state housing plan, and oversight of the Office of Housing and Community Development to the Secretary. It also requires the Secretary to develop a reorganization plan for housing functions in all state and quasi-state entities by November 1, 2022, including the structure of a new Department of Housing.

The reorganization plan was submitted on November 18 and lacked required formal commentary from other state agencies, an assessment of the current structure, and advantages and disadvantages of the proposed changes. The Department later indicated that input from state agencies and cost-benefit criteria were

incorporated into the plan's methodology and are reflected in its recommendations. Under the plan, the Department would assume authority over the Housing Resources Commission, direct administration of all state and federal housing funds currently administered by the Commission and RI Housing, and be transferred several programs housed within the Departments of Administration; Behavioral Health, Developmental Disabilities and Hospitals; and Human Services as well as the Executive Office of Health and Human Service and Governor's Commission on Disabilities. The Department would be responsible for all external communications and statutorily required reports related to housing. It also recommends strong consideration to making the Secretary ex officio chairman of the RI Housing Board and recommends adding the Secretary to the Statewide Planning Council and Public Safety Grant Administration Policy Board. *The Governor's recommendation does not include any new legislation to effectuate the proposed changes.*

Housing Production Fund. The Department requests \$3.0 million from Housing Production Fund restricted receipts, consistent with the Office's enacted budget, to provide financial or technical assistance to support the creation and preservation of affordable housing. The 2021 Assembly enacted a second tier of the Real Estate Conveyance Tax, doubling the tax to \$4.60 for each \$500 increment for residential property over \$0.8 million, and reallocated a portion to be deposited in a new housing production fund, effective January 1, 2022. At the time it was estimated to yield \$4.3 million annually. Based on collections as of December 2022, the yield is expected to exceed the initial estimate. The 2021 Assembly also provided \$25.0 million from general revenues in FY 2022 to capitalize the fund and required that funds be disbursed subject to program and reporting guidelines adopted by the Coordinating Committee. As of November 2022, Rhode Island Housing has made awards totaling \$11.0 million and has \$17.9 million in available funds. *The Governor recommends funding as requested.*

ARPA - Development of Affordable Housing. Consistent with the Office's enacted budget, the Department requests \$30.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. Funds provide an additional directed subsidy as a match to multiple sources of financing, including federal low-income tax credits, affordable housing general obligation bond funds, and the Housing Production Fund authorized by the 2021 Assembly. Legislation requires that funds be distributed with the federal tax credit and bond funding administered by Rhode Island Housing under the existing application process.

The Assembly enacted 2021-H 6494, Substitute A, containing \$15.0 million for this initiative, consistent with the Governor's intent. The 2022 Assembly enacted Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, which contains multiyear appropriations of State Fiscal Recovery funds, including \$100.0 million for this initiative, programmed at \$15.0 million approved previously for FY 2022, \$30.0 million for each FY 2023 and FY 2024, and \$25.0 million for FY 2025. It also stipulated that \$10.0 million shall sustain a pilot program to support low income public housing vouchers and financing. The Office spent \$14.7 million in FY 2022 and Rhode Island Housing indicates it is discussing the format of the pilot program with municipal public housing authorities. *The Governor's recommendation advances \$25.0 million from FY 2025 to FY 2024 to ensure the state can meet federal deadlines for formally obligating the funds; actual spending can still occur over a longer time horizon.*

ARPA - Predevelopment and Capacity Building. Consistent with the Office's enacted budget, the Department requests \$0.5 million from State Fiscal Recovery funds for consultants to provide administrative support to the Office of Housing and Community Development. Funding is intended to assist with managing the increased resources for federal and other housing related programs and address lack of administrative capacity as a barrier to implementing affordable housing initiatives.

The Assembly enacted 2021-H 6494, Substitute A, containing \$0.5 million for this initiative, consistent with the Governor's intent, and required monthly progress reports. The 2022 Assembly enacted Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, which contains multiyear appropriations of State

Fiscal Recovery funds, including \$1.5 million for this initiative, programmed at \$0.5 million annually for FY 2022 through FY 2024. It also provided 4.0 new full-time equivalent positions for the Office to expand its capacity. The Department hired its first consultants in March 2022 and has not submitted any monthly reports which were due beginning February 2022. *The Governor recommends funding as requested.*

ARPA - Down Payment Assistance. Consistent with the Office's enacted budget, the Department requests \$10.0 million from State Fiscal Recovery funds to provide down payment assistance to eligible first-time homebuyers. Funds are used to provide grants of \$17,500 to promote household homeownership. The program is similar to others run by Rhode Island Housing and uses nearly identical eligibility requirements. As of December 2022, Rhode Island Housing is finalizing an agreement with the Pandemic Recovery Office and anticipates program launch in January 2023. Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, contains multiyear appropriations of State Fiscal Recovery funds, including \$30.0 million for this initiative, programmed at \$10.0 million annually for FY 2023 through FY 2025. *The Governor's recommendation advances \$10.0 million from FY 2025 to FY 2024 to ensure the state can meet federal deadlines for formally obligating the funds; actual spending can still occur over a longer time horizon. The program launched in January.*

ARPA - Workforce Housing. The Department requests \$12.0 million from State Fiscal Recovery funds, consistent with the Office's enacted budget, to increase the supply of housing for Rhode Island families earning up to 120 percent of area median income. The program is similar to others run by Rhode Island Housing and uses nearly identical eligibility requirements. It will manage this program to increase or make additional awards. Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, contains multiyear appropriations of State Fiscal Recovery funds, including \$20.0 million for this initiative programmed at \$12.0 million for FY 2023 and \$8.0 million for FY 2024. The Department indicates it intended to request \$4.0 million less to be consistent with Section 16. *The Governor recommends \$8.0 million, consistent with Section 16.*

ARPA - Affordable Housing Predevelopment. Consistent with the Office's enacted budget, the Department requests \$2.5 million from State Fiscal Recovery funds to reduce pre-construction barriers to housing development. Funds support predevelopment, including prerequisite environmental studies and legal work, to build a pipeline of new projects and the capacity of affordable housing developers. Rhode Island Housing manages this program and makes awards on a rolling basis to supplement awards it already provides. Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, contains multiyear appropriations of State Fiscal Recovery funds, including \$10.0 million for this initiative programmed at \$2.5 million annually for FY 2023 through FY 2026. *The Governor's recommendation advances \$5.0 million from FY 2025 and FY 2026 to FY 2024 to ensure the state can meet federal deadlines for formally obligating the funds; actual spending can still occur over a longer time horizon.*

ARPA - Home Repair and Community Revitalization. The Department requests \$15.0 million from State Fiscal Recovery funds, consistent with the Office's enacted budget, to support Rhode Island Housing's acquisition and revitalization program. The program finances acquisition and redevelopment of blighted properties in disadvantaged communities to increase the number of commercial and public spaces, and affordable housing. It was originally created using \$10.0 million from general obligation bonds approved in November 2016. The program also supports critical home repairs within the same communities. Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, contains multiyear appropriations of State Fiscal Recovery funds, including \$25.0 million for this initiative programmed at \$15.0 million for FY 2023 and \$10.0 million for FY 2024. The Department indicates it intended to request \$5.0 million less to be consistent with Section 16. *The Governor recommends \$10.0 million, consistent with Section 16.*

ARPA - Statewide Housing Plan. The Department of Housing requests \$2.0 million from State Fiscal Recovery funds, consistent with the Office's enacted budget, to develop a statewide comprehensive housing

plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. These funds also support municipal planning efforts. Around \$0.6 million of these funds are being used by the Office to produce statutorily required reports. The Department of Housing indicates its request is in error and it intended to exclude these onetime funds.

2021 Assembly added a Deputy Secretary of Housing position for the Executive Office to coordinate state housing policy and submit an annual report on housing conditions, which was hired in January 2022. It also required an annual integrated housing report effective December 31, 2022, with detailed data on the housing stock, occupancy, development trends, and deficiencies over time across municipalities, affordability levels, sources of developer funding, and comparison to other similar states. The Executive Office submitted a preliminary report in December 2021 and a final report in January 2023, both of which did not include required recommendations. The Department later noted that in order to ensure its submission would pass review and verification by the Office of Revenue Analysis, it only pulled from a limited number of reputable existing sources. The 2022 Assembly required a housing reorganization plan by November 1, 2022, which was submitted on November 18 and would consolidate authority over housing issues within the new Department of Housing. *The Governor's recommendation excludes these onetime funds.*

Housing Opportunities for Persons with AIDS. The Department requests \$0.2 million from federal funds, \$0.6 million less than enacted for the Office, for the administration of the federal Housing Opportunities for Persons with AIDS. The federal grant is awarded every three years. The Department's request reflects only funds available at the time and does not include estimated funds from the next round of awards expected to be announced in 2023. Rhode Island Housing and the Office of Housing and Community Development previously agreed to transfer the grant to the state to consolidate the homelessness and supportive housing initiatives within the Executive Office. Housing for Persons with AIDS is the only federal program dedicated to the housing needs of low-income people living with HIV and AIDS. These funds may also be used for services including, but not limited to, assessment and case management, substance abuse and/or mental health treatment, nutritional services, job training and placement assistance. *The Governor recommends \$0.2 million more than requested based on available federal funds.*

Neighborhood Stabilization Grant. The Department's request excludes funding for federal Neighborhood Stabilization Program eligible activities to reflect exhaustion of program funds. The enacted budget includes \$0.4 million. The revised request includes \$0.1 million to reflect remaining funds. The Neighborhood Stabilization Program provides emergency assistance to state and local governments to mitigate abandonment and blight by purchasing foreclosed or abandoned homes to rehabilitate, resell, or redevelop in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008. The Department reports there is no new funding for this program and it is only spending down existing funds. *The Governor recommends funding as requested.*

ARPA - Homelessness Infrastructure. The Department requests \$15.0 million from State Fiscal Recovery funds, consistent with the Office's enacted budget, to increase facility capacity for individuals experiencing homelessness. Fund uses include acquisition or construction of new temporary or permanent housing for those at risk of homelessness, as well as additional wraparound services and administrative costs. The 2022 Assembly stipulated that \$10.0 million of this amount support Crossroads Rhode Island sponsored housing developments. The Department indicates its request is in error and it intended to show these funds for FY 2023 only. As of January 2023, all funds have been allocated but no expenses have been incurred. *The Governor recommends \$30.0 million for FY 2024, to bring total support to \$45.0 million, and for both years explicitly expands allowable uses to prevention and stabilization programs.*

ARPA - Homelessness Assistance Program. Consistent with the Office’s enacted budget, the Department requests \$7.0 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. The Office of Housing and Community Development and Rhode Island Housing administer this program which provides grants to service providers, with training and policy support from the Continuum of Care and Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, and administrative support through the Affordable Housing Predevelopment and Capacity initiative, discussed separately.

The Assembly enacted 2021-H 6494, Substitute A, containing \$1.5 million for this initiative, consistent with the Governor’s intent. It also required the chief of the Office of Housing and Community Development to provide monthly progress reports regarding achievement of these efforts, including describing any changes since the last report. As of December 2022, the Office has not submitted any monthly progress reports. The 2022 Assembly enacted Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, which contains multiyear appropriations of State Fiscal Recovery funds, including \$21.5 million for this initiative programmed at \$1.5 million approved previously for FY 2022, \$7.0 million for each FY 2023 and FY 2024, and \$6.0 million for FY 2025. *The Governor’s recommendation advances \$6.0 million from FY 2025 to FY 2024 to ensure the state can meet federal deadlines for formally obligating the funds; actual spending can still occur over a longer time horizon.*

ARPA - Site Acquisition. The Department requests \$3.0 million from State Fiscal Recovery funds, consistent with the Office’s enacted budget, to continue a site acquisition program 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. During 2020, \$1.6 million was spent to subsidize two developments. The 2021 Assembly specified Rhode Island Housing as the managing entity and required that funding be used to finance projects that require a minimum deed restriction of at least 30 years and a non-recourse financing structure.

The Assembly enacted 2021-H 6494, Substitute A, containing \$12.0 million for this initiative, consistent with the Governor’s intent. The 2022 Assembly enacted Section 16 of Article 1 of 2022-H 7123, Substitute A, as amended, which contains multiyear appropriations of State Fiscal Recovery funds, including \$25.0 million for this initiative programmed at \$12.0 million approved previously for FY 2022, \$3.0 million for FY 2023, and \$5.0 million for each FY 2024 and FY 2025. As of November 2022, Rhode Island Housing indicates it has obligated all funds enacted for FY 2022 and FY 2023. The Department indicates it intended to request \$2.0 million more to be consistent with Section 16. *The Governor recommends \$7.0 million more than requested to represent funding consistent with Section 16 and also advance \$5.0 million from FY 2025 to FY 2024 to ensure the state can meet federal deadlines for formally obligating the funds; actual spending can still occur over a longer time horizon.*

Homelessness Assistance Grants. The Department requests \$3.3 million, \$2.0 million less than the Office’s enacted budget, from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants to reflect new awards. The requested reduction reflects federal support returning to pre-pandemic norms. The Housing Resources Commission typically allocates funding to the private shelter system. *The Governor recommends funding as requested.*

Lead Abatement and Housing Rental Subsidies. Consistent with the Office’s enacted budget, the Department requests \$4.7 million from restricted lead abatement and housing rental subsidy resources. Funding is from a dedicated portion of the Real Estate Conveyance Tax; the 2014 Assembly amended the tax statute to provide a permanent stream of funding to be used by the Housing Resources Commission for lead hazard reduction abatement, rental subsidy and shelter operations. The 2015 Assembly further amended the statute to essentially extend the tax and its existing distribution of proceeds to the sale of a controlling interest in a business entity that holds interest in the property. The November 2022 Revenue Estimating Conference estimated that the state would retain a total of \$21.0 million from the tax in each FY

2023 and FY 2024, which should equate to a \$7.0 million yield in each year for the Commission's share. *The Governor recommends funding as requested.*

Community Development Block Grants. The Department requests \$10.9 million from federal Community Development Block Grant funds, \$2.1 million more than the Office's enacted budget. Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket are entitlement communities which receive their Community Development Block Grants directly from U.S. Housing and Urban Development; the remaining 33 communities' grants are administered by the state. *The Governor recommends funding as requested.*

New Department Expansion (18.0 FTE). The Department requests \$2.9 million from general revenues for salaries, benefits, and operating costs associated with 18.0 new full-time equivalent positions. The request includes \$2.6 million for personnel costs, which equates to an average salary of \$86,621 and total cost of \$142,725 per position, and would increase the Department's total authorization to 35.0. The Department indicates this value is a placeholder as it determines the number and type of positions necessary to manage increased resources for housing and functions currently provided by the Executive Office of Commerce. It should be noted that the enacted budget includes only 3.0 positions dedicated to the Executive Office, which provide minimal support for housing issues. The request also includes \$0.3 million for operating costs, including \$135,000 for new lease expenses. The Office is currently occupying space leased by the Commerce Corporation that is insufficient to accommodate new personnel. It is in discussions with the Division of Capital Asset Management and Maintenance to find a new location.

The 2022 Assembly passed 2022 H-7940, Substitute A, as amended, which elevates the Deputy Secretary of Commerce for Housing to the new position of Secretary of Housing. It transfers authority and coordination responsibilities for all state housing initiatives, the development of a state housing plan, and oversight of the Office to the Secretary of Housing. Effective January 1, 2023, it establishes a new Department of Housing; however, all staff will remain within the Executive Office of Commerce under a shared staffing agreement until the end of FY 2023. The 2022 Assembly also provided \$0.5 million and authorization for 4.0 new positions for the Office of Housing and Community Development to assist with managing increased resources for federal and other housing related programs in preparation of the creation of a new Department of Housing. As of December 2022, one position has been filled.

The constrained request includes \$0.2 million less for operating expenses. *The Governor recommends \$53,457 and 3.0 more full-time equivalent positions than requested. The recommendation reflects updated estimates and identifies a total of 21.0 new positions, including 9.0 analysts, 5.0 programming officers, 2.0 legal positions, 2.0 compliance positions, 2.0 public affairs positions, and 1.0 chief of staff.*

Other Personnel and Operations. The Department requests \$2.9 million, including \$2.0 million from general revenues and \$0.9 million from federal funds, for all other operations and personnel expenses associated with its existing 17.0 full-time equivalent positions. The Office provides financial and operational support for all housing programs administered by the Housing Resources Commission. The Commission was established in 1998 to direct the state's housing policy planning programs, including rental assistance, lead abatement, supporting non-profit homeless service providers, and administering the Community Development Block Grant support for most of the state's communities. The request is \$0.5 million more than the Office's enacted budget, almost entirely from general revenues, and reflects personnel costs associated with transferring the Secretary of Housing to the Department from the Executive Office of Commerce, current service adjustments, and loss of transfer savings associated with time its fiscal officer spends helping the Executive Office. *The Governor recommends \$51,009 more than requested, almost entirely from general revenues, to reflect updated centralized services and benefit cost expectations.*

Department of Labor and Training

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Central Management	\$ 1,444,962	\$ 836,467	\$ 2,585,169	\$ 2,194,817
Workforce Development Services	20,575,740	38,560,118	27,561,938	27,930,817
Workforce Regulation and Safety	4,240,619	3,972,975	4,742,076	4,542,857
Income Support	555,862,349	514,177,377	437,826,346	440,077,810
Injured Workers Services	11,403,127	10,253,503	9,977,996	10,860,358
Labor Relations Board	452,822	544,502	553,747	553,932
Governor's Workforce Board	40,474,377	42,945,058	33,146,047	43,306,830
Total	\$ 634,453,996	\$ 611,290,000	\$ 516,393,319	\$ 529,467,421
Expenditures by Category				
Salaries and Benefits	\$ 54,973,740	\$ 52,077,372	\$ 55,830,614	\$ 55,868,828
Contracted Services	9,189,413	8,065,876	8,921,101	8,921,101
Subtotal	\$ 64,163,153	\$ 60,143,248	\$ 64,751,715	\$ 64,789,929
Other State Operations	126,509,762	115,286,905	24,026,602	16,742,490
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	437,354,415	429,875,531	424,143,702	444,143,702
Capital	144,405	2,709,316	196,300	516,300
Capital Debt Service	-	-	-	-
Operating Transfers	6,282,261	3,275,000	3,275,000	3,275,000
Total	\$ 634,453,996	\$ 611,290,000	\$ 516,393,319	\$ 529,467,421
Sources of Funds				
General Revenue	\$ 22,842,351	\$ 22,634,298	\$ 18,354,250	\$ 17,725,177
Federal Aid	187,176,605	171,277,006	63,520,006	75,724,375
Restricted Receipts	32,302,318	35,313,317	29,857,698	30,935,203
Other	392,132,722	382,065,379	404,661,365	405,082,666
Total	\$ 634,453,996	\$ 611,290,000	\$ 516,393,319	\$ 529,467,421
FTE Authorization	461.7	461.7	461.7	461.7

Summary. The Department of Labor and Training requests \$516.4 million from all fund sources, which is \$118.1 million less than enacted, including reductions of \$4.5 million from general revenues, \$123.7 million from federal funds, and \$2.4 million from restricted receipts, offset by \$12.5 million more from other funds. The request includes the authorized level of 461.7 full-time equivalent positions. *The Governor recommends \$529.5 million from all sources, including \$17.7 million from general revenues. This is \$13.1 million more than requested, including \$0.6 million less from general revenues. Consistent with the enacted level, the recommendation includes 461.7 full-time equivalent positions.*

Target Issues. The Budget Office provided the Department with a general revenue target of \$16.5 million. The amount includes current service adjustments of \$5.7 million and a 5.0 percent target reduction, adjusted for certain exclusions, of \$0.6 million. The Department's request is \$0.1 million above the target. The proposals to achieve the reductions are noted among the following items where appropriate. *The Governor's recommendation is \$1.2 million above the target.*

FY 2024 Budget	Budget Office		DLT	Difference		
FY 2023 Enacted	\$	22,842,351	\$	22,842,351	\$	-
Current Service Adjustments		(5,711,927)		(5,588,101)		123,826
New Initiatives		-		1,100,000		1,100,000
Change to FY 2023 Enacted	\$	(5,711,927)	\$	(4,488,101)	\$	1,223,826
FY 2024 Current Service/ Unconstrained Request	\$	17,130,424	\$	18,354,250	\$	1,223,826
Target Reduction/Initiatives		(582,747)		(1,682,747)		(1,100,000)
FY 2024 Constrained Target/Request	\$	16,547,677	\$	16,671,503	\$	123,826
<i>Change to FY 2023 Enacted</i>	\$	<i>(6,294,674)</i>	\$	<i>(6,170,848)</i>	\$	<i>123,826</i>

Staffing. The Department requests \$55.8 million, \$0.9 million more enacted from all sources for its staffing expenses. By source, this includes increases of \$56,078 from general revenues, \$348,138 from federal funds, \$48,609 from restricted receipts, and \$134,443 from other funds. The Department’s various fund sources, primarily federal grants, cycle for a variety of reasons including economic conditions, and change the resources available to support the program staff. The resulting cost allocation redistributes positions among functions. Documents sent in support of the request inadvertently include 462.5 full-time equivalent positions for FY 2024. The Department reports this is in error; the request is for the authorized level of 461.7 full-time equivalent positions. The changes by function as submitted with the request are shown in the following table, but slightly overstated. *The Governor’s recommendation is consistent with the request, adjusted for an updated estimate of statewide medical benefits rates.*

Function	FY 2023 Enacted	FY 2024 Request	Chg. to Enacted
Governor's Workforce Board	15.6	19.8	4.3
Inmate Post-Release	1.5	0.8	(0.8)
Workforce Development	67.8	88.2	20.3
Unemployment Administration	183.8	155.3	(28.4)
Temporary Insurance	80.8	80.2	(0.6)
Workers' Compensation	45.5	41.9	(3.6)
Employer Tax	31.0	40.7	9.7
Police and Fire	1.0	1.0	-
Workforce Regulation and Safety	32.1	32.2	0.1
Other Staffing	2.7	2.5	(0.2)
Grand Total	461.7	462.5	0.8

Real Jobs Rhode Island. The Department requests \$26.9 million from all sources for the Real Jobs Rhode Island program, which is \$7.9 million more than enacted from all sources. The total includes the enacted level of \$5.5 million from general revenues, and \$16.1 million from federal funds, of which \$10.0 million is from State Fiscal Recovery funds approved by the 2022 Assembly, and assumes restricted receipts are \$5.3 million, consistent with the revised request. Federal funds changes primarily reflect \$6.2 million for a new Quality Jobs, Equity, Strategy and Training, or QUEST grant available from FY 2023 through FY 2025 to reduce barriers to participation, including childcare and transportation assistance, consistent with the Back to Work RI program the Department operated for FY 2021 and FY 2022. The restricted receipts reflect the allocation approved for FY 2023 at the May 2022 Governor’s Workforce Board meeting. The Department notes that the workforce board’s restricted receipts are used to fund multiple programs and the final allocation of resources is subject to actual utilization. The program’s functions are to place employees in job openings, advance skills of employed people, and create a talent pipeline for businesses. Processes and programs offered vary by participant and partnership.

The following table illustrates spending by source for the program since it began in FY 2016. Spending for the program had grown each year prior to FY 2021. The coronavirus pandemic reduced the availability of Governor’s Workforce Board restricted receipts; however, those resources continue to recover.

Real Jobs RI - Spending by Source				
Source/ Fiscal Year	General Revenues	Federal Funds	Restricted Receipts	Total
FY 2016	\$ -	1,111,149	1,064,653	\$ 2,175,802
FY 2017	\$ -	6,066,831	2,964,284	\$ 9,031,115
FY 2018	\$ -	4,510,071	7,607,314	\$ 12,117,385
FY 2019	\$ 3,950,000	3,915,207	10,846,691	\$ 18,711,898
FY 2020	\$ 5,450,000	5,038,985	8,357,602	\$ 18,846,587
FY 2021	\$ 4,905,737	2,605,092	501,813	\$ 8,012,642
FY 2022	\$ 5,450,000	1,260,954	3,228,230	\$ 9,939,184
FY 2023 Enacted	\$ 5,450,000	10,358,483	3,200,000	\$ 19,008,483
FY 2023 Revised	\$ 5,450,000	16,492,755	5,300,000	\$ 27,242,755
FY 2024 Gov. Rec.	\$ 5,450,000	26,125,000	5,300,000	\$ 36,875,000

The constrained request reduces the general revenue appropriation by \$0.6 million. *The Governor recommends advancing the \$10.0 million from State Fiscal Recovery funds authorized for FY 2025 to FY 2024, to ensure timely obligation of the federal funds, and concurs with the remainder of the request.*

Real Jobs Rhode Island - Nursing Facility Staff. Consistent with the enacted budget, the request includes \$600,000 from general revenues for enhanced training for direct care and support services staff to improve resident quality of care and address the changing health care needs of nursing facility residents due to higher acuity and increased cognitive impairments pursuant to Rhode Island General Law, Section 23-17.5-36. The Department reported it was working with stakeholders to define the funding requirements, and has targeted the University of Rhode Island to provide existing certified nursing assistants medication aide training, enhancing their skill and allowing nursing staff to focus more on patient care. For FY 2022, the Department reported having one agreement in place totaling \$30,000. As of January 6, 2023, the Department reports four additional agreements with an employer totaling \$38,712. Funding for these agreements is yet to be disbursed. *The Governor concurs.*

Healthcare Workforce Support - Skills RI. The enacted budget includes \$6.0 million from general revenues to support a healthcare workforce development initiative, which is assumed to be one-time. Skills for RI Future administers the program intended to address staffing shortages through recruitment efforts and talent development for existing staff by placing 200 participants, of which half are newly hired at Care New England and Lifespan. As proposed, this includes embedding Skills for RI Future staff at the human resources systems at the hospitals, wages subsidies for the employers, and wraparound services for participants. The Department reports contracts for \$5.1 million for Skills for RI Future for employment referrals and \$0.8 million for the Office of Postsecondary Commissioner for wraparound services. The Department's FY 2024 request excludes this funding. *The Governor concurs.*

Governor's Workforce Board Grants. The Department requests \$6.3 million, \$4.1million less than enacted from restricted receipts to support the multiple workforce development initiatives of the Governor's Workforce Board. This supports initiatives including the Real Pathways, Real Skills for Youth, the Incumbent Worker Training program, Prepare RI and other initiatives and its partners including Skills for Rhode Island's Future, Institute for Labor Studies and Research, and the Westerly Education Center. The Department notes that the workforce board's restricted receipts are used to fund multiple programs and the final allocation of resources is subject to actual utilization; the decrease reflects a higher anticipated allocation to Real Jobs RI, including consolidating the Real Pathways programming for people with disabilities, not a decrease for other programming. Accounting for that consolidation, the request appears to be \$1.4 million less than FY 2022 spending. *The Governor recommends funding as requested.*

Governor's Workforce Board Staffing and Operations. The Department requests \$3.5 million, \$0.5 million more than enacted from restricted receipts for staffing and operations of the Governor's Workforce

Board. The Board receives funding from the Job Development Fund, a 0.21 percent assessment of the employer's payroll tax; this funding can be used for staff or grants and operations. The staffing request includes \$2.8 million to fund 19.8 full-time equivalent positions allocated to these resources. This is \$0.7 million and 3.9 more positions than the enacted assumptions and \$0.2 million more or 0.4 positions more than the revised request, based on available resources. All other spending is essentially to align with FY 2022 spending, including current service adjustments. *The Governor recommends \$0.2 million more than requested to reflect an updated estimate of statewide medical benefits rates and centralized services billings, which are \$18,405 more than the enacted level, primarily for facilities management expenses.*

Year Up. The Department requests \$0.2 million from general revenues for Year Up, to provide underserved young adults programming for hands-on skill development, academic coursework, internships, and wraparound support. For each year of the FY 2018 to FY 2020 period Governor Raimondo provided support to Year Up from the Governor's Contingency Fund. The 2022 Assembly provided a \$0.2 million direct appropriation in the Department of Labor and Training's budget to continue those efforts. *The Governor concurs and includes proviso language in Article 1 of the appropriations act directing the funding accordingly.*

Workforce Development Grants. The Department requests \$7.8 million from all fund sources, \$0.3 million less than enacted, primarily from federal funds for workforce development grants. This includes the enacted level of \$0.7 million from general revenues, which supports apprenticeships for non-trade employment and work immersion programming which provides for subsidized employment. Federal funds include \$5.8 million from the Workforce Innovation and Opportunity Act, which is \$0.8 million less than enacted, including \$0.1 million more for youth programming, and \$0.9 million less for adult and displaced worker programming; \$0.9 million or \$0.3 million more for apprenticeship programming and \$0.3 million from new Trade Readjustment Act funds. This is \$7.0 million less than the revised request to reflect the end of certain grant fund cycles, including \$4.8 million from the Workforce Innovation and Opportunity Act, \$1.7 million from Trade Readjustment, and \$0.1 million from apprenticeship program funding. Workforce Innovation and Opportunity Act funds support subsidized on-the-job training, employment services and counseling, and skills or classroom training for adults and displaced workers; for youth participants it supports high school equivalency, work-readiness, financial literacy and wrap around services. Trade adjustment funding supports those separated from employment because of foreign competition. *The Governor recommends funding as requested.*

Inmate Post-Release Employment Services. The Department requests \$106,068 from general revenues for the Inmate Post-Release Employment Services program authorized by the 2021 Assembly. This is \$92,520 less than enacted which assumes support for 1.5 full-time equivalent positions to assist the Department of Corrections with inmate post-release employment services. The request assumes allocating only 0.8 positions consistent with its revised request and 0.5 positions more than FY 2022. The request also includes \$12,447 for operating expenses of which \$9,017 is for centralized services provided by the Department of Administration. Operational spending is essentially consistent with FY 2022 actual spending; the FY 2022 final budget did not include operational expenses. *The Governor recommends \$3,156 less than requested based on an updated estimate of statewide medical benefits rates.*

Workforce Development Staffing and Operations. The Department requests \$13.3 million from all sources of funds for remaining workforce development expenses. This is \$1.6 million more than enacted, of which \$93,972 is from general revenues and \$1.5 million is from federal funds, offset by \$765 less from other funds. Staffing expenses total \$1.7 million to support 88.2 full-time equivalent positions, which is 20.3 positions more than enacted, based on available resources. Compared to the revised request this restores \$1.1 million of turnover savings and allocates 0.4 more positions. Its remaining expenses total \$2.9 million. Centralized services total \$920,532, or \$47,398 more than enacted, primarily for information technology expenses. The cost allocation to tardy and interest funds and occupancy charges for the Providence Cranston Workforce Solutions facility total \$491,586, or \$184,140 less than enacted. All other

operations are \$1.5 million, or \$69,981 more than enacted primarily for Platform to Employment, the Senior Community Service Employment program. *The Governor recommends \$372,035 more than requested to reflect an updated estimate of statewide medical benefits rates and centralized services billings, including \$202,563 for facilities management, \$125,262 for information technology, and \$36,245 for human resources.*

Unemployment Benefits. The Department requests \$142.9 million or \$60.6 million less than enacted from federal and unemployment insurance funds for payment of benefits. The decrease reflects \$26.3 million less from federal funds and \$34.3 million less from unemployment insurance trust funds. This is \$26.3 million less from federal funds, primarily from pandemic resources, and \$34.3 million less from the trust fund proceeds. Compared to the revised request, this excludes \$0.2 million from federal funds for lost wage assistance, and adds \$5.2 million from trust fund proceeds. The Department requests benefit amounts based on its Labor Market Information unit’s projections. *The Governor concurs.*

Unemployment Trust Fund Contribution. The enacted budget includes \$100.0 million from State Fiscal Recovery funds for deposit into the Unemployment Insurance Trust Fund prior to the determination of the 2023 tax schedule. The request excludes this one-time funding. The unemployment insurance tax schedule is determined using a statutory formula based on the balance of the state’s employment security fund. The deposit was made consistent with current law on September 26, 2022; it was \$30,000 less than appropriated due to the surcharge assessed on State Fiscal Recovery Fund spending to support Pandemic Recovery Office oversight.

In December 2022, the Department announced the new unemployment insurance tax rates and the wage bases, effective January 1, 2023, as shown in the following table with comparisons to tax year 2022. The wage base that the tax is applied to increases, in most cases, by 14.6 percent but the reduction in rates offsets some of that cost. Depending on employee wage levels, per employee costs may still be higher. *The Governor concurs.*

Tax Year	Taxable Wage Base		Tax Schedule	Schedule Tax Range ¹	New Employer Rate ¹
	Most	Highest			
2022	\$24,600	\$26,100	H	1.2% to 9.8%	1.19%
2023	\$28,200	\$29,700	G	1.1% to 9.7%	1.09%

¹Includes Job Development Fund assessment

Unemployment Administration. The Department requests \$26.5 million or \$5.9 million less than enacted from all sources for the administration of the unemployment insurance program. This is \$6.3 million less than enacted from federal funds and \$0.4 million more from restricted receipts. The staffing request assumes 155.3 full-time equivalent positions, or 28.4 fewer positions than the enacted assumptions based on available resources; it adds \$2.5 million, assuming all allocated positions are fully funded. The request for all other expenses is \$8.6 million, which is \$3.3 million less than enacted, including \$3.8 million less from federal funds offset by \$0.4 million from restricted receipts. This primarily reflects the cost allocation to tardy and interest funds which reduces expenses by \$3.2 million. Other changes total \$0.3 million less, of which \$0.2 million is for centralized services provided by the Department of Administration, and \$0.1 million is for legal expenses.

The Governor recommends \$1.6 million more than requested, including \$19,081 more based on an updated estimate of statewide medical benefits rates. The recommendation increases centralized services by \$1.2 million, including \$0.6 million for information technology, \$0.5 million for facilities management, and \$0.1 million for human resources. It adds \$0.1 million for motor vehicle fleet expenses. The recommendation also adds \$0.3 million to support ongoing expenses related to technology upgrades, which the Budget Office reports funding is inadvertent.

Temporary Disability Insurance Benefits. The Department requests \$225.0 million, \$40.0 million more than enacted from the Temporary Disability Insurance Fund for benefit payments that protect eligible workers against lost wages from a non-work related illness or injury. The request is \$15.0 million more than its revised request. It is \$28.7 million more than FY 2022 spending. The Department requests benefit amounts based on its Labor Market Information unit projections. *The Governor concurs.*

Temporary Caregiver Benefits. The Department requests \$23.5 million or \$7.5 million more than enacted from the Temporary Disability Insurance Fund for caregiver benefit payments. The program allows eligible claimants up to six weeks of benefits to care for a seriously ill child, spouse, domestic partner, parent, parent-in-law, or grandparent, or to bond with a newborn child, new adopted child, or new foster care child, as of January 1, 2023. The 2021 Assembly enacted legislation extending the original four week benefit period by an additional week each calendar year for 2022 and 2023. The request is \$2.2 million more than its revised request and \$5.0 million more than FY 2022 spending. The Department requests benefit amounts based on its Labor Market Information unit projections. *The Governor concurs.*

Temporary Disability and Caregiver Insurance Staff and Operations. The Department requests \$12.5 million, or \$0.8 million less than enacted from temporary disability funds for staffing and operations of the temporary disability and caregiver programs. The staffing request is \$9.2 million, which is \$14,763 more than enacted for 80.2 positions. This is 0.6 positions fewer than the enacted assumptions, but consistent with its revised request. Neither the enacted budget nor the request include turnover savings. The request for all other expenses is \$0.8 million less than enacted for all spending, primarily reflecting the transfer of capital technology project funding to Information Technology Investment funding in the Department of Administration's budget. All other changes essentially reflect aligning spending with the FY 2023 revised request, which is based on FY 2022 spending. *The Governor recommends \$0.4 million more than requested to reflect an updated estimate of statewide medical benefits rates and centralized services billings, including \$0.2 million each for information technology and facilities services.*

Workers' Compensation Staffing. The Department requests \$5.4 million, \$0.4 million less than the enacted from workers' compensation restricted receipts to support its 41.9 full-time equivalent positions. This includes \$0.4 million less to support 3.6 fewer full-time equivalent positions than the enacted assumptions. This is \$0.2 million more than the revised request for the same staffing level. No turnover savings are assumed in the enacted budget or the request, but the request has a lower staffing allocation. *The Governor recommends \$6,782 more based on an updated estimate of statewide medical benefits rates.*

Workers' Compensation Operations. The Department requests \$5.2 million or \$1.0 million less than enacted from restricted receipts for workers' compensation program operations. This includes \$0.3 million less for workers' compensation insurance payments, \$0.2 million less for centralized services provided by the Department of Administration, and \$0.5 million less for all other spending, primarily for Arrigan Center medical services and renovations which have been pared down to necessary health and safety work. *The Governor recommends \$904,049 more than requested for centralized services billings, nearly all of which is for facilities management.*

Employer Tax Unit. The Department requests \$5.6 million, \$2.1 million more than enacted from all sources for the staffing and operations of the employer tax unit. This includes increases of \$1.9 million from federal funds, \$67,972 from restricted receipts and \$135,276 from other funds. The staffing request includes 40.7 full-time equivalent positions, and allocates \$1.5 million and 9.7 positions more than enacted. This reflects the restoration of four positions shifted from the unit to other activities in the enacted budget and further cost allocates an additional 5.7 ancillary positions from unemployment and disability insurance activities; no turnover savings are assumed for FY 2024. The request also includes \$0.6 million more for centralized services provided by the Department of Administration, primarily for facilities expenses, and \$0.2 million, or \$0.1 million more than enacted for all other spending attributable to building and equipment maintenance, and security, postal, and information technology services.

The unit administers the taxes which support Unemployment Insurance benefits to eligible jobless workers and Temporary Disability Insurance benefits to eligible workers idled by non-work-related injuries or illnesses. It processes all quarterly tax and wage reports and accompanying tax payments, submitted by Rhode Island employers, which include all required Employment Security, Job Development Fund, Reemployment Fund and Temporary Disability Insurance taxes. *The Governor recommends \$0.2 million more than requested to reflect an updated estimate of statewide medical benefits rates and centralized services billings, including \$0.1 million each for centralized information technology and facilities services.*

Police and Fire Relief Funds. The Department requests \$3.7 million, \$0.3 million less than enacted from general revenues for the Police and Fire Relief funds, which pay benefits to surviving spouses of deceased police and firefighters and education benefits for spouses and children of deceased or disabled officers and firefighters, as well as disabled workers. A surviving spouse of a police officer or firefighter receives \$3,600 per year for life or until remarrying, plus \$1,200 for each child of the deceased person during the time that the child is under the age of eighteen years, or over the age if they are physically or mentally incapacitated. The enacted budget includes \$0.3 million for one-time death benefit expenses. The request reduces pension benefits by \$0.4 million including this one-time expense, offset by \$0.1 million more for scholarship payments. *The Governor recommends \$8,133 less than requested to reflect an updated estimate of statewide medical benefits rates and centralized services billings.*

Other Workforce Regulation and Safety Staffing and Operations. The Department requests \$4.7 million, \$0.5 million more than enacted from general revenues for staffing and operation costs of the workforce regulation and safety division. The staffing request is \$4.3 million, which is \$30,010 less than enacted for 32.2 full-time equivalent positions, 0.1 positions more than the enacted budget. It includes no turnover savings and reallocates costs among the division's three units, with Labor Standards assuming more of the costs than the enacted assumptions. The request for all other operations is \$0.5 million more than enacted, primarily to reflect changes to the cost allocation to tardy and interest funds. *The Governor recommends \$0.2 million less than requested to reflect an updated estimate of statewide medical benefits rates and centralized services billings, primarily information technology services.*

Digital Credentials. The 2022 Assembly enacted legislation that requires the Department of Labor and Training to ensure all publicly-subsidized workforce and training programs provide a digital credential in addition to paper credentials, effective July 1, 2023. The Department requests \$1.0 million from general revenues to purchase a system to administer the digital credentialing program for FY 2024, effectively after the deadline has passed. It notes a vendor could be selected within 90 days of funding approval, with system establishment dependent on the proposals received. This project is not in the Department's capital request. It should be noted that Section 37-2-13.1 of the Rhode Island General Laws prohibits consulted vendors from bidding on a subsequent contract, potentially making vendors who participated in the development of this policy ineligible to be selected as the vendor, as the contract goes out through the procurement process.

The constrained request excludes this funding. *The Governor recommends funding as requested.*

Office of Community Engagement. The Department requests \$100,000 from general revenues to support the mission of its recently established Office of Community Engagement, housed in the central management division. This Office includes three staff, of which two are new to the Department using existing vacancies. The Office is tasked with supporting and developing partnerships that promote fair treatment, ensure quality employment, and utilize an equitable distribution of services and resources to engage communities.

The Department intends to use the funding to provide cultural competency training to its staff and programmatic partners, to implement appropriate and effectively targeted strategies marketing its offerings and recruiting participants, and to establish an advisory group of community-based organizations to assist with outreach and provide feedback on the Department's outreach and programming strategies.

The constrained request excludes this funding. *The Governor recommends funding as requested.*

Capital. The Department of Labor and Training submitted a capital request that includes \$97.8 million for eight projects, of which four are new and excludes a previously approved project. The capital request includes \$71.7 million for the five-year period, including \$65.7 million from federal funds, \$5.0 million from Information Technology Investment funds, \$0.9 million from restricted receipts, and \$75,000 from other state support. The Department subsequently noted the request misidentifies some funding. The Department excluded the capital funding from its operating request. Approved projects supported by the Information Technology Investment fund appear in the Department of Administration's budget; approved projects assumed to be funded by federal funds are excluded because of a lack of available funding; requested projects funded by the Information Technology Investment and State Fleet Replacement Revolving Loan funds are excluded pending approval of those sources.

The Governor's capital recommendation includes State Fleet Replacement Revolving Loan funds and funding consistent with the approved plan for the previously approved projects in the Department of Administration's budget. A detailed description of the projects is included in the Capital Budget section of this publication.

Other Staffing and Operations. The Department requests \$1.8 million, \$0.2 million more than enacted from general revenues for all other staffing and operations. This includes \$0.6 million for staffing expenses, including current service adjustments totaling \$30,103 for the Director of Labor and Labor Relations Board, which supports 0.2 fewer positions, offset by a position upgrade. All other requested expenses total \$1.1 million, \$0.1 million more than enacted, primarily for centralized services provided by the Department of Administration, which is \$0.1 million more than the enacted budget or its revised request, and \$0.8 million more than spent in FY 2022, about half of which is for information technology spending. *The Governor recommends \$418,636 less than requested to reflect an updated estimate of statewide medical benefits rates and centralized services billings, primarily information technology expenses.*

Department of Revenue

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Office of Director	\$ 2,257,475	\$ 2,265,350	\$ 2,403,846	\$ 2,348,848
Office of Revenue Analysis	970,638	943,671	983,266	983,531
Lottery Division	436,842,155	390,256,867	389,904,093	389,849,764
Division of Municipal Finance	133,695,638	135,826,087	1,781,803	1,759,431
Taxation	37,104,940	33,615,679	36,904,195	39,847,264
Registry of Motor Vehicles	42,777,001	43,220,530	34,672,787	35,602,264
State Aid	293,182,997	293,388,213	299,088,220	299,178,381
Collections	887,668	979,752	996,462	1,002,552
Total	\$ 947,718,512	\$ 900,496,149	\$ 766,734,672	\$ 770,572,035
Expenditures by Category				
Salaries and Benefits	\$ 62,189,537	\$ 60,786,854	\$ 63,963,167	\$ 64,001,981
Contracted Services	10,327,274	10,548,870	10,089,993	10,469,897
Subtotal	\$ 72,516,811	\$ 71,335,724	\$ 74,053,160	\$ 74,471,878
Other State Operations	446,467,962	400,336,511	390,965,185	391,415,558
Aid to Local Units of Government	294,865,365	295,070,581	300,770,588	303,738,860
Assistance, Grants, and Benefits	132,769,844	132,820,194	862,600	862,600
Capital	1,098,530	933,139	83,139	83,139
Operating Transfers	-	-	-	-
Total	\$ 947,718,512	\$ 900,496,149	\$ 766,734,672	\$ 770,572,035
Sources of Funds				
General Revenue	\$ 371,897,350	\$ 371,233,155	\$ 369,718,253	\$ 370,390,549
Federal Aid	132,177,594	132,177,594	665,435	599,904
Restricted Receipts	6,646,413	6,653,533	6,271,891	9,556,818
Other	436,997,155	390,431,867	390,079,093	390,024,764
Total	\$ 947,718,512	\$ 900,496,149	\$ 766,734,672	\$ 770,572,035
FTE Authorization	575.5	575.5	575.5	575.5

Summary. The Department of Revenue requests expenditures of \$766.7 million for FY 2024, including \$369.7 million from general revenues, \$0.7 million from federal funds, \$6.3 million from restricted receipts, and \$390.1 million from other sources, primarily lottery funds. Adjusted for the exclusion of \$132.0 million from American Rescue Plan Act Local Fiscal Recovery funds passed through the Department's FY 2023 budget, the request is \$49.0 million less than the enacted budget. This includes \$0.4 million more from federal funds, offset by reductions of \$2.2 million from general revenues, \$0.4 million from restricted receipts, and \$46.9 million from lottery funds. The Department requests the enacted level of 575.5 full-time equivalent positions.

The Department did not submit a constrained expenditure request, instead it proposed a new \$3.1 million revenue enhancement initiative to achieve its target. *The Governor recommends \$770.6 million from all sources of funds, which is \$3.8 million more than requested. General revenues are \$370.4 million, \$0.7 million more than requested. The recommendation includes staffing consistent with the enacted budget.*

Target Issues. The Budget Office provided the Department with a general revenue target of \$366.6 million. The amount includes a reduction for current service adjustments of \$2.1 million and a 5.0 percent target reduction, adjusted for certain exclusions, of \$3.2 million. In lieu of constrained expenditures, the agency proposed a new revenue initiative equal to its target reduction. The revenue initiative is noted among the items described below where appropriate. *The Governor's recommendation is \$3.8 million above the target.*

FY 2024 Budget	Budget Office		DOR		Difference
FY 2023 Enacted	\$	371,897,350	\$	371,897,350	\$ -
Current Service Adjustments		(2,076,073)		(2,731,072)	(654,999)
New Initiatives		-		551,975	551,975
Change to FY 2023 Enacted	\$	(2,076,073)	\$	(2,179,097)	\$ (103,024)
FY 2024 Current Service/Unconstrained Request	\$	369,821,277	\$	369,718,253	\$ (103,024)
Target Reduction/Initiatives		(3,211,934)		(3,108,910)	103,024
FY 2024 Constrained Target/Request	\$	366,609,343	\$	366,609,343	\$ -
<i>Change to FY 2023 Enacted</i>	\$	<i>(5,288,007)</i>	\$	<i>(5,288,007)</i>	\$ -

Director's Office

Staffing and Operations. The Department requests \$2.4 million from general revenues for the director's office staffing and operations, including centralized services provided by the Department of Administration. The request is \$146,371 more than enacted. The request is \$83,303 more than enacted to support its 10.0 full-time equivalent positions. Turnover savings of \$182,790 are equivalent to 1.7 full-time equivalent positions, 0.3 positions fewer than the enacted assumptions. Centralized services expenses of \$936,476 are \$63,068 more than enacted to reflect current service adjustments. All other spending is as enacted and \$7,792 more than FY 2022 spending. *The Governor recommends \$54,998 less than requested. This includes \$609 more for staffing expenses based on an updated estimate of statewide medical benefits rates, offset by \$55,607 less for centralized services.*

Revenue Analysis

Staffing and Operations. The Department requests \$1.0 million from general revenues for the Office of Revenue Analysis staffing and operations, which is \$12,628 more than enacted to reflect current service adjustments for its 6.0 full-time equivalent positions. All other spending totals \$0.1 million, primarily for data analysis and software licensing. *The Governor recommends \$265 more than requested based on an updated estimate of statewide medical benefits rates.*

Lottery Division

Commission Payments. The Department requests \$409.2 million from lottery funds for commission payments. Consistent with its revised request, this is \$46.4 million less than enacted and represents an updated estimate of payments that correspond to the May 2022 Revenue Estimating Conference adopted estimate. The appropriations act historically includes language authorizing the Lottery to pay winning prize funds and commission payments to the local casinos for the fiscal year. *The Governor recommends funding as requested.*

Problem Gambling. The Department requests \$600,000 from lottery funds, \$50,350 more than enacted for problem gambling programming, consistent with its revised request. The Assembly enacted 2022-H 7424, which requires self-excluded gamblers' winnings be forfeited to the division. The division is required to provide up to \$150,000 of those proceeds to the Rhode Island Council on Problem Gambling for its research, education, and prevention of teenage gambling addiction activities, with the balance transferred by the division to the general fund. *The Governor recommends funding as requested.*

Casino Staffing and Operations. The Department requests \$7.0 million from lottery funds for casino staffing and operations. This is \$157,145 more than enacted for current service staffing adjustments, including \$126,287 for overtime and holiday pay to reflect the 24-hour operations of the casinos. The request includes 55.0 full-time equivalent positions, including 32.0 positions at Lincoln and 23.0 positions at Tiverton, which is one fewer at the Lincoln facility than assumed in the enacted budget to reflect the transfer of one position to the central Lottery division. The request for all other spending is consistent with the enacted amount. *The Governor recommends \$3,805 more than requested based on an updated estimate of statewide medical benefits rates.*

Other Lottery Staffing. The Department requests \$6.7 million from lottery funds, which is \$0.3 million more than enacted for all the Division's remaining 51.0 full-time equivalent positions, which is one more than enacted to reflect the shift of one position from its casino oversight activities. This reflects \$0.1 million for the additional position, and \$0.3 million for current service adjustments, offset by \$0.1 million of additional turnover savings for a total of \$0.2 million, equivalent to 2.5 vacancies. *The Governor recommends \$4,272 more than requested based on an updated estimate of statewide medical benefits rates.*

Other Operations. The Department requests \$12.2 million from lottery funds for its remaining operating expenses, which is \$0.2 million less than enacted and consistent with its revised request based on updated projections and prior spending. This includes \$10.0 million for advertising, \$0.6 million for insurance expenses, \$0.5 million for utilities, motor vehicles, and network security, \$0.4 million for office and computer supplies, and \$0.2 million for centralized services. *The Governor recommends \$62,406 less than requested for centralized services expenses.*

Capital - Office Space. The Department's request includes \$290,000 from lottery funds for its capital projects, which is \$850,000 less than enacted from Rhode Island Capital Plan funds. Only portions of the Lottery facility have a back-up power supply, which inhibits its ability to be functional, and presents a risk to its equipment in the event of a power outage. The approved plan for FY 2023 includes \$1.1 million, including \$850,000 from Rhode Island Capital Plan funds and \$290,000 from lottery funds to install a generator to support its operations in the event of an extended power outage; the request excludes the Rhode Island Capital Plan funds. The Department requests to maintain those lottery funds for a new project to renovate existing space to accommodate a call center to assist customers and troubleshoot technical issues for its new digital product lines. The operating and capital requests are not consistent. For FY 2024, the capital request includes \$1.4 million from Rhode Island Capital Plan funds for two projects; its operating request includes \$290,000 each from lottery funds for FY 2023 and FY 2024 to fund one.

The Governor's recommendations maintain the inconsistencies of the requests. The Budget Office notes that the capital budget prevails. A detailed description of the projects is included in the Capital Budget section of this publication.

Division of Municipal Finance

City of Central Falls Pensions. The Department requests the enacted amount of \$260,223 from general revenues for payments by the state to Central Falls pensioners affected by the city's bankruptcy. The state's liabilities decrease over time as the number and value of payments decline. The appropriation is provided to the Division of Municipal Finance; however, under current law, the program is administered by the Employees' Retirement System of Rhode Island. Excluding public safety toll reimbursements provided for under Section 24-12-26 of the General Laws, the request is \$11,116 and \$22,231 more than reported for FY 2022 and FY 2023, respectively. *The Governor recommends funding as requested.*

Staffing and Operations. The Department requests \$1.5 million, \$43,759 more than enacted from general revenues for staffing and operations of the Division of Municipal Finance. This includes \$1.4 million, for salaries and benefits for 10.0 authorized positions, which is \$39,707 more than the enacted budget. The

division averaged 7.3 positions as of the November 19, 2022 pay period, its lowest staffing level since FY 2020. The request for all other operations includes \$157,159, which is \$4,052 more than enacted based on current service adjustments for centralized services. *The Governor recommends \$22,372 less than requested. This includes \$748 more for staffing expenses based on an updated estimate of statewide medical benefits rates, offset by \$23,120 less for centralized services.*

Local Aid

Motor Vehicles Excise Tax Program. The 2022 Assembly accelerated the motor vehicle phase-out by one year compared to the schedule anticipated by the 2017 Assembly, which ended the tax for FY 2024. With the exception of East Providence, no community sent out a tax bill for FY 2023; East Providence entered the phase-out one year behind and will end the same way. The FY 2023 enacted budget includes \$231.0 million from general revenues, including \$0.5 million for distribution pending updated data and \$0.1 million for certain fire districts, pending local administrative action. The Department requests \$3.6 million more than enacted to reflect its anticipated FY 2024 payments. After the phase-out is complete, the Director of Revenue is required to calculate and report to the executive and legislative branches, the sales tax revenue change to be distributed to local governments in the second fiscal year following the phase-out. *The Governor recommends \$0.2 million more than requested, primarily to reflect eliminating the tax for East Providence. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Payment in Lieu of Taxes. The Department requests \$50.3 million, \$1.8 million more than enacted for the Payment in Lieu of Taxes program, which reimburses cities and towns for property taxes which would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Reimbursement is statutorily based on 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The FY 2023 enacted budget includes \$48.4 million which represents the full 27.0 percent. *The Governor recommends \$71,409 less than requested, intended to reflect full funding. Unlike prior years, the recommendation assumes this is an estimate and subject to change pending additional data verifications. Data relating to state owned properties subject to this aid have not been finalized as of February 14, 2023.*

Distressed Communities. The Department requests the enacted level of \$12.4 million from general revenues for the Distressed Communities Relief Fund. The program was established in 1990 to provide assistance to the communities with the highest property tax burdens relative to the wealth of the taxpayers. Section 45-13-12 of the General Laws establishes the following four indices to determine eligibility: percent of tax levy to full value of property, per capita income, percent of personal income to full value of property, and per capita full value of property. Effective FY 2006, any community falling into the lowest 20.0 percent or bottom eight rankings, for at least three of the four indices is eligible for assistance under the program. For FY 2023, eligible communities include Central Falls, North Providence, Pawtucket, Providence, West Warwick and Woonsocket; updated data for FY 2024 is not yet available. *The Governor recommends funding as requested. Unlike prior years, the recommendation assumes this is an estimate and subject to change. As of February 14, 2023, the Administration has not finalized the data.*

Property Tax Revaluation Program. The Department requests \$0.9 million, which is \$0.5 million more than enacted from general revenues to reimburse communities conducting scheduled property revaluations or statistical updates in FY 2024. The request reflects anticipated expenses for maximum allowable reimbursements for communities scheduled to complete revaluations. Expenditures fluctuate annually on a triennial cycle, including an estimated \$0.4 million for FY 2023. Actual expenditures for FY 2022 and FY 2021 totaled \$0.7 million and \$0.9 million, respectively. *The Governor recommends funding as requested.*

Car Rental/Surcharge - Warwick Share. The Department requests the enacted amount of \$1.0 million from restricted receipts to reflect revenues passed through to the City of Warwick for direct and indirect users of the Rhode Island T.F. Green International Airport. The 2002 Assembly enacted legislation to deposit the sales taxes and a portion of the vehicle rental surcharges collected by rental car companies at the airport into a restricted account for later distribution to the City of Warwick. The Department makes two payments over the year, one in December for the prior May through June period, and one in June for the prior July through April period. The request is \$0.3 million more than FY 2022 spending, and has been in decline since FY 2019. *The Governor recommends funding as requested.*

Local Fiscal Recovery Fund. The enacted budget includes \$132.0 million from federal funds for the second tranche of the Local Fiscal Recovery Fund to local governments; the first tranche was provided during FY 2022. Allocations for entitlement communities, Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket, did not flow through the state. For those communities, only the county allocation passed through the state budget. The funds are available for use until December 31, 2024. The final disbursements for non-entitlement communities and counties were provided during July and October 2022, respectively. The request excludes the funding. *The Governor concurs. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Division of Taxation

Adult Use Marijuana. The enacted budget includes \$0.5 million to support compliance with the proposed tax provisions for the implementation of adult use marijuana, as authorized in 2022-H 7593, Substitute A, as amended. This includes \$0.4 million for staffing for 4.0 full-time equivalent positions and \$0.1 million for operations, including handling the cash payments typically associated with these sales. The request inadvertently excludes the staffing expenses. *The Governor's recommendation corrects for the exclusion, and includes an updated estimate of statewide medical benefits rates.*

Contingency Contracts. The enacted budget assumes \$1.0 million from general revenues to support contingency contract services for tax data review, and collections of taxes, interest, penalties, or reductions to refunds claimed, as authorized by the 2016 Assembly. Contractors are paid a percentage of the actual amount of revenues collected. Prior to FY 2020, an expenditure credit was used to compensate the third-party vendors, but the state auditor reclassified the payments as direct expenses. The Department entered into a new integrated tax system contract last year, which consolidated services to include contingency collections, which the Department believes is a better utilization of resources. While the \$1.0 million is maintained in the FY 2024 request, the Department reports it is no longer able to distinguish the amounts for the system from the contingency collections, which are now essentially one service with one payment. *The Governor recommends funding as requested.*

Integrated Tax System Maintenance and Support. The enacted budget assumes support for the Department's integrated tax system and includes \$5.4 million from general revenues, of which \$4.9 million is for maintenance, support, and a vendor services contract, and \$0.6 million is to replace scanners which digitize documents for the system's use; that \$0.6 million is assumed to be one-time. The request includes \$4.7 million for FY 2024, \$0.7 million less than enacted, excluding the one-time funding and an additional \$0.2 million of savings made available from the contract the Department entered into last year. That contract expanded the scope of work to include contingency collections, which the Department believes is a better utilization of resources. As noted above, the Department reports it is no longer able to distinguish the amounts for each service, which are now essentially one service with one payment. *The Governor recommends funding as requested.*

Tax Increment Financing. Consistent with the enacted budget and its revised request, the Department requests \$1.6 million from restricted receipts to reflect the disbursement of tax incentive financing proceeds

to the Downtown Pawtucket Redevelopment Economic Activity Fund consistent with Rhode Island General Law, Chapter 45-33.4, and for disbursements related to tax increment financing agreements with the Commerce Corporation under Rhode Island General Law, Chapter 42-64.21. *The Governor's budget includes \$2.9 million more than requested for this expense and recognizes a general revenue loss of \$2.9 million to reflect the use of base revenues.*

Legal Services. The Department requests \$75,000 from general revenues, \$25,000 less than enacted for outside legal counsel to assist the division with ongoing litigation involving the appropriate method for calculating depreciation under the state's Public Service Corporation Tax. The Public Service Corporation Tax applies to the tangible personal property of telegraph, cable, telecommunications, and express corporations, used exclusively in conducting business for the corporation which is exempt from local taxation, but subject to taxation by the state. Tangible personal property includes lines, cables, ducts, pipes, machines and machinery, and equipment. The state passes the collections through to the local governments. These legal expenses have totaled \$49,414 as of December 2022, including \$13,099 for FY 2023. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Department requests \$24.9 million, primarily from general revenues to support 219.0 full-time equivalent positions, including support for one position authorized within the Office of Revenue Analysis. This is \$0.8 million more than enacted, primarily from general revenues to reflect current service adjustments, and assumes 22.3 vacancies. This is 6.1 vacancies more than the enacted budget assumed. The division averaged 38.8 vacancies through the November 19, 2022 pay period. *The Governor recommends \$0.4 million less than requested to reflect additional turnover savings, and an updated estimate of statewide medical benefits rates*

Other Operations. The Department requests \$4.4 million, \$0.1 million more than enacted from general revenues for all other division expenses. This includes \$2.4 million for centralized services, which is \$0.2 million more than enacted to reflect current service adjustments. All other spending totals \$2.0 million including \$0.7 million for printing and postage, \$0.6 million, which is \$75,000 less than enacted for information technology expenses, \$0.2 million each for multistate tax auditing travel, and \$0.3 million for all other expenses. *The Governor recommends \$53,171 more than requested for updated centralized services expenses.*

Top Tax Delinquency Transparency Portal. The Department's request proposes revenue enhancements to achieve its budget target in lieu of further spending reductions. The proposal assumes \$3.1 million of new revenues, of which personal income taxes are about half, sales and use taxes are one-third, and the remainder are business corporation tax collections from enhanced voluntary compliance. Current law allows the posting of the top 100 delinquent individual and business taxpayers with the largest outstanding liabilities in excess of 90 days.

The Department proposes removing the numerical limit and establishing a liability floor of \$50,000 in order to incentivize additional voluntary compliance. The Department reports that as of September 2022, it estimates debtors would include 297 individuals and 1,010 businesses, all of whom have received numerous notices and would be notified again prior to being listed in this portal; debtors in the hearing or appeal process would be excluded from the reporting. Its intent is to increase debtor engagement with the division and reach more taxpayers prior to being assessed additional penalties and interest. *The Governor's recommendation excludes this proposal.*

Division of Motor Vehicles

Mobile DMV. The enacted budget includes \$0.8 million to purchase a mobile motor vehicle registry unit, authorized by the 2022 Assembly, and the request excludes the one-time expense. The development of the request for proposals has been delayed; the same administrative capacity to draft the request, was

unexpectedly diverted to resolve the closure of the safety and emissions facility after substantial rainfall during September 2022 flooded it. Prior to the September issue, the Department was consulting with its New Jersey counterpart, which operates a mobile registry fleet, and is actively in the process of developing a request for information to inform and streamline the subsequent request for proposals. *The Governor concurs.*

License Plate Reissuance. The enacted budget includes \$8.5 million to reflect the total cost to reissue all standard registration license plates, the total cost to reissue all standard registration license plates over a 24-month period beginning October 2022 in accordance with state law requiring new fully reflective license plates be issued no less than every ten years. The reissuance has been delayed seven times previously, as recommended by three different governors. The 2022 Assembly eliminated the \$8 fee for all currently registered vehicles for this reissuance. Language in the appropriations act provides for the automatic reappropriation of unspent funding. The request excludes FY 2024 funding intentionally, assuming the reappropriation language makes requesting the funds redundant.

The May 2022 Revenue Estimating Conference assumed the reissuance would begin October 2022; the Department subsequently reported process delays, which would prevent reissuance from beginning before January 2023. Beginning January 3, 2023, the plates became available at all branch locations. *The Governor concurs.*

Real ID Staffing and Operations. Consistent with the enacted budget, the Department requests \$2.1 million from general revenues for staffing and operations related to the continuing implementation of federal Real ID requirements, for which the federal implementation deadline has been extended several times. The staffing request includes the enacted amount of \$1.9 million to fund approximately 18 full-time equivalent positions for this effort. The CARES Act extended the date by one year to October 1, 2021. The Department of Homeland Security later extended the deadline to May 3, 2023, and on December 5, 2022, again delayed the deadline to May 7, 2025, after which citizens will not be permitted access to secure federal sites, including federally regulated airports, without compliant credentials.

It should be noted that the Assembly added 40.0 full-time equivalent positions and \$2.7 million from general revenues over the FY 2019 and FY 2020 enacted budgets to support the additional volume estimated at 489 people per day through the registry system over a 22-month period to issue the estimated 457,600 credentials necessary for compliance with the original October 2020 federal deadline, per year. The 2018 Assembly increased the fee for duplicate credentials from \$5 to \$25, and retained those fees as general revenues to offset the additional staffing expenses. As of the November 2022 Revenue Estimating Conference, 409,592 Real ID credentials have been issued, of which 54,942 duplicate credentials have been issued, generating \$1.4 million. Real ID compliant credentials issued on the normal renewal cycle are transferred to the Highway Maintenance Account, consistent with current law. *The Governor's recommendation includes \$58,552 more than requested based on an updated estimate of statewide medical benefits rates. Article 2 of 2023-H 5200 includes language to transfer these general revenues to the Highway Maintenance Account, consistent with other similar fees.*

Rhode Island Motor Vehicle System. Consistent with the enacted budget, the Department requests \$3.7 million from all sources of funds for contractual support for the Rhode Island Motor Vehicle System. The request includes \$0.2 million from general revenues and \$3.5 million from restricted receipts.

The FY 2018 appropriations act increased the technology surcharge on all Division of Motor Vehicle transactions from \$1.50 to \$2.50 of which \$1.50 was deposited in the Information Technology Investment Fund through the end of FY 2022, with \$1 provided to the Division to pay for additional development costs. The entire fee became available to the Division as of July 1, 2022, consistent with the 2019 appropriations act. FY 2022 actual spending was \$0.5 million more than requested, though the fund source split was different, with more general revenues available. The Department reports that other than \$0.2 million for

regression testing which is no longer necessary, the restricted receipts are the estimated vendor expense. That \$0.2 million may be available to offset some portion of the general revenue request. *The Governor recommends funding as requested.*

Federal CDL Grants. The Department requests \$0.7 million from federal funds, \$0.4 million more than the enacted level for staffing and information technology expenses related to its recently extended Federal Motor Carriers Safety Administration grant. The enacted budget includes \$0.2 million from federal funds for programming expenses related to a federal commercial driver's license Performance and Registration Information Systems Management grant from 2017 which has been exhausted. The request includes \$0.4 million for 3.0 full-time equivalent positions, consistent with the revised request. The funding supports a unit, which maintains and identifies errors in commercial drivers' license records between jurisdictions. *The Governor recommends \$379,904 more than enacted and \$65,531 less than requested, entirely for information technology expenses, shifting proposed staffing support to general revenues. The recommendation retains the exhausted funding.*

Other Salaries and Benefits. The Department requests \$18.6 million from general revenues for the motor vehicle division's remaining 192.5 full-time equivalent positions. The request is \$0.2 million more than enacted to reflect current service adjustments. The request is estimated to support 170.2 full-time equivalent positions and maintain 22.3 vacancies, essentially consistent with the enacted budget. *The Governor recommends \$0.4 million more from general revenues to account for the three commercial driver's license positions for which the Department requested federal funds.*

Centralized Services. The Department requests \$3.6 million, or \$270,199 more than enacted from general revenues for centralized services provided by the Department of Administration. This includes \$1.6 million for facilities expenses and \$2.0 million for information technology spending, which are \$115,183 and \$155,016 more than the enacted assumptions, respectively. *The Governor recommends \$0.5 million more than requested, essentially all for centralized information technology expenses, based on updated projections.*

Other Operations. The Department requests \$6.1 million for all other expenses for the Division of Motor Vehicles, nearly all from general revenues. The request is \$177,453 more from general revenues and includes the enacted amount of \$14,513 from restricted receipts. The Department made adjustments to several expenditures including \$171,523 more for International Registration Plan and American Association of Motor Vehicle Administrators dues and services and \$37,630 more for rent and janitorial services, offset by \$31,700 less for utilities and supplies, essentially to align spending with the FY 2022 level. *The Governor recommends \$5,300 more than requested, essentially all for updated fleet expenses.*

Collections Unit

Staffing and Operations. The Department requests \$1.0 million for the Division of Collections for staffing and operations expenses. This is \$108,794 more than enacted to reflect current service adjustments for its authorized 8.0 full-time equivalent positions and reduces its turnover savings by half, funding 7.5 positions. The request for all other spending is consistent with the enacted budget, but \$46,900 more than FY 2022 spending, the highest level of spending since the Division's establishment, which included about \$29,115 for programming expenses which were essentially complete and one-time. The Division was established by 2018-H 7200 Substitute A, as amended, which also included a reporting requirement and a sunset date of June 30, 2021; the 2021 Assembly extended the sunset date by two years, the 2022 Assembly extended the sunset provision by 10 years to 2033. The reporting requirement has consistently been fulfilled. *The Governor recommends \$6,090 more than requested. This includes \$382 for updated staffing costs and \$5,708 for centralized services.*

Legislature

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
General Assembly	\$ 6,948,593	\$ 11,157,793	\$ 7,283,920	\$ 7,292,334
Fiscal Advisory Staff	2,307,138	2,356,785	2,392,310	2,393,445
Legislative Council	5,165,700	5,298,214	5,317,359	5,320,904
Joint Comm. On Legislative Affairs	29,629,388	33,462,263	31,061,112	31,075,736
Office of the Auditor General	6,397,474	6,774,414	6,964,658	6,992,457
Special Legislative Commissions	13,900	13,900	13,900	13,900
Total	\$ 50,462,193	\$ 59,063,369	\$ 53,033,259	\$ 53,088,776
Expenditures by Category				
Salaries and Benefits	\$ 42,784,093	\$ 43,402,564	\$ 44,513,563	\$ 44,543,552
Contracted Services	886,100	1,991,100	888,600	888,600
Subtotal	\$ 43,670,193	\$ 45,393,664	\$ 45,402,163	\$ 45,432,152
Other State Operations	3,947,000	9,452,705	4,479,096	4,504,624
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,300,000	2,300,000	2,300,000	2,300,000
Capital	545,000	1,917,000	852,000	852,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 50,462,193	\$ 59,063,369	\$ 53,033,259	\$ 53,088,776
Sources of Funds				
General Revenue	\$ 48,542,952	\$ 57,035,606	\$ 50,943,856	\$ 50,998,683
Federal Aid	-	-	-	-
Restricted Receipts	1,919,241	2,027,763	2,089,403	2,090,093
Other	-	-	-	-
Total	\$ 50,462,193	\$ 59,063,369	\$ 53,033,259	\$ 53,088,776
FTE Authorization	298.5	298.5	298.5	298.5

Summary. The Legislature estimates FY 2024 expenditures of \$53.0 million and 298.5 full-time equivalent positions. This includes \$50.9 million from general revenues and \$2.1 million from restricted receipts. *The Governor recommends adding \$55,517, almost entirely from general revenues, for updated medical benefit rate projections and updated costs projections for utilities and centralized information technology services.*

Office of the Lieutenant Governor

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,153,520	\$ 1,153,626	\$ 1,244,934	\$ 1,193,041
Contracted Services	58,000	68,000	68,000	68,000
Subtotal	\$ 1,211,520	\$ 1,221,626	\$ 1,312,934	\$ 1,261,041
Other State Operations	141,298	144,397	236,298	149,540
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	750	750	750	750
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,353,568	\$ 1,366,773	\$ 1,549,982	\$ 1,411,331
Sources of Funds				
General Revenue	\$ 1,353,568	\$ 1,366,773	\$ 1,549,982	\$ 1,411,331
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,353,568	\$ 1,366,773	\$ 1,549,982	\$ 1,411,331
FTE Authorization	8.0	8.0	8.0	8.0

Summary. The Office of the Lieutenant Governor requests total expenditures of \$1.5 million from general revenues for FY 2024, which is \$0.2 million more than enacted. The request includes 8.0 full-time equivalent positions, consistent with the enacted authorization. *The Governor recommends \$1.4 million from general revenues, which is \$0.1 million more than enacted and the enacted level of 8.0 positions.*

Target Issues. The Budget Office provided the Office with a general revenue target of \$1.3 million. The amount includes current service adjustments of \$46,881 and a 5.0 percent target reduction, adjusted for certain exclusions of \$67,259. The constrained budget submitted by the Department is \$0.1 million more than the target. The proposal to achieve the reduction is noted among the items below where appropriate. *The Governor's recommendation is \$0.1 million more than the target.*

FY 2024 Budget	Budget Office	Lieutenant Governor	Difference
FY 2023 Enacted	\$ 1,353,568	\$ 1,353,568	\$ -
Current Service Adjustments	46,881	(21,044)	(67,925)
New Initiatives	-	217,458	217,458
Change to FY 2023 Enacted	\$ 46,881	\$ 196,414	\$ 149,533
FY 2024 Current Service/Unconstrained Request	\$ 1,400,449	\$ 1,549,982	\$ 149,533
Target Reduction/Initiatives	(67,259)	(68,177)	(918)
FY 2024 Constrained Target/Request	\$ 1,333,190	\$ 1,481,805	\$ 148,615
<i>Change to FY 2023 Enacted</i>	<i>\$ (20,378)</i>	<i>\$ 128,237</i>	<i>\$ 148,615</i>

Seasonal Policy Intern. The Office requests \$112,458 from general revenues for temporary staff positions for federal grant writing. The revised request includes \$83,304 for this purpose. The Office intends to pursue federal fund opportunities for its work related to the State Long-Term Care Coordinating Council which is chaired by the Lieutenant Governor. It would also help with existing Office initiatives, including in areas such as health care, housing, and services for veterans and older adults. The cost of these temporary positions are assumed to be offset by personnel savings within the Office which were achieved by filling a position at a lower cost than assumed in the enacted budget. *The Governor recommends \$53,642 which is \$58,816 less than requested; he provides the \$83,304 as requested in his revised recommendation.*

Salaries and Benefits. The Office requests \$1.1 million from general revenues, or \$21,044 less than enacted, for salaries and benefits to fully fund the 8.0 authorized full-time equivalent positions, consistent with the enacted budget. The Office filled a position at a lower cost than assumed in the enacted budget which offsets current service adjustments of \$42,498, as well as salary increases assumed in the revised request totaling \$36,798.

The Office includes \$68,177 in turnover savings in its constrained request, approximately equivalent to having a position vacant for half of FY 2024. *The Governor recommends \$14,121 less than enacted and \$6,923 more than requested. The recommendation adds \$21,664 for the statutory salary increase for the Lieutenant Governor position. It also includes increases based on revised benefit cost expectations and assumes \$13,903 in turnover savings; at the time of the recommendation, all of the Office's positions were filled.*

Staff Training. Consistent with the revised request, the Office requests \$20,000 for staff training, which is \$10,000 more than enacted. Including funding in the enacted budget, this request includes \$15,000 for two staff to participate in the Leadership Rhode Island program. This program allows individuals to train alongside experts in various fields and non-profit organizations and the areas in which staff members would train include housing, veteran affairs, long-term care, child care, transportation and emergency management. *The Governor recommends funding as requested.*

Equipment and Renovations. The Office requests \$100,131, or \$45,000 more than enacted, for supplies and renovations within its office space, and its vehicle. This includes technology purchases, including additional laptops, computer monitors, and a printer for its car, as well as new carpeting, sound proof wall insulation for meeting rooms, whiteboards, business cards, and stand up desk mats that prevent back pain. The Office indicates that this will be done over three years for a total cost of \$150,000 with the first year being FY 2022. In the FY 2022 final budget, the Office spent approximately \$10,000 of the appropriated \$55,000; the FY 2024 request includes the unspent \$45,000 to remain within its three-year plan. *The Governor recommends funding consistent with the enacted budget.*

Community Outreach. The Office requests new expenditures of \$50,000 for community outreach efforts. The Office indicates that it seeks to create linguistically accessible communication, publications and information for hard-to-reach populations such as older adults, long-term care recipients and their families, veterans, and immigrants to inform them in which state services and programs they are eligible for enrollment and participation. The Office will use practices identified in the federal Department of Human Services first-ever National Strategy to Support Family Caregivers which was released in FY 2022 and will also work with state agencies to maximize outreach. *The Governor does not recommend funding.*

Other Operating Expenses. Consistent with the enacted budget, the Office requests \$0.1 million for all other expenses. These expenses include legal expenses, centralized service charges, state fleet expenses and out of state travel. The Office spent \$105,424 on these expenses in FY 2022, which is \$29,493 less than enacted. The FY 2024 request for these expenses is also consistent with the revised request. *The Governor recommends \$8,242 more for centralized service charges and \$1,125 more for state fleet expenses, reflecting updated cost projections.*

Office of the Secretary of State

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Administration	\$ 4,049,383	\$ 3,978,088	\$ 4,106,920	\$ 4,158,917
Corporations	2,687,784	2,647,774	2,807,363	2,815,916
State Archives	698,848	711,842	756,156	756,379
Elections and Civics	5,061,027	5,411,766	4,528,077	4,457,314
State Library	825,475	811,872	846,574	854,042
Office of Public Information	711,260	721,788	655,182	655,466
Total	\$ 14,033,777	\$ 14,283,130	\$ 13,700,272	\$ 13,698,034
Expenditures by Category				
Salaries and Benefits	\$ 7,462,743	\$ 7,179,004	\$ 7,482,992	\$ 7,563,958
Contracted Services	1,184,180	1,194,780	1,094,980	1,094,980
Subtotal	\$ 8,646,923	\$ 8,373,784	\$ 8,577,972	\$ 8,658,938
Other State Operations	4,831,404	5,183,896	4,487,600	4,404,396
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	243,000	243,000	243,000	243,000
Capital	267,450	437,450	336,700	336,700
Capital Debt Service	-	-	-	-
Operating Transfers	45,000	45,000	55,000	55,000
Total	\$ 14,033,777	\$ 14,283,130	\$ 13,700,272	\$ 13,698,034
Sources of Funds				
General Revenue	\$ 11,867,015	\$ 11,940,190	\$ 11,116,260	\$ 11,113,799
Federal Aid	1,621,565	1,621,565	2,001,207	2,001,207
Restricted Receipts	545,197	551,375	582,805	583,028
Other	-	170,000	-	-
Total	\$ 14,033,777	\$ 14,283,130	\$ 13,700,272	\$ 13,698,034
FTE Authorization	59.0	59.0	59.0	59.0

Summary. The Office of the Secretary of State requests FY 2024 expenditures of \$13.7 million, which is \$0.3 million less than the FY 2023 enacted budget. The request includes \$0.8 million less from general revenues, partially offset by increases of \$0.3 million from federal funds and \$37,608 from restricted receipts. The request includes 59.0 full-time equivalent positions which is consistent with the enacted authorization. The Office did not submit a constrained request. *The Governor recommends \$13.7 million from all fund sources, including \$11.1 million from general revenues, essentially as requested; however, certain functions are funded differently. The recommendation includes staffing consistent with the enacted authorization.*

Target Issues. The Budget Office provided the Office with a general revenue target of \$10.7 million. The amount includes adjustments of \$0.7 million as well as a 5.0 percent target reduction of \$0.5 million, adjusted for certain exclusions. The Office did not submit a constrained request. *The Governor's recommendation is \$0.4 million above the target.*

FY 2024 Budget	Secretary of		
	Budget Office	State	Difference
FY 2023 Enacted	\$ 11,867,015	\$ 11,867,015	\$ -
Current Service Adjustments	(692,574)	(800,755)	(108,181)
New Initiatives	-	50,000	50,000
Change to FY 2023 Enacted	\$ (692,574)	\$ (750,755)	\$ (58,181)
FY 2024 Current Service/Unconstrained Request	\$ 11,174,441	\$ 11,116,260	\$ (58,181)
Target Reduction/Initiatives	(462,316)	-	462,316
FY 2024 Constrained Target/Request	\$ 10,712,125	\$ 11,116,260	\$ 404,135
<i>Change to FY 2024 Enacted</i>	\$ (1,154,890)	\$ (750,755)	\$ 404,135

Help America Vote Act Election Security Grant. The Office requests \$2.0 million, or \$0.4 million more than enacted from federal Help America Vote Act election security grant funds to reflect a new \$1.0 million allocation. The Secretary of State, in conjunction with the Board of Elections, have been awarded a total of \$7.2 million from three election security grants. The \$3.0 million awarded for FY 2020 is required to be spent by December 2024; this request exhausts those funds accordingly. Funding can be used for upgrades to the central voter registration system and e-poll books, the implementation of data recovery best practices, cybersecurity assessment and election administration grants to train municipal officials, and to perform risk limiting audits and security improvements for the Board of Elections. Through FY 2022, \$3.7 million of the \$7.2 million was spent. The requests for FY 2023 and FY 2024 essentially exhaust the available funds. *The Governor recommends funding as requested.*

Other Election Expenses. The Office requests \$1.8 million from general revenues for the expenses of the elections and civics division, including the June 2024 presidential primary nomination contests. The request is \$0.9 million less than enacted, \$1.1 million less than the revised request, and \$0.3 million less than the Budget Office’s current service estimate. It is also \$0.8 million less than FY 2020 spending, which is the last comparable election cycle. It should be noted that the presidential preference nominations during June 2020 were primarily conducted by mail ballot because of the coronavirus pandemic; however, the Let RI Vote Act codified mail ballot access consistent with the pandemic period. The act requires the establishment of an online portal to request a mail ballot, and reduced other mail ballot access barriers for certain disabled and elderly populations. *The Governor recommends \$0.1 million less than requested to remove referenda ballot printing expenses; there will be no referenda that year. This results in total ballot printing and postage expenses of \$0.2 million, which is \$0.4 million less than the Budget Office current service level and \$0.9 million less than the last comparable election cycle.*

Rent and Utilities. The Office requests \$617,326 from all fund sources for its rent and utilities to reflect anticipated increases for FY 2024. Consistent with its revised request, this includes \$30,450 more than enacted primarily for utilities and taxes. The request is \$52,167 less than FY 2022 spending representing a lower level of restricted receipts and other funds, which totaled \$29,967 for FY 2022 to offset a similar amount of general revenues for an unanticipated tax bill for one of its rented locations. For FY 2023, the Office reports that tax is \$37,126.

The request also includes \$532,376, or \$1,440 less than enacted for rent. This includes \$283,260 for space shared by the State Archives and Records Center, split equally between general revenues, restricted receipts and other funds and \$249,116 for its other offices. FY 2022 restricted receipt collections were insufficient to cover two months of the Archives rent share with the variance supported by general revenues and Records Center charges to other state agencies. For its other location, the Office paid \$288,646 during FY 2022, including 13 months of rent and \$18,770 for utilities paid from the same account. *The Governor recommends funding as requested.*

Records Center. The Office requests \$1.2 million from other funds, or \$31,358 more than enacted for the Records Center which is an internal service program that does not appear in the Appropriations Act. Its expenses are budgeted in user agencies that pay a portion of their operating costs for record storage and

retrieval. The request adds \$25,358 to fully fund 4.2 full-time equivalent positions, all of which are filled, including a position that had historically not been allocated to these funds prior to FY 2022. The FY 2022 final budget assumed the position was supported by these funds, though the funding was not allocated accordingly. It appears there were not sufficient resources to cover the expense. The request also includes \$6,000 more for digital archival services to preserve state agency social media accounts. Revenues to support the expenses will need to increase accordingly. Records Center employees are housed at the State Archives facility. *The Governor recommends \$338 more than requested based on updated estimates of statewide medical benefit rates.*

State Archives. The Office requests \$740,106, or \$57,308 more than enacted, from all sources for the staffing and operations of the Archives. This includes increases of \$19,700 from general revenues and \$37,608 from restricted receipts. The archives' staffing request includes \$394,115 from restricted receipts to fully fund 2.8 full-time equivalent positions. This is \$16,908 more than enacted; it is \$32,425 less than FY 2022 spending, likely from insufficient Records Center funding available to support a position which has not historically been supported by those resources. General revenues are \$19,700 more than enacted, primarily for digital archival services and additional data storage. Restricted receipts changes also include \$19,000 for a new microfilm scanner, \$1,500 more for printing and copier lease expenses, and \$200 more for all other expenses. *The Governor recommends \$223 more than requested based on updated estimates of statewide medical benefit rates.*

Other Salaries and Benefits. The Office requests \$7.1 million or \$3,341 more from general revenues than enacted from all sources to support the remaining 52.0 full-time equivalent positions for FY 2024, excluding the Records Center and State Archives positions, discussed separately. The Budget Office estimated that current service adjustments total of \$265,617; the request adds only \$39,341 for its staff or \$226,276 less, and removes \$36,000 for one-time payments included in the enacted budget. Compared to the revised request it restores \$38,000 of turnover savings, offset by maintaining a \$38,766 reduction reflecting the inadvertent exclusion of funding for summer fellowships. *The Governor recommends \$80,743 more than requested from general revenues. This includes an updated estimate of statewide medical benefit rates, restores the fellowship funding, and accounts for the statutorily required general officer salary increase.*

Let RI Vote. The Office requests \$50,000, or \$90,000 less than enacted, from general revenues for Let RI Vote Act implementation expenses. The 2022 Assembly provided \$140,000 from general revenues, including \$90,000 for a multilingual telephone voter assistance hotline and \$50,000 to establish an online portal to request a mail ballot. The revised request includes \$154,622, including \$50,000 for the portal, and \$104,622 for the hotline; it anticipates use of \$14,622 from Help America Vote Act federal funds to cover the additional expense. The hotline amount is essentially consistent with the amount paid for the same service during FY 2021 for two elections, including the March 2021 special election. For FY 2024, the Office retains \$50,000 for future maintenance expenses for the online portal. *The Governor recommends funding as requested.*

Other Technology Projects. The Office requests \$538,345, or \$196,504 more than enacted, from general revenues for various technology projects. This includes \$105,050 for server warranties, data deduplication, and various database process and other support services, including cybersecurity expenses that may be eligible to be paid through Help America Vote Act funding, and geographic information system services, \$68,250 for capital technology purchases including laptop and firewall replacement, and \$23,204 for database maintenance and upgrade expenses, cybersecurity hardware and software, domain names, and intraoffice project management and tracking. *The Governor recommends funding as requested.*

State House Tour Program. The Office requests \$55,000 from general revenues for tour offerings and to enhance the visitor experience at the Rhode Island State House. The request is \$10,000 more than enacted for program supplies for which the enacted budget provided an additional \$5,000 compared to FY 2022. The Office uses the tour program as a means to increase knowledge among children and adults of Rhode

Island history and how government works. Funding supports both the tour guides as well as other activities hosted by the State Library. *The Governor recommends funding as requested.*

State House Visitor Center. Consistent with the enacted budget, the Office requests \$25,000 from restricted receipts to fund the State House Visitor Center and Gift Shop which opened in December 2013. Existing general revenue funded staff operate the center and merchandise sales are used to fund the restricted receipt account. The Center launched and is now maintaining an online retail site. *The Governor recommends funding as requested.*

State Grants. Consistent with the enacted budget, the Office requests \$143,000 from general revenues for state grants to support the Rhode Island Historical Society and Newport Historical Society. The funding is required in accordance with Rhode Island General Laws, Sections 29-2-1 and 29-2-2, which provides \$125,000 to the Rhode Island Historical Society and \$18,000 to the Newport Historical Society for the purpose of caring for, preserving, and cataloguing the property of the state. *The Governor recommends funding as requested.*

Semiquincentennial Commission. Consistent with the enacted budget, the Office requests \$100,000 from general revenues for the Semiquincentennial Commission dedicated to preparing commemorative celebrations. The request represents \$70,000 for consultant expenses to support the Commission and \$30,000 for its operations. Consistent with the United States Semiquincentennial Commission Act of 2016, the 2021 Assembly enacted legislation creating the 32-member Commission to prepare celebrations in 2026 surrounding the 250th anniversary of the country's founding. For FY 2022, the Commission assumed \$52,000 for contractor support and approved up to \$53,000 of expenses; \$65,635 was reported as spent, of which \$49,737 supported the contractor. It should be noted that the spending for the Commission is requested in a single account, but expenses are spread through the public information division which obfuscates the actual activities. *The Governor recommends funding as requested.*

Legal Services. The Office requests \$131,000, \$9,000 less than enacted from general revenues for its contracted legal services across four of its divisions. Subsequent to submission of its budget request, on January 6, 2023, the Office sent a letter requesting modifications to its revised request, including an in-house legal counsel position. *The Governor's budget includes \$9,000 less for contracted legal services, consistent with the revised budget request as submitted.*

Other Operations. The Office requests \$0.4 million, \$21,750 less than enacted from general revenues for all other operations, including centralized services provided through the Department of Administration; the request is \$26,160 more than FY 2022 spending. The request for those services is \$4,532 more than enacted and \$22,996 more than the Office's revised request, which aligned spending to historical levels. Essentially, the request utilizes \$78,330 of savings from the public information division, primarily from the end of a lobbying registration project and printing expenses to support \$41,558 of additional expenses in the Administration, Corporations, and State Library divisions. *The Governor recommends \$1,796 more than requested, including \$14,107 less for centralized information technology services, offset by \$15,903 for motor vehicle fleet expenses.*

Office of the General Treasurer

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
General Treasurer	\$ 3,753,660	\$ 3,877,655	\$ 3,898,317	\$ 3,913,077
Unclaimed Property	2,570,182	2,565,472	2,656,485	2,604,026
Employees' Retirement System	14,697,918	14,490,024	15,525,957	15,312,827
Crime Victim Compensation	1,827,109	1,848,668	1,880,591	1,877,046
Subtotal	\$ 22,848,869	\$ 22,781,819	\$ 23,961,350	\$ 23,706,976
Expenditures by Category				
Salaries and Benefits	\$ 12,633,742	\$ 12,454,993	\$ 13,319,873	\$ 12,941,498
Contracted Services	5,974,450	6,024,302	6,112,500	6,122,519
Subtotal	\$ 18,608,192	\$ 18,479,295	\$ 19,432,373	\$ 19,064,017
Other State Operations	2,552,259	2,614,106	2,728,559	2,842,541
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,606,993	1,606,993	1,706,993	1,706,993
Capital	81,425	81,425	93,425	93,425
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 22,848,869	\$ 22,781,819	\$ 23,961,350	\$ 23,706,976
Sources of Funds				
General Revenue	\$ 3,558,632	\$ 3,685,450	\$ 3,779,319	\$ 3,773,498
Federal Aid	773,245	754,690	761,535	766,369
Restricted Receipts	17,823,100	17,610,496	18,737,442	18,471,853
Other	693,892	731,183	683,054	695,256
Total	\$ 22,848,869	\$ 22,781,819	\$ 23,961,350	\$ 23,706,976
FTE Authorization	89.0	89.0	91.0	89.0

Summary. The Office requests \$24.0 million, which is \$1.1 million more than enacted and includes \$0.2 million more from general revenues. The Office requests 91.0 full-time equivalent positions, two more than the authorized level.

The Governor recommends \$0.9 million more than enacted and \$0.3 million less than requested. General revenues are \$0.2 million more than enacted and \$5,821 less than requested. The Governor recommends the authorized 89.0 full-time equivalent positions.

Target Issues. The Budget Office provided the Office with a general revenue target of \$3.5 million. The amount includes current service adjustments of \$97,408 and a 5.0 percent target reduction of \$170,375. The Office did not submit a constrained budget. *The Governor's recommendation is \$0.3 million more than the target.*

FY 2024 Budget	Budget Office	Treasurer	Difference
FY 2023 Enacted	\$ 3,558,632	\$ 3,558,632	\$ -
Current Service Adjustments	97,408	75,646	(21,762)
New Initiatives	-	145,041	145,041
Change to FY 2023 Enacted	\$ 97,408	\$ 220,687	\$ 123,279
FY 2024 Current Service/ Unconstrained Request	\$ 3,656,040	\$ 3,779,319	\$ 123,279
Target Reduction/Initiatives	(170,375)	-	170,375
FY 2024 Constrained Target/Request	\$ 3,485,665	\$ 3,779,319	\$ 293,654
<i>Change to FY 2023 Enacted</i>	\$ (72,967)	\$ 220,687	\$ 293,654

Crime Victim Compensation. The Office requests \$1.9 million for the Crime Victim Compensation program, which is \$53,482 more than enacted from general revenues. The request includes \$0.6 million for the 4.0 full-time equivalent positions that staff the program and cost allocations for a portion of ten other positions, and \$1.3 million for claims. The request is \$45,982 more than enacted from general revenues for salaries and benefits to reflect current service adjustments. Historically, restricted receipts and federal funds have been sufficient to support administrative costs, but restricted receipts have been declining for the past several years and were further affected by court closures resulting from the COVID-19 pandemic. The FY 2024 and FY 2023 revised requests assume \$555,000 of receipts; FY 2022 receipts were \$417,337. *The Governor recommends \$3,545 less than requested from general revenues to adjust the cost allocations for staff, update medical benefit rate projections, and updated cost projections for centralized facilities management and information technology services.*

Cyber Security (1.0 FTE). The Office requests \$0.3 million and authorization for 1.0 new position to support the cyber security needs of the office. The request includes \$235,082 for the new full-time equivalent position and \$27,500 as a placeholder for contracted services. The expectation is that the new Treasurer will contract for projects to enhance server infrastructure and cybersecurity. *The Governor does not recommend funding.*

Retirement System Counselor (1.0 FTE). The Office requests \$0.1 million and authorization for 1.0 new counselor position for the Retirement System to support the transfer of both Central Falls and West Warwick town pension plans into the state system. Legislation passed at the end of the 2021 session establishes a process for the City of West Warwick’s locally-administered pension plan to transition existing retirees to the Municipal Employees Retirement System. Central Falls did a similar thing in 2019. This position was requested and recommended last year but was not approved by the Assembly. As of the pay period ending October 22, 2022, the System has 44.0 of its authorized 45.0 positions filled. *The Governor does not recommend funding.*

Other Retirement System Personnel. The Office requests \$8.1 million for the Retirement System’s 44.0 full-time equivalent positions plus cost allocations of other positions equivalent to 4.0 full-time equivalent positions. This is \$0.2 million more than enacted. The request and enacted budget assume turnover equivalent to approximately one position. As of the pay period ending October 22, 2022, the System has 44.0 of its authorized 45.0 positions filled. The request is \$0.6 million or 7.3 percent more than spent in FY 2022. *The Governor recommends \$54,330 more than requested and assumes turnover savings equivalent to approximately 0.5 positions.*

Other Retirement System Expenses. The Office requests \$7.2 million from Retirement System restricted receipts for all other expenses for the Retirement System including its computer system, Board legal counsel, postage and printing associated with distribution of the System newsletter, and rent for the building on Service Avenue. The request is \$0.4 million more than enacted. The major changes include \$0.1 million for costs associated with Board elections, \$0.1 million more for disability determinations, and \$0.1 million for an increase in cyber insurance. *The Governor recommends \$43,740 less than requested to reflect updated centralized information technology service cost projections.*

Unclaimed Property. The Office requests \$2.7 million for the administration of the Unclaimed Property program, which is \$0.1 million more than enacted. This includes \$1.6 million to support the 8.0 full-time equivalent positions assigned to the program as well as cost allocations of a portion of 19 other positions, \$0.6 million for audit firms that remit revenues to the program, and \$0.5 million for other expenses including information technology, advertising and data validation services. This program is responsible for the collection of abandoned property and acts as custodian for both tangible and intangible property, with the mission of returning this property to its rightful owner(s). The Revenue Estimating Conference estimates the transfer to the state each May and November. Prior to FY 2021, unclaimed property transfer, claims and liability set-aside were shown as an expenditure in the Office's budget. A FY 2021 audit adjustment removed these items as expenditures to conform to a Governmental Accounting Standards Board rule and treatment.

The Governor recommends \$52,459 less than requested. This includes an additional \$26,969 based on updated centralized facilities management services and \$79,428 less for salaries and benefits to reflect revisions to medical benefit rate projections, cost allocations, and turnover savings.

Other Salaries and Benefits. The Office requests \$2.7 million for all other salaries and benefits for the Office's other 34.0 full-time equivalent positions. This is \$384 less than enacted and includes \$22,164 more from general revenues. The request reflects current service adjustments, an additional \$0.1 million of turnover savings, as well as revisions to cost allocations between programs. *The Governor recommends \$2,329 more than requested, almost entirely from general revenues, based on updated medical benefit rate projections.*

Other Operations. The Office requests \$1.0 million for all other expenses, which is consistent with the enacted budget. These expenditures are \$0.2 million or 23.9 percent more than spent in FY 2022. The request includes \$0.5 million from all sources for centralized facilities management and information technology services, including \$0.2 million from general revenues. The request also includes \$0.2 million from general revenues for bank fees, and \$0.1 million from general revenues for contracted financial services in support of the Public Finance Management Board. *The Governor recommends \$0.2 million more than enacted and requested, including \$140,878 from general revenues, based on updated cost projections for centralized facilities management and information technology services.*

Rhode Island Board of Elections

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 2,063,316	\$ 2,027,074	\$ 2,092,480	\$ 2,008,689
Contracted Services	213,550	343,550	238,550	238,550
Subtotal	\$ 2,276,866	\$ 2,370,624	\$ 2,331,030	\$ 2,247,239
Other State Operations	1,264,597	1,302,325	1,711,597	1,382,326
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,700,000	2,700,000	-	-
Capital	8,000	8,000	8,000	8,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 6,249,463	\$ 6,380,949	\$ 4,050,627	\$ 3,637,565
Sources of Funds				
General Revenue	\$ 6,249,463	\$ 6,380,949	\$ 4,050,627	\$ 3,637,565
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 6,249,463	\$ 6,380,949	\$ 4,050,627	\$ 3,637,565
FTE Authorization	13.0	13.0	13.0	13.0

Summary. The Board of Elections requests \$4.1 million from general revenues, or \$2.2 million less than enacted. Its request includes the enacted authorization of 13.0 full-time equivalent positions. *The Governor recommends \$3.6 million, which is \$2.6 million less than enacted and \$0.4 million less than requested. The recommendation includes the enacted level of 13.0 full-time equivalent positions.*

Target Issues. The Budget Office provided the Board with a general revenue target of \$3.2 million. The amount includes adjustments of \$2.9 million as well as a 5.0 percent target reduction of \$0.1 million, adjusted for certain exclusions. The Board submitted a constrained request which is \$0.7 million more than the target. *The Governor's recommendation is \$0.4 million above the target.*

FY 2024 Budget	Budget Office	Board of Elections	Difference
FY 2023 Enacted	\$ 6,249,463	\$ 6,249,463	\$ -
Current Service Adjustments	(2,934,471)	(2,678,346)	256,125
New Initiatives	-	479,510	479,510
Change to FY 2023 Enacted	\$ (2,934,471)	\$ (2,198,836)	\$ 735,635
FY 2024 Current Service/Unconstrained Request	\$ 3,314,992	\$ 4,050,627	\$ 735,635
Target Reduction/Initiatives	(115,744)	(162,983)	(47,239)
FY 2024 Constrained Target/Request	\$ 3,199,248	\$ 3,887,644	\$ 688,396
<i>Change to FY 2023 Enacted</i>	<i>\$ (3,050,215)</i>	<i>\$ (2,361,819)</i>	<i>\$ 688,396</i>

Public Financing of Elections. The Board excludes the enacted amount of \$2.7 million from general revenues for the Matching Public Funds campaign finance program, required by Section 17-25-19 of the

Rhode Island General Laws. This program is only available every four years, when general officers are elected, most recently in November 2022. *The Governor concurs.*

Election Expenses. The Board requests FY 2024 election expenses totaling \$744,100 for the June 2024 presidential primary, which adds \$350,000 for delivery of equipment. The enacted budget includes \$394,100, of which \$300,000 is for the September 2022 primaries and November 2022 general election. The Budget Office assumes current service reductions of \$143,000, including \$107,500 for delivery of equipment, \$17,500 for printing, and \$18,000 for miscellaneous polling place expenses, retaining \$251,100 for base expenses. At the September 2022 Board meeting, it was reported its current sole vendor is retiring, and local governments would prefer a tighter timetable for delivery and removal of elections equipment. The Board is investigating hiring multiple transportation vendors to appease those preferences. *The Governor recommends \$456,212, including \$250,000 for equipment delivery, offset by \$27,888 less for other spending, mostly printing and miscellaneous polling place expenses. This is \$62,112 more than enacted and \$287,888 less than requested.*

Election Telecommunications. The Board requests \$145,000, or \$25,000 more than enacted from general revenues to support its telecommunications expenses. This includes the enacted level of \$65,000 for its wireless transmission expenses and \$80,000 for e-poll book services, for which \$55,000 was included in the enacted budget for the 1,600 electronic poll pads that provide voter roll access for all polling locations. *The Governor recommends funding as requested.*

Rent and Utilities. The Board requests \$700,000 or \$97,000 more from general revenues for the rent and utilities for its Plainfield Pike facility in Cranston. This includes \$67,000 more for its utilities expenses, totaling \$120,000; and \$30,000 more for its rent for a total of \$580,000. The Board's rent agreement has three components: its offices, warehouse, and miscellaneous expenses. The Board previously reportedly a monthly renovation reimbursement with a five-year term consistent with a \$25,000 increase for its rent for FY 2023. *The Governor recommends \$63,504 less for utilities expenses than requested. The Budget Office reports this is inadvertently understated.*

Seasonal Elections Staff. The Board requests \$277,453 or \$75,346 less than enacted for seasonal elections staff for FY 2024. The Budget Office estimates current service needs of \$189,856, or \$162,943 less than enacted. The request supports staff utilized on an as needed basis prior to and after actual elections and nomination contests to train elections staff statewide, prepare mail ballots and polling places, and maintain the Board's equipment. Day of polling operations also include technicians, bipartisan pairs to assist with nursing homes mail ballots, and other staff. *The Governor recommends \$20,281 less than requested to reflect a more modest increase from the current service estimate.*

Other Staffing and Operations. The Board requests \$2.2 million or \$104,510 more than enacted from general revenues to fully fund salaries and benefits for 13.0 full-time equivalent positions, consistent with current service level adjustments, including updated medical benefit selections, and stipends for five commissioners during FY 2024. The request for all other spending is consistent with the enacted budget and \$141,337 more than spent in FY 2022, though about 60 percent of the underspending is from retained legal services which vary annually and can be higher during elections years.

The constrained request is \$162,983 less than requested to remove funding for one position. *The Governor recommends \$41,389 less than requested to reflect updated estimates of staffing costs and centralized information technology services.*

Rhode Island Ethics Commission

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,684,537	\$ 1,633,067	\$ 1,724,893	\$ 1,725,006
Contracted Services	62,275	62,275	62,275	62,275
Subtotal	\$ 1,746,812	\$ 1,695,342	\$ 1,787,168	\$ 1,787,281
Other State Operations	279,507	303,313	332,590	300,952
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	8,826	8,826	8,826	8,826
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,035,145	\$ 2,007,481	\$ 2,128,584	\$ 2,097,059
Sources of Funds				
General Revenue	\$ 2,035,145	\$ 2,007,481	\$ 2,128,584	\$ 2,097,059
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,035,145	\$ 2,007,481	\$ 2,128,584	\$ 2,097,059
FTE Authorization	12.0	12.0	12.0	12.0

Summary. The Ethics Commission requests \$2.1 million from general revenues, which is \$93,439 more than enacted, and the authorized level of 12.0 full-time equivalent positions. *The Governor recommends \$2.1 million from general revenues, which is \$61,914 more than enacted and \$31,525 less than requested. He also recommends staffing consistent with the authorized level.*

Target Issues. The Budget Office provided the Ethics Commission with a general revenue target of \$2.0 million, including an increase for current service adjustments of \$68,925 and a 5.0 percent reduction of \$99,054, adjusted for certain exclusions.

FY 2024 Budget	Budget Office	Ethics Commission	Difference
FY 2023 Enacted	\$ 2,035,145	\$ 2,035,145	\$ -
Current Service Adjustments	68,925	53,439	(15,486)
New Initiatives	-	40,000	40,000
Change to FY 2023 Enacted	\$ 68,925	\$ 93,439	\$ 24,514
FY 2024 Current Service/Unconstrained Request	\$ 2,104,070	\$ 2,128,584	\$ 24,514
Target Reduction/Initiatives	(99,054)	(123,567)	(24,513)
FY 2024 Constrained Target/Request	\$ 2,005,017	\$ 2,005,018	\$ 1
<i>Change to FY 2022 Enacted</i>	<i>\$(30,128)</i>	<i>\$(30,127)</i>	<i>1</i>

The constrained budget submitted by the agency is \$1 more than the Budget Office target, achieved by laying off 1.0 full-time equivalent position for the entire fiscal year and not funding a new case management system. *The Governor's recommendation is \$92,041 more than the target.*

Salaries and Benefits. The Commission requests \$1.7 million from general revenues for salary and benefit expenses to fully fund the authorized level of 12.0 full-time equivalent positions. This is \$40,356 more than enacted to reflect adjustments and benefit rates consistent with FY 2024 planning values.

The Commission's constrained request includes savings of \$83,567, which would be achieved by eliminating funding for an administrative position, which is currently filled. *The Governor recommends funding essentially as requested.*

New Case Management System. The Commission requests \$40,000 from general revenues to implement a new case management system to manage and track complaints filed against public officials and employees and conflict of interest statements filed by public officials and employees. The current system does not track conflict of interest statements and will no longer be supported by the Division of Information Technology. The revised request includes \$30,000 for the new system.

The constrained request excludes the funding. *The Governor's recommendation does not include the funding; however, his Executive Summary suggests he intended to do so.*

Other Operations. The Commission requests \$363,691 from general revenues for all other expenses, which is \$13,083 more than enacted. The request includes additional funding for information technology charges, additional funding for subscription-based services, and staff training; however, the Commission annually underspends its final appropriation and the enacted level of funding may be sufficient for its operations based on historical expenditures. The enacted budget for these expenses is \$158,732 more than actual FY 2022 spending. *The Governor recommends \$8,362 more than requested for centralized information technology services, reflecting anticipated billing increases.*

Office of the Governor

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 6,533,993	\$ 6,985,750	\$ 7,770,790	\$ 7,773,873
Contracted Services	500	500	500	500
Subtotal	\$ 6,534,493	\$ 6,986,250	\$ 7,771,290	\$ 7,774,373
Other State Operations	450,687	445,917	465,782	465,074
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	150,000	150,000	150,000	150,000
Capital	17,100	17,100	17,100	17,100
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 7,152,280	\$ 7,599,267	\$ 8,404,172	\$ 8,406,547
Sources of Funds				
General Revenue	\$ 7,152,280	\$ 7,599,267	\$ 8,404,172	\$ 8,406,547
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 7,152,280	\$ 7,599,267	\$ 8,404,172	\$ 8,406,547
FTE Authorization	45.0	45.0	45.0	45.0

Summary. The Office of the Governor requests expenditures of \$8.4 million from general revenues and staffing of 45.0 full-time equivalent positions FY 2024. This is \$1.3 million more than enacted and \$1.0 million more than the current service level. *The Governor recommends \$8.4 million from general revenues which is \$1.3 million more than enacted and \$2,375 more than requested. He recommends staffing consistent with the enacted level.*

Target Issues. The Budget Office provided the Office with a general revenue target of \$7.0 million. The amount includes current service adjustments of \$0.3 million, and a 5.0 percent target reduction of \$0.4 million, adjusted for certain exclusions. The Office's constrained budget is \$1.2 million more than the Budget Office target and includes a proposal to eliminate the contingency fund. *The Governor's recommendation is \$1.4 million more than the target.*

	Budget Office	Office of the Governor	Difference
FY 2024 Budget			
FY 2023 Enacted	\$ 7,152,280	\$ 7,152,280	\$ -
Current Service Adjustments	257,379	257,379	-
New Initiatives	-	994,513	994,513
Change to FY 2023 Enacted	\$ 257,379	\$ 1,251,892	\$ 994,513
FY 2024 Current Service/ Unconstrained Request	\$ 7,409,659	\$ 8,404,172	\$ 994,513
Target Reduction/Initiatives	(360,744)	(150,000)	210,744
FY 2024 Constrained Target/Request	\$ 7,048,915	\$ 8,254,172	\$ 1,205,257
Change to FY 2023 Enacted	\$ (103,365)	\$ 1,101,892	\$ 1,205,257

Salaries and Benefits. The Office of the Governor requests \$7.8 million from general revenues for salary and benefit expenses for its 45.0 authorized positions. The request is \$1.2 million more than enacted from general revenues and \$1.0 million more than current service adjustments. Based on an average salary cost of \$113,765, the request would fully-fund 43.5 full-time equivalent positions, 1.5 less than the authorized level. It includes salary increases for several positions and restores turnover savings equivalent to 2.4 positions. As of the pay period ending December 31, 2022, the Office has 40.0 filled positions and is averaging 41.8 filled positions for FY 2023.

It should be noted that after the close of FY 2022, the Office shifted \$0.3 million of personnel expenditures to four other state agencies, including the Departments of Administration, Health, Human Services, and Elementary and Secondary Education. If not for these shifts, the Office would have overspent its final appropriation. The request does not assume any personnel costs will be allocated to other state agencies and appears sufficient to avoid similar overspending in FY 2024. *The Governor recommends \$3,083 more than requested to account for updated estimates of medical benefit rates.*

Contingency Fund. The Office of the Governor requests the enacted amount of \$150,000 from general revenues for the contingency fund. The funds may be used for expenditures in any state department or agency where funding is insufficient, or where such requirements are due to unforeseen conditions or are non-recurring items of an unusual nature. The Office's constrained request eliminates the fund. *The Governor recommends \$150,000, as enacted.*

Other Operations. The Office requests FY 2024 expenditures of \$0.4 million from general revenues for all other operations. This is \$15,095 more than the enacted budget for the Office's share of centralized information technology services. *The Governor recommends \$708 less than requested including \$4,876 more for information technology charges and \$5,584 less for vehicle maintenance and fuel based on updated cost projections.*

Rhode Island Commission for Human Rights

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,774,932	\$ 1,612,663	\$ 1,783,177	\$ 1,770,801
Contracted Services	15,050	173,871	36,919	36,919
Subtotal	\$ 1,789,982	\$ 1,786,534	\$ 1,820,096	\$ 1,807,720
Other State Operations	362,263	419,036	304,710	375,083
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	500	1,620	500	500
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,152,745	\$ 2,207,190	\$ 2,125,306	\$ 2,183,303
Sources of Funds				
General Revenue	\$ 1,744,334	\$ 1,811,976	\$ 1,766,316	\$ 1,824,202
Federal Aid	408,411	395,214	358,990	359,101
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,152,745	\$ 2,207,190	\$ 2,125,306	\$ 2,183,303
FTE Authorization	15.0	15.0	15.0	15.0

Summary. The Commission requests expenditures of \$2.1 million for FY 2024, which is \$27,439 less than enacted from all sources, including \$21,982 more from general revenues and \$49,421 less from federal funds. The request includes the enacted level of 15.0 authorized full-time equivalent positions. *The Governor recommends \$2.2 million, which is \$57,997 more than requested and \$30,558 more than enacted. His recommendation includes the enacted authorization of 15.0 full-time equivalent positions.*

Target. The Budget Office provided the Commission with a general revenue target of \$1.7 million. The amount includes \$47,375 for current service adjustments and a 5.0 percent target reduction of \$78,371, adjusted for certain exclusions. The Commission's constrained budget is \$31,128 below the target. *The Governor recommends \$110,864 above the target.*

FY 2024 Budget	Budget Office	Commission for Human Rights	Difference
FY 2023 Enacted	\$ 1,744,334	\$ 1,744,334	\$ -
Current Service Adjustments	47,375	21,982	(25,393)
Change to FY 2023 Enacted	\$ 47,375	\$ 21,982	\$ (25,393)
FY 2024 Current Service/Unconstrained Request	\$ 1,791,709	\$ 1,766,316	\$ (25,393)
Target Reduction/Initiatives	(78,371)	(84,106)	(5,735)
FY 2024 Constrained Target/Request	\$ 1,713,338	\$ 1,682,210	\$ (31,128)
<i>Change to FY 2023 Enacted</i>	<i>\$(30,996)</i>	<i>\$(62,124)</i>	<i>\$(31,128)</i>

Federal Receipts. The Commission's request assumes federal receipts of \$361,641 will be received in FY 2024 and requests expenditures totaling \$358,990, which is \$49,421 less than enacted. The Commission

spent \$311,672 in FY 2022. The Housing and Urban Development award has specific restrictions on what may be spent with those funds, where expenditures must directly concern the advancement of these cases. The Equal Employment Opportunity award, however, does not have these restrictions, which makes expenditures from these funds more flexible.

The Commission has only spent new receipts, and therefore does not spend down excess funds. The carry forward balance for FY 2024 is estimated at \$132,489 based on the FY 2023 revised request receipts and expenditures. Based on the FY 2024 request receipts and expenditures, the FY 2025 carry forward balance is projected to be \$135,140. *The Governor recommends \$111 more than requested.*

Salaries and Benefits. The Commission requests \$1.8 million from all sources to fund 14.6 of the agency's 15.0 authorized positions. This is \$8,245 more than enacted, including \$22,197 more from general revenues and \$13,952 less from federal funds. The Commission inadvertently includes the enacted level of \$13,500 for statewide stipend payments received for FY 2022 and FY 2023. Adjusting for this, the request is \$5,255 less than enacted from all sources, which is equivalent to 0.1 vacancies.

The Commission's constrained request assumes \$84,106 in savings from general revenues from eliminating funding for 1.0 full-time investigator position. The Commission reports that the proposed reduction would eliminate its ability to enforce anti-discrimination laws and estimates that federal funds would decrease by \$51,715 annually; that reduction is not accounted for in the constrained request. *The Governor recommends \$12,376 less than requested, primarily from general revenues, to account for updated medical benefit rate projections and the removal of the stipend payments.*

Case Management System. The Commission requests \$26,169 from general revenues, which is \$1,169 more than enacted, for the annual software agreement for its new case management system that is intended to streamline intake services and case management, and track and consolidate the collected information. The system, which is being implemented in FY 2023, will allow Commission staff to coordinate with federal tracking systems and enhance reporting capabilities. *The Governor recommends funding as requested.*

Centralized Services. The Commission's request is \$53,884 less than enacted from all sources for its share of centralized information technology services provided by the Department of Administration, and includes a negative \$51,608 expenditure from general revenues in error. Adjusting for this, the request is \$2,276 less than enacted from all sources, including \$2,301 less from general revenues and \$25 less from federal funds. Overall, the request is \$490 less than what the agency spent for centralized services in FY 2022. *The Governor recommends \$16,489 more than enacted, primarily from general revenues, based on projected billings for information technology services.*

Other Operations. The Commission requests \$17,031 more than enacted from all sources, including \$52,525 more from general revenues and \$35,494 less from federal funds, for all other operating expenses. This reflects a shift in rental expenses from federal funds to general revenues. The remaining expenses include increased costs for electricity and the leasing fees associated with the purchase of two new printers in FY 2022. The revised request also assumes the purchase of the two printers. *The Governor recommends funding as requested.*

Public Utilities Commission

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 8,369,197	\$ 8,371,250	\$ 9,136,223	\$ 8,729,784
Contracted Services	3,476,836	3,611,836	3,621,836	3,621,836
Subtotal	\$ 11,846,033	\$ 11,983,086	\$ 12,758,059	\$ 12,351,620
Other State Operations	1,343,732	1,357,271	1,387,677	1,429,680
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	380,000	380,000	380,000	380,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 13,569,765	\$ 13,720,357	\$ 14,525,736	\$ 14,161,300
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	582,689	523,718	622,200	593,775
Restricted Receipts	12,987,076	13,196,639	13,903,536	13,567,525
Other	-	-	-	-
Total	\$ 13,569,765	\$ 13,720,357	\$ 14,525,736	\$ 14,161,300
FTE Authorization	54.0	54.0	56.0	54.0

Summary. The Public Utilities Commission requests FY 2024 expenditures of \$14.5 million, which is \$1.0 million more than enacted from all sources, primarily restricted receipts. Restricted receipts are generated from billing the regulated utilities for the expenses of both the Division of Public Utilities and Carriers and the Public Utilities Commission, the quasi-judicial tribunal with jurisdiction, powers, and duties to implement and enforce utility standards. The Commission requests 56.0 full-time equivalent positions, which is 2.0 more than the authorized level. *The Governor recommends \$14.2 million, which is \$0.6 million more than enacted and \$0.4 million less than requested. His recommendation includes the enacted authorization of 54.0 full-time equivalent positions.*

Chief Financial Analyst (1.0 FTE). The Commission requests \$151,923 for 1.0 new full-time equivalent chief financial analyst position to support the Commission, which currently has 12.0 full-time equivalent positions, of which three are Commissioners. There is an administrative support position and a clerk, leaving seven professional staff to assist the Commissioners in evaluating and managing the case filings that are received each year. The additional staff would assist in the analyses that support the Commissioners' review of cases. *The Governor does not recommend the position or funding.*

Senior Legal Analyst (1.0 FTE). The Commission requests \$134,085 for 1.0 new full-time equivalent senior legal counsel position to support the Commission, which currently has 12.0 full-time equivalent positions, of which three are Commissioners. There are currently three lawyers supporting the Commission. The Commission reports it is experiencing a greater number of legal and regulatory issues than in the past due to new clean energy initiatives and recent legislation. This position was requested last year and not approved. *The Governor does not recommend the position or funding.*

Affordable Clean Energy Security. The Commission requests authorization for new expenditures of \$200,000 from restricted receipts for expert consultants and legal counsel to review the procurement activities of electric distribution companies seeking renewable energy resources, particularly offshore wind energy. Under the Affordable Clean Energy Security Act, which became law on June 29, 2022, these companies can charge up to \$200,000 in fees to offshore wind energy bidders to pay for all reasonable costs of contracted professional services that the Commission may hire. The request is a placeholder should the need arise. *The Governor recommends funding as requested.*

Gas Pipeline Safety. The Commission requests \$75,000 from the federal gas pipeline safety grant for contracted professional services. This is \$55,000 less than enacted to reflect the sharing of the expense for this contract with restricted receipts, consistent with the revised request. The purpose of the funding is to develop, support, and maintain inspection and enforcement activities for state gas and hazardous liquid pipeline safety programs. The cost of the contract is \$130,000, consistent with the enacted budget. *The Governor recommends funding as requested.*

Transportation Network Company Regulatory Oversight. The Commission requests \$75,238 from restricted receipts for the regulation of transportation network companies, which is \$3,525 more than enacted for updated salary and benefit expenses. Rhode Island General Law, Section 39-14.2-5 allows the Commission to regulate transportation network companies such as Lyft and Uber, and establishes the application and annual renewal fees to operate in the state. The majority of account expenditures are for salaries and benefits which, allocated to three staff, amounts to a 0.5 full-time equivalent position. Other expenditures support office related expenses such as supplies, printing and staff training. The Commission inadvertently includes the enacted level of \$450 for statewide stipend payments received for FY 2022 and FY 2023. *The Governor recommends \$2,444 more than enacted based on updated projections.*

Other Salaries and Benefits. The Commission requests \$8.8 million from all sources for other salary and benefit expenses for the remaining 53.5 authorized positions. This is \$477,493 more than enacted and reflects current service adjustments consistent with Budget Office planning values and the restoration of turnover savings, consistent with the revised request. The FY 2023 enacted budget provided funding for approximately 53 positions. As of the pay period ending October 22, 2022, the Commission has 5.0 vacancies. The Commission inadvertently includes the enacted level of \$37,050 for statewide stipend payments received for FY 2022 and FY 2023. *The Governor recommends \$119,350 less than requested, which reflects \$86,825 from additional turnover savings, removal of the one-time payments, and updated medical benefit rate projections.*

Dual Party Phone Relay Service. The Commission requests the enacted level of \$318,415 from restricted receipts to manage the Dual Party Phone Relay Service. Rhode Island General Law, Section 39-1-42 establishes that the Commission must provide “an appropriate funding mechanism to recover the costs of providing this service from each residence and business telephone access line or trunk in the state.” The Commission is required to remit \$50,000 annually to the Department of Human Services and \$100,000 to the Rhode Island Commission on the Deaf and Hard of Hearing for telephone equipment and to continue the emergency and public communication access program. *The Governor recommends funding as requested.*

Rate Case Reserve Account. The Commission requests \$1.9 million from restricted receipts for expenses incurred for hearings and investigations of rate case applications and other filings. Expenditures are for materials, external legal counsel, official stenographers, engineers, accountants, economists, and expert witnesses, which are billed back to the utility company up to \$750,000 per state proceeding and \$500,000 for federal proceedings. Consistent with the revised request, the Commission allocated half the cost of the gas pipeline safety consultant to this account. It did not otherwise increase total budgeted expenses to account for this \$75,000 shift. *The Governor recommends funding as requested.*

Energy Facility Siting Board. Consistent with the enacted budget, the Commission includes \$225,000 from restricted receipts to support the work of the Energy Facility Siting Board for FY 2023. The Energy Facility Siting Board regulates the issuance of licenses to construct major energy facilities. All expenditures related to the investigation are billed back to the applicants. Funding is used for expert witnesses, stenographers, print advertising notices, and advisory opinions. *The Governor recommends funding as requested.*

Other Operations. The Commission requests \$2.5 million from restricted receipts for all other operations, which is \$43,945 more than enacted. The request includes \$0.8 million for professional consultants including stenographers, legal and financial counsel, and a database administrator for the Commission's published decisions and hearings. It also includes \$0.7 million for rent and utilities, travel, office supplies, postal services, and printing; \$0.6 million for building maintenance and repairs; \$0.3 million for centralized services; and \$0.1 million for computers and legal research subscriptions. The Commission requests \$31,700 more than enacted for building repairs and travel expenses to cover cost escalations. *The Governor adds \$42,003 based on updated cost projections for centralized information technology services, utilities, and state fleet.*

Executive Office of Health and Human Services

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Central Management	\$ 324,364,436	\$ 294,062,604	\$ 280,234,789	\$ 258,555,881
Medical Assistance	3,290,073,082	3,257,337,254	3,308,332,305	3,504,077,620
Total	\$ 3,614,437,518	\$ 3,551,399,858	\$ 3,588,567,094	\$ 3,762,633,501
Expenditures by Category				
Salaries and Benefits	\$ 34,037,369	\$ 33,605,141	\$ 39,454,002	\$ 37,731,977
Contracted Services	173,055,261	148,046,946	190,636,621	179,862,414
Subtotal	\$ 207,092,630	\$ 181,652,087	\$ 230,090,623	\$ 217,594,391
Other State Operations	27,986,386	18,605,766	20,304,429	11,836,824
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	3,370,641,001	3,350,474,456	3,337,691,961	3,532,722,205
Capital	467,501	667,549	480,081	480,081
Capital Debt Service	-	-	-	-
Operating Transfers	8,250,000	-	-	-
Total	\$ 3,614,437,518	\$ 3,551,399,858	\$ 3,588,567,094	\$ 3,762,633,501
Sources of Funds				
General Revenue	\$ 1,196,906,846	\$ 1,121,866,242	\$ 1,242,262,209	\$ 1,313,077,538
Federal Aid	2,336,438,660	2,373,032,003	2,285,012,190	2,397,017,753
Restricted Receipts	81,092,012	56,501,613	61,292,695	52,538,210
Other	-	-	-	-
Total	\$ 3,614,437,518	\$ 3,551,399,858	\$ 3,588,567,094	\$ 3,762,633,501
FTE Authorization	204.0	204.0	234.0	225.0

Summary. The Executive Office requests \$3,588.6 million from all sources, including \$1,242.3 million from general revenues, \$2,285.0 million from federal funds and \$61.3 million from restricted receipts and a staffing level of 234.0 full-time equivalent positions. The request is \$25.9 million less than enacted, including \$45.4 million more from general revenues, \$51.4 million less from federal funds and \$19.8 million less from restricted receipts. It also includes 30.0 new positions.

The Governor recommends expenditures of \$3,762.6 million from all sources, including \$1,313.1 million from general revenues. This is \$148.2 million more than enacted and \$174.1 million more than requested from all sources. It is \$116.2 million more than enacted and \$70.8 million more than requested from general revenues, primarily related to a change in the hospital program. The Governor includes 225.0 full-time equivalent positions, which is 21.0 more than enacted and 9.0 fewer than requested.

Target Issues. The Budget Office provided the Executive Office with a general revenue target of \$1,233.0 million. The amount includes current service adjustments of \$38.2 million and a target reduction of \$2.0 million.

FY 2024 Budget	Ex. Office of Health &		
	Budget Office	Human Services	Difference
FY 2023 Enacted	\$ 1,196,906,846	\$ 1,196,906,846	\$ -
Current Service Adjustments	38,182,277	38,182,277	-
New Initiatives	-	7,173,086	7,173,086
Change to FY 2023 Enacted	\$ 38,182,277	\$ 45,355,363	\$ 7,173,086
FY 2024 Current Service/Unconstrained Request	\$ 1,235,089,123	\$ 1,242,262,209	\$ 7,173,086
Target Reduction/Initiatives	(2,040,021)	(9,314,804)	(7,274,783)
FY 2024 Constrained Target/Request	\$ 1,233,049,102	\$ 1,232,947,405	\$ (101,697)
<i>Change to FY 2023 Enacted</i>	\$ 36,142,256	\$ 36,040,559	\$ (101,697)

The constrained budget submitted by the agency is \$0.1 million below the target. The proposals to achieve the reductions are noted below among the items described where appropriate. *The Governor's recommendation is \$80.0 million above the target.*

Note to Reader. There is a separate Medicaid report in the Special Reports section of this publication with more extensive detail on Medicaid spending, benefits, programs, rules, and comparisons.

Federal Poverty Guidelines. The federal poverty guidelines are used for purposes of determining financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office of Health and Human Services. The 2023 guidelines are shown in the following table.

Percent of Federal Poverty Level based on Annual Income									
Family Size	100%	125%	133%	138%	150%	185%	200%	225%	250%
1	\$ 14,580	\$ 18,225	\$ 13,579	\$ 20,120	\$ 21,870	\$ 26,973	\$ 29,160	\$ 32,805	\$ 36,450
2	19,720	24,650	18,208	27,214	29,580	36,482	39,440	44,370	49,300
3	24,860	31,075	22,836	34,307	37,290	45,991	49,720	55,935	62,150
4	30,000	37,500	27,465	41,400	45,000	55,500	60,000	67,500	75,000
5	35,140	43,925	32,093	48,493	52,710	65,009	70,280	79,065	87,850
6	40,280	50,350	36,721	55,586	60,420	74,518	80,560	90,630	100,700
7	45,420	56,775	41,350	62,680	68,130	84,027	90,840	102,195	113,550
8	50,560	63,200	45,978	69,773	75,840	93,536	101,120	113,760	126,400

For families with more than 8 members, add \$5,140 for each additional member for the 100 percent calculation.

Caseload Estimating Conference. The Medical and Caseload Estimating Conference, as outlined in Rhode Island General Law, Chapter 35-17 meets at least twice a year, November and May, to provide for a more stable and accurate method of financial planning and budgeting. The conference estimators take testimony from the Executive Office for medical assistance expenses, including long term care, managed care programs, hospitals, pharmacy and other medical services. The Department of Human Services provides testimony for Rhode Island Works, the Supplemental Security Income program, general public assistance, and child care. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals provides testimony for private services for individuals with developmental disabilities. The separate agencies report a preliminary estimate in testimony, which forms the basis for the caseload estimate adopted by the State Budget Officer and House and Senate Fiscal Advisors.

The estimates are based only on current law and practice. The November Caseload Estimating Conference adopted estimate is the starting point for the Governor's revised and budget year recommendations. Any changes made in the Governor's budgets for either medical assistance, cash assistance or services to adults with developmental disabilities to the estimate must represent a status or policy change not contemplated in the current law estimate. Any expenditure revisions in the May estimate are incorporated into the final appropriation adjusted for any changes made by the Assembly.

Medical Assistance

The Caseload Estimating Conference met on November 4, 2022, and based on current law set the FY 2024 medical assistance expenditures at \$3,257.0 million, including \$1,214.3 million from general revenues, which is \$27.2 million more than enacted, including \$66.9 million more from general revenues.

The following table itemizes medical assistance expenditures in FY 2021 and FY 2022, as enacted by the 2022 Assembly, adopted by the caseload estimators and recommended by the Governor. Each category is discussed separately.

Medical Assistance	FY 2021 Spent	FY 2022 Preliminary	FY 2023 Enacted	FY 2023 Revised	FY 2024 Nov. CEC	FY 2024 Gov. Rec.
Hospitals						
Regular Payments	\$ 51.1	\$ 68.5	\$ 69.2	\$ 62.3	\$ 62.7	\$ 350.7
DSH Payments	142.3	290.9	145.1	145.1	136.3	14.7
Total	\$ 193.4	\$ 359.4	\$ 214.3	\$ 207.4	\$ 199.0	\$ 365.4
Long Term Care						
Nursing and Hospice Care	\$ 298.6	\$ 309.2	\$ 311.6	\$ 333.1	\$ 358.0	\$ 358.0
Home and Community Care	90.0	100.0	137.8	122.6	127.5	127.5
Total	\$ 388.6	\$ 409.2	\$ 449.4	\$ 455.7	\$ 485.5	\$ 485.5
Managed Care						
Rlte Care	\$ 771.3	\$ 824.6	\$ 903.5	\$ 936.1	\$ 953.4	\$ 971.2
Rlte Share	2.0	2.2	2.3	3.3	2.3	2.3
Fee For Service	24.7	25.8	55.1	29.7	33.3	33.3
Total	\$ 798.0	\$ 852.6	\$ 960.9	\$ 969.1	\$ 989.0	\$ 1,006.8
Rhody Health Partners	\$ 281.2	\$ 296.1	\$ 318.3	\$ 305.6	\$ 321.9	\$ 324.6
Medicaid Expansion	\$ 633.1	\$ 736.3	\$ 860.5	\$ 863.2	\$ 811.3	\$ 811.3
Rhody Health Options	\$ 123.2	\$ 132.5	\$ 178.6	\$ 167.8	\$ 183.5	\$ 185.0
Pharmacy	\$ (0.4)	\$ (0.4)	\$ 0.3	\$ 0.5	\$ 0.5	\$ 0.5
Pharmacy Part D Clawback	\$ 59.0	\$ 69.4	\$ 87.1	\$ 78.1	\$ 91.4	\$ 91.4
Other Medical Services	\$ 141.0	\$ 150.0	\$ 160.5	\$ 165.2	\$ 174.9	\$ 191.3
Medical Assistance Total	\$ 2,617.1	\$ 3,005.0	\$ 3,229.9	\$ 3,212.6	\$ 3,257.0	\$ 3,461.8
Federal Funds	\$ 1,736.8	\$ 2,042.6	\$ 2,073.1	\$ 2,130.2	\$ 2,033.4	\$ 2,186.1
General Revenues	870.6	952.9	1,147.4	1,073.1	1,214.3	1,266.3
Restricted Receipts	9.7	9.5	9.3	9.3	9.3	9.3

\$ in millions

The FY 2024 estimate assumes the public health emergency ends on January 11, 2023, and the enhanced Medicaid rate is only available through the third quarter of FY 2023. The estimate also assumes that redetermination process would begin in the fourth quarter of FY 2023 and there would be no enhanced rate for FY 2024. On December 29, 2022, Congress passed the Consolidated Appropriations Act, 2023 which decouples the requirement for continued eligibility for Medicaid enrollees and related rate enhancement for the Medicaid match from the public health emergency declaration. The legislation lifts the prohibition on eligibility redeterminations as of March 31, 2023. States may start the 12-month redetermination process as early as February 1, 2023, but no later than April 1, 2023.

The enhanced Medicaid rate will be phased down through the second quarter of FY 2024. For FY 2023, the 6.2 percent enhanced rate will remain in effect for the third quarter as assumed in the November estimate, but will be phased down to 5.0 percent in the fourth quarter. For FY 2024, the enhanced rate will be 2.5 percent in the first quarter and 1.5 percent in the second quarter, which will mark the end of the rate enhancement. In order for states to receive the enhanced Medicaid rate, they must meet certain conditions. They must submit a renewal distribution and system readiness plans by February 1, 2023, if they begin the redetermination process in February, or by February 15, 2023, if they begin in either March or April. States

must also report data related to the unwinding by the eighth day of the month in which the redetermination process starts.

The Governor recommends \$3,461.8 million, including \$1,266.3 million from general revenues, which is \$204.8 million more than the conference estimate, including \$52.0 million from general revenues. Any program changes requiring Assembly approval are contained in Articles 9 and 10 of 2023-H 5200.

Medicaid Proposals

The Executive Office’s request includes seven proposals related to the medical assistance program that add \$9.1 million, including \$3.7 million from general revenues. These are all excluded in the constrained request. *The Governor recommends \$38.4 million for specific initiatives, including \$15.3 million from general revenues. The following table shows the Executive Office’s request and the Governor’s recommendation. The proposals are also noted in the specific programs affected.*

Proposal	EOHHS Request		Governor's Recommendation	
	Gen. Rev.	Total	Gen. Rev.	Total
Abortion Coverage	\$ 375,462	\$ 375,462	\$ 536,384	\$ 536,384
Conflict Free Case Management	940,772	2,162,197	6,457,097	14,352,294
Family Home Visiting Program Transfer	817,851	1,712,340	794,299	1,731,805
First Connections Program Transfer	128,467	268,985	124,771	272,040
CEDAR Services Rates	538,415	1,219,789	551,955	1,219,790
Certified Community Behavioral Health Clinics	-	-	6,850,227	20,290,148
Adult Dental Coverage	288,801	2,076,192	-	-
Meals on Wheels	561,848	1,291,307	-	-
Hospital State-Directed Payment Program	-	-	91,463,049	287,953,412
Disproportionate Share Payments to Hospitals	-	-	(54,707,828)	(121,599,975)
Total	\$ 3,651,616	\$ 9,106,272	\$ 52,069,954	\$ 204,755,898

Abortion Coverage. The Executive Office includes \$0.4 million from general revenues to extend coverage services to include abortion services not currently covered for individuals enrolled in the Medicaid program. The estimate assumes that 722 abortions will be provided at an average cost of \$520, which includes additional required services, such as laboratory services. Coverage under this proposal would start July 1, 2023 and is not matched by federal Medicaid funds since this is not an allowable service.

The constrained request does not include this proposal. *The Governor recommends the proposal and includes \$0.5 million for services and \$0.1 million for one-time system changes. The recommendation assumes 978 abortions at an average cost of \$548. He includes Section 2 of Article 10 to extend the coverage, which would be effective when legislation is passed.*

Conflict-Free Case Management. The Executive Office requests \$2.2 million, including \$0.9 million from general revenues, to provide person-centered planning and conflict-free case management to Medicaid beneficiaries who receive long term services and supports in a home or community-based setting. Currently, direct services are determined by community-based agencies through a case management process, which may result in those services being provided by the same agency. Federal changes require that person-centered planning and conflict-free case management services be provided independently from the agency providing the direct service.

The estimate assumes elderly and disabled adults, children receiving services through the Katie Beckett program and developmentally disabled individuals through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals will be subject to the requirement. The estimate assumes approximately 9,500 beneficiaries use the services at a monthly cost of \$158.15. While the full year cost is \$11.5 million, the estimate assumes an average utilization of 7.6 months. After adjusting for the assumed

cost for individuals already receiving services in Executive Office's budget, the net change is \$2.2 million, or \$4.4 million annualized. The proposal assumes a start date of January 1, 2024.

The issue with the estimate is that it includes 4,307 developmentally disabled individuals who receive case management services through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and not part of the Executive Office's budget. Additionally, the state is under a federal consent decree for services to developmentally disabled adults, and that court would have to agree to the final plan. At a December 12, 2022 court hearing, the court monitor noted that the proposed start date for this population should be July 1, 2023, not January 1, 2024.

The estimate also includes 700 children receiving services through the Katie Beckett program but the Executive Office has a separate proposal to raise rates and provide new case management services through the CEDAR centers, which include services to the Katie Beckett population. This would appear to be contrary to the provisions of this conflict-free case management or at least potentially duplicative if allowed.

The constrained request does not include this proposal.

The Governor recommends \$14.4 million, of which \$6.5 million is from general revenues, and includes Section 3 of Article 9 to authorize the services. The Governor recommends savings of \$0.3 million, of which \$0.1 million is from general revenues, in the Office of Healthy Aging because the case management services will now be paid for through the Medicaid program. Other supporting budget documentation indicates that Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' budget should have savings of \$5.5 million, including \$2.5 million from general revenues, but does not.

Family Home Visiting Program Transfer. The Executive Office requests \$1.7 million, including \$0.8 million from general revenues, from the Department of Health's Family Home Visiting program be transferred to its Medicaid program. The state's 15 family home visiting providers are paid through federal Maternal and Child Health funds through the Department of Health. This proposed change is only a portion of the program but would allow providers to bill through the Medicaid claiming system. It is not clear why the expenses need to be shifted to the Executive Office's budget in order to bill Medicaid.

The Executive Office reports that the expenses are anticipated to remain the same for the Family Home Visiting population. Long term savings are likely to be achieved by engaging families in the program which improves outcomes, particularly health and mental health. These programs screen for and respond to maternal depression, getting women into treatment early and children in the family home visiting programs are more often up to date on their well-child visits than their peers who do not participate. These programs also support healthy early brain development and school readiness. *The Governor recommends funding as requested.*

First Connections Program Transfer. The Executive Office requests \$0.3 million, including \$0.1 million from general revenues to transfer the Medicaid funded portion of the First Connections program for prenatal services from the Department of Health to the Executive Office of Human Services. The program provides services to infants and toddlers through age three but unlike the Early Intervention program, a diagnosis is not needed to access services. Families are identified through a universal screening completed shortly after birth and include those not covered by Medicaid. This initiative transfers the Medicaid funded component program to the Executive Office to let providers submit claims through the Medicaid system. It is not clear why expenses need to be shifted to the Executive Office in order to bill Medicaid. *The Governor recommends funding as requested.*

CEDAR Services Rates. The Executive Office requests \$1.2 million, including \$0.5 million from general revenues, to change the rate structure for the state's two CEDAR Family Centers to include increased payments and services. The requested increase will bring total funding in FY 2024 to \$1.8 million,

including \$0.8 million from general revenues. The two centers, which are operated by the Rhode Island Parent Information Network and Lifespan, provide services to approximately 500 children and receive a \$1,200 annual reimbursement; this includes \$900 for a screening and \$25 a month for case management services when submitting at least one claim for that month.

In May 2022, the state entered into a settlement agreement with the federal Department of Justice to pay \$75,000 to a family to address the availability of home and community-based services. The settlement also requires the state to increase rates and outreach to identify families that need services. This proposal addresses both of those requirements. It would increase rates and reimburse for new wrap-around services to bring the total annual reimbursement to \$1,690. The estimate also assumes the caseload will double to 1,100 children after increasing outreach services. As noted, the Executive Office’s proposal to provide federally mandated conflict-free case management services may make this proposal for case management services unnecessary.

It should be noted that when applying the proposed new reimbursement rate to the current caseload, the increase totals \$0.3 million, including \$0.1 million from general revenues. The change would be effective July 1, 2023. The Executive Office also reports that the centers will be able to increase their capacity by another 600 children in FY 2025 at a cost of \$1.3 million, including \$0.6 million from general revenues.

The constrained request excludes this proposal. *The Governor includes Section 5 of Article 9 to authorize the change to services and rates and recommends funding as requested.*

Certified Community Behavioral Health Clinics. The enacted budget includes \$30.0 million from State Fiscal Recovery funds for the state to implement the Certified Community Behavioral Health Clinics federal model. The revised request updates for the projected timeline and required expenses for the federal model in FY 2023 and FY 2024, also noted separately in the analysis. Legislation includes certain benchmarks that must be met; each is shown in the following table with the status noted. Funding for the clinics is statutorily required to be included in the Governor’s FY 2024 recommended budget.

The Governor includes Section 4 of Article 9 to delay implementation from July 1, 2023 to February 1, 2024. The article repeals the current deadlines for organizations to submit their cost reports, and for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and the Executive Office of Health and Human Services to complete their analyses and determination of which clinics can be certified, and the cost for each one. Those deadlines passed on December 1, 2022 and January 15, 2023, respectively.

Certified Community Behavioral Health Clini - Federal Model		
Benchmark	Date	Action Completed
Engage with the Division of Purchasing to determine the appropriate process for organizations that want to participate	August 1, 2022	Yes
Organizations will submit cost reports developed by the Dept. of BHDDH to EOHHS that includes costs for required services	December 1, 2022	No
BHDDH, with EOHHS, will prepare an analysis of the proposals and determine how many organizations can be certified with the cost for each one	January 15, 2023	No

The Governor does recommend \$21.7 million, of which \$6.9 million is from general revenues, to cover the five months of costs consistent with the delayed start proposed. This includes \$20.3 million, of which \$6.9 million is from general revenues, in the medical assistance program and \$1.4 million from the enhanced funding to support Home and Community Based services, discussed separately. It appears these costs are subject to change when the required analyses are complete. The Governor also adds \$0.6 million, including

\$0.3 million from general revenues, for one new position and three contractors to support the initiative, also discussed separately.

Adult Dental Coverage. The Executive Office requests \$2.1 million, including \$0.3 million from general revenues, to expand adult dental benefits and shift the expenses from the fee-for-service to the managed care plans, excluding mobile dentistry services, individuals eligible for both Medicare and Medicaid and those not eligible to be enrolled in a managed care plan. The proposal will also expand the adult dental benefit package to provide services similar to those in the RItE Smiles program.

As part of the expanded services, the Executive Office proposes to cover teledentistry for adults and children, silver diamine fluoride treatment for adults, immediate dentures for adults, partial dentures with metal framework without prior approval for adults, and a reimbursement payment to Medicaid providers when adult dentures are not picked up by clients. These new services will also be shifted to managed care and provide further opportunity to redirect resources to preventative treatments that can reduce the need for more costly care.

This change would be effective January 1, 2024. It should be noted that the 2022 Assembly provided \$8.1 million, including \$2.7 million from general revenues, to raise reimbursement rates for adult dental services.

The constrained request does not include the proposal. *The Governor does not recommend this proposal.*

Meals on Wheels Expansion. The Executive Office requests \$1.3 million, including \$0.6 million from general revenues, to expand home delivered meals to 2,800 Medicaid eligible individuals who are 60 or older and do not receive long term care services and supports but are living with a chronic condition and/or experiencing food insecurity. Currently the program is provided only to individuals receiving home and community-based services and supports.

The Executive Office reports that this group is currently eligible for Medicaid financed meal delivery but have not traditionally received meals with Medicaid's financial support. The Meals on Wheels organization has largely depended on grants and private donations to support these individuals. Moving financial support away from these other sources will enable the organization to serve other vulnerable populations susceptible to food insecurity who are not Medicaid eligible.

It should be noted that the 2022 Assembly included three changes to the current Meals on Wheels program that: increased current rates, established new rates for therapeutic and cultural meals, and increased the rates annually for total funding of \$0.4 million, including \$0.2 million from general revenues. The rates increased \$12.00 for standard and frozen meals. The new benefit was established for cultural meals at \$14.05 and \$12.17 for therapeutic meals. The Executive Office assumes this change will take effect October 1, 2023.

The constrained request does not include the proposal. *The Governor does not recommend this proposal.*

Hospitals

The November Caseload Estimating Conference estimate includes hospital expenses totaling \$199.0 million, of which \$89.3 million is from general revenues. It includes \$62.7 million for direct medical services and supplemental hospital payments and \$136.3 million for uncompensated care payments to community hospitals.

The Governor recommends \$166.4 million more than the caseload estimate, including \$36.8 million from general revenues. He includes Sections 2 and 3 of Article 9 to make major revisions to how the state

structures its financing for the community hospitals. This includes a new hospital license fee structure and state-directed payment program; each is discussed separately.

Hospitals. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$62.7 million, including \$27.9 million from general revenues. The estimate is \$6.5 million more than enacted, including \$1.7 million less from general revenues, to reflect several adjustments. The estimate includes a 4.1 percent increase for both inpatient and outpatient rates and no increase in the number of either inpatient or outpatient days. The estimate also includes savings of \$4.3 million related to a policy change made in October 2022 to make Medicare Part A payments on behalf of eligible individuals consistent with federal requirements. Expenses in excess of the savings appear in the Other Medical Services program.

The estimate also includes the \$23.4 million, of which \$14.6 million is from general revenues, for upper payment limit reimbursements made to the community hospitals and \$2.5 million from general revenues for graduate medical education payments. The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and several new proposals.

The Governor recommends funding consistent with the caseload estimate for direct inpatient and outpatient services and the traditional payments. He adds \$288.0 million, including \$91.5 million from general revenues, to establish a new hospital state-directed payment program through the managed care plans to promote quality improvements at the community hospital. Section 5 of Article 9 contains the authorizing legislation for it. He also includes \$350,000, of which \$175,000 is from general revenues, for contracted services to manage the program.

Upper Payment Limit Reimbursements. The enacted budget includes \$29.4 million, of which \$9.5 million is from general revenues, to make the upper payment limit reimbursements to the state's community hospitals. The November caseload estimate of \$23.4 million, including \$14.6 million from general revenues is consistent with the FY 2023 revised caseload estimate, which was lowered based on updated information. General revenues are \$8.8 million, or \$0.8 million more than the revised estimate, to reflect the assumed end of the enhanced Medicaid rate. The budget request was submitted prior to the November Caseload estimate.

Hospitals currently receive quarterly inpatient and outpatient supplemental Upper Payment Limit based reimbursements. The reimbursement provides adjustments to increase resources to community hospitals by paying a rate that is equal to what Medicaid would pay for the same services. Under current federal regulations, states have greater flexibility in setting the Medicaid rates that they pay to nursing homes, hospitals and other providers. The regulations establish that states may pay facilities a total amount up to the level that Medicare would pay for the same services, group facilities together in calculating this upper payment limit, and pay some facilities more than others. This has allowed states to recognize that some public facilities have higher operating costs due to patient populations that are sicker and more likely to have no healthcare coverage at all. *The Governor recommends funding consistent with the caseload estimate.*

Graduate Medical Education. The enacted budget includes \$2.5 million from general revenues for graduate medical education payments to the state's community hospitals. Payments include \$1.0 million to Lifespan for its Trauma I Center, \$1.0 million to Care New England for its Neonatal Intensive Care Unit and \$0.5 million for Landmark Hospital's residential training program. The Executive Office's request and the November caseload estimate includes the funding.

The constrained request eliminates these payments. *The Governor recommends funding consistent with the caseload estimate.*

Disproportionate Share Payments to Hospitals. The November caseload estimate includes \$136.3

million for the disproportionate share payments for uncompensated care costs to the state’s community hospitals. This includes \$61.3 million from general revenues and matching federal funds. This is \$8.7 million less than enacted, including \$4.9 million more from general revenues, to reflect the federally scheduled reduction to the disproportionate share payment as reported to the Caseload Conference by the Executive Office of Health and Human Services.

The Medicaid and CHIP Payment and Access Commission, or MACPAC, is required to report to Congress on Medicaid disproportionate share hospital allotments to states. The Executive Office’s caseload testimony cited an estimate from Chapter 3 of the March 2022 *Report to Congress on Medicaid and CHIP* when reporting an estimated federal payment of \$75.0 million for FY 2024.

Community Hospitals Payments	FY 2022 Reported	FY 2023 Enacted	FY 2024 Nov. CEC	FY 2024 Gov. Rec.	Change to Nov. CEC
State	\$ 106,529,022	\$ 56,465,088	\$ 61,338,847	\$ 6,631,019	\$ (54,707,828)
Federal	184,413,624	88,614,791	75,000,000	8,107,853	(66,892,147)
Subtotal	\$ 290,942,646	\$ 145,079,879	\$ 136,338,847	\$ 14,738,871	\$ (121,599,975)
State-Directed Payment Program					
State	\$ -	\$ -	\$ -	\$ 91,463,049	\$ 91,463,049
Federal	-	-	-	196,490,363	196,490,363
Subtotal	\$ -	\$ -	\$ -	\$ 287,953,412	\$ 287,953,412
Upper Payment Limit					
State	\$ 11,937,239	\$ 9,544,248	\$ 8,789,859	\$ 8,789,859	\$ -
Federal	15,428,324	19,892,960	14,594,564	14,594,564	-
Subtotal	\$ 27,365,563	\$ 29,437,208	\$ 23,384,423	\$ 23,384,423	\$ -
Graduate Medical Education					
State	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -
Federal	2,518,257	-	-	-	-
Subtotal	\$ 4,518,257	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -
Total	\$ 322,826,466	\$ 177,017,087	\$ 162,223,270	\$ 328,576,706	\$ 166,353,437

Rhode Island’s calculation for the uncompensated care payments includes the costs incurred treating uninsured individuals and the Medicaid “shortfall” which represents the difference between payments made by the state for its Medicaid recipients (including managed care enrollees and fee-for-service patients) and what the hospital’s costs are for that treatment. Each hospital has its own set of costs for each procedure so there may be different charges for the same procedures among hospitals; however, the state pays the same rate for the same services for Medicaid eligible individuals, regardless of which hospital provides the treatment.

On January 19, 2023, the Executive Office formally notified the caseload conferees that the federal payment is \$8.4 million, or a \$75.0 million reduction, for a total payment of \$15.3 million from all sources.

The Governor includes Section 2 of Article 9 to make a payment that does not exceed \$15.2 million. His recommended budget includes \$14.7 million, including \$6.6 million from general revenues, or \$121.6 million less than the conference estimate, including \$54.7 million less from general revenues.

Hospital License Fee. Section 1 of Article 6 of the FY 2023 appropriations act includes a 5.42 percent fee using 2021 revenues for payments totaling \$179.1 million, including \$176.3 million for the community hospitals and \$2.8 million for the state payment for Eleanor Slater Hospital.

The FY 2023 enacted budget uses the same two-tiered license fee as in prior years, which the state applied for in 2012. At that time, the state did not receive a formal denial of the fee or further inquiry from the Centers for Medicare and Medicaid Services; however, the structure has come under scrutiny for future viability. The Executive Office received approval from the Centers for Medicare and Medicaid Services

for this structure only until June 30, 2023. After that, the fee must be revised for the state to maintain its ability to leverage Medicaid federal funds.

The Governor includes Section 2 of Article 9 to extend the annual hospital license fee and replace the current two-tier structure with a three-tier system with separate rates applicable to revenues generated by inpatient and outpatient services. The tiers are based on the hospital type, including the volume and type of patient served. The new rates are intended to average 6.0 percent. The section also establishes a separate rate for Eleanor Slater Hospital, 5.42 percent rate based on 2022 revenues. The budget assumes total revenues of \$217.2 million of which \$2.8 million is from state payments for the Eleanor Slater Hospital fee.

Hospital License Fee	FY 2023		FY 2024	
	Enacted	Community Hospitals	Eleanor Slater	Combined
<i>Base Year</i>	2021	2022	2022	
<i>Tax Rate</i>	5.42%	6%*	5.42%	
<i>Amount</i>	\$ 181,957,847	\$ 214,413,958	\$ 2,779,081	\$ 217,193,039
<i>Wash Cty. Waiver</i>	(2,842,811)	-	-	-
License Fee Total	\$ 179,115,036	\$ 214,413,958	\$ 2,779,081	\$ 217,193,039
			Change to Enacted	\$ 38,078,003

**Average charge with separate tiers and rates for in/outpatient services*

Long Term Care

The Caseload Estimating Conference estimate includes long term care expenses of \$485.5 million, including \$219.7 million from general revenues. This includes \$358.0 million for nursing facilities and hospice care and \$127.5 million for home and community care. The estimate is \$36.1 million more than enacted, including \$20.7 million from general revenues; it is \$29.8 million above the revised estimate for FY 2023. The increase includes the scheduled October 1, 2023, rate increase of 5.4 percent, the final 1.5 percent increase from the minimum staffing law, and updated utilization trends. A portion of the additional general revenues results from the assumption that the enhanced Medicaid rate is not applicable for FY 2024 and restores general revenues. As previously noted, the recently passed federal legislation, allows for an enhanced rate of 2.5 percent in the first quarter and 1.5 percent in the second quarter to coincide with the requirement that states begin the redetermination process no later than April 1, 2023.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and a new proposal.

Long term care fee-for-service costs total \$485.5 million and, combined with the \$183.5 million in Rhody Health Options, are \$669.0 million, including \$302.7 million from general revenues. *The Governor recommends funding consistent with the caseload estimate.*

Nursing Facilities and Hospice Care. The Caseload Estimating Conference estimate includes FY 2024 expenditures of \$358.0 million, of which \$162.0 million is from general revenues for the state's 80 nursing facilities. The estimate is \$46.4 million more than enacted, including \$24.0 million more from general revenues. It is also \$24.9 million more than the revised estimate for FY 2023. It includes the regular October 1, 2023 rate increase of 3.9 percent, the 1.5 percent increase attributable to the minimum staffing law, and an increase in the number of individuals requiring long term care services and supports.

A portion of the additional general revenue costs result from the assumption that the enhanced Medicaid rate is not applicable for FY 2024. As previously noted, the consolidated Appropriations Act 2023, allows

for an enhanced rate of 2.5 percent in the first quarter and ending at 1.5 percent in the second quarter to coincide with the requirement that states begin the redetermination process no later than April 1, 2023. *The Governor recommends funding consistent with the caseload estimate.*

Home and Community Care. The November Caseload Estimating Conference estimate includes \$127.5 million for home and community care expenses, including \$57.7 million from general revenues for FY 2024. This is \$10.3 million less than enacted, including \$3.4 million less from general revenues and \$4.9 million more than the revised estimate. The estimate includes caseload and cost inflators consistent with the Executive Office’s testimony at the caseload conference. This reduction to the enacted budget also reflects that a portion of the \$34.4 million in new funding authorized for FY 2023 has been shifted to other programs where those costs are incurred. As previously noted, the consolidated Appropriations Act 2023, allows for an enhanced rate of 2.5 percent in the first quarter and 1.5 percent in the second quarter to coincide with the requirement that states begin the redetermination process no later than April 1, 2023.

One of the Executive Office’s proposals affects the home and community care program as shown in the following table. *The Governor recommends funding consistent with the caseload estimate.*

Long Term Care - Proposal	EOHHS Request		Governor's Recommendation	
	Gen. Rev.	All Funds	Gen. Rev.	All Funds
Meals on Wheels Rates - Total	\$ 8,278	\$ 19,025	\$ -	\$ -

Managed Care

The Caseload Estimating Conference estimate includes managed care expenses of \$989.0 million of which \$429.4 million is from general revenues. The estimate includes RIt Care expenses at \$953.4 million, RIt Share at \$2.3 million and fee-for-service expenses at \$33.3 million; a discussion of each follows.

The November estimate is \$28.1 million more than enacted, including \$21.5 million more from general revenues, and \$19.9 million more than FY 2023 revised estimate. This estimate assumes a 5.0 percent increase in the monthly cost per person. It also assumes that the public health emergency is in effect through January 11, 2023, and that the state would begin the redetermination process in April 2023, which would continue over a 12-month period. This process will terminate benefits for individuals who are no longer eligible for Medicaid. For this population, whose eligibility is based on income, termination would occur if updated family income data is higher than the eligibility thresholds. As previously noted, the Consolidated Appropriations Act 2023, allows for an enhanced rate of 2.5 percent in the first quarter and 1.5 percent in the second quarter to coincide with the requirement that states begin the redetermination process no later than April 1, 2023.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and several new proposals. The Executive Office includes \$2.8 million, of which \$1.3 million is from general revenues, for several proposals that affect the managed care program as noted in table below and explained previously. The constrained budget excludes the new proposals.

Managed Care - Proposals	EOHHS Request		Governor's Recommendation	
	Gen. Rev.	All Funds	Gen. Rev.	All Funds
Family Home Visiting	\$ 817,851	\$ 1,712,340	\$ 794,299	\$ 1,731,805
First Connections	128,467	268,985	124,771	272,040
CEDAR Services Rates	54,392	123,226	55,760	123,226
Conflict-Free Case Management	85,525	196,564	581,139	1,291,707
Certified Community Behavioral Health Clinics	-	-	4,442,837	14,347,049
Adult Dental Coverage	218,596	502,404	-	-
Total	\$ 1,304,831	\$ 2,803,519	\$ 5,998,806	\$ 17,765,827

The Governor recommends \$17.8 million, including \$6.0 million from general revenues to reflect the transfer of two programs from the Department of Health, and the component of his proposals for CEDAR Services, conflict-free case management and Certified Community Behavioral Health Clinics that affect the managed care plans.

RIte Care. The Caseload Estimating Conference estimated RIte Care expenditures of \$953.4 million including \$401.3 million from general revenues and revision to the caseload enrollment and demographics that influence program costs. This is \$50.0 million more than enacted, including \$21.0 million from general revenues. The estimate assumes enrollment changes anticipated with the end of public health emergency and adjusts the monthly capitated rates. The Executive Office's request does not reflect the caseload estimate. *The Governor includes \$17.8 million, including \$6.0 million from general revenues, to account for his new proposals as noted previously.*

RIte Share. The Caseload Estimating Conference estimate includes RIte Share expenditures of \$2.3 million, including \$1.0 million from general revenues. This is consistent with the enacted budget. The Executive Office's request does not reflect the caseload estimate.

The RIte Share program allows families who are eligible for medical assistance to remain on their employer-based health insurance plan. The state pays the health care premiums and co-payments of RIte Share eligible participants if the coverage is similar to the cost and services offered through RIte Care.

The 2019 Assembly required the Executive Office to submit a plan by October 1, 2019 to increase enrollment in RIte Share by identifying Medicaid eligible individuals who have access to employer sponsored health insurance. It further required the following information be included in the monthly medical assistance report starting January 1, 2020: the number of individuals with access to third party insurance, the number of plans that meet the cost effectiveness criteria, and the enrollment in RIte Share. Prior budget savings were assumed in the RIte Care program based on the ability to identify those with employer sponsored insurance and increase the enrollment in the premium assistance program to levels that were attained prior to the implementation of the Unified Health Infrastructure Project.

The 2021 Assembly added more requirements such that more detail on larger employers that were not participating in RIte Share were reported. As of the December 2022, there are 403 employers who have an average of 100-299 employees in calendar year 2022, of which 119 are participating. Additionally, of the 143 employers who have an average of 300 or more employees in calendar year 2022, only 68 are participating. *The Governor recommends funding consistent with the caseload estimate.*

Fee-Based Managed Care. The Caseload Estimating Conference estimate includes fee-based managed care expenditures of \$33.3 million, of which \$15.1 million is general revenues. The expenses are for additional services provided to those in the contracted managed care system. The estimate is \$2.6 million more than the revised estimate and \$21.8 million less than enacted. Both fiscal years exclude \$18.0 million from federally funded COVID testing costs which now appear as expenses covered through the managed care plans. The FY 2024 estimate also includes \$1.6 million in higher rebates, which lowers overall expenses, and \$2.5 million less for Early Intervention services. The Executive Office's request does not reflect the caseload estimate. *The Governor recommends funding consistent with the caseload estimate.*

Rhody Health Partners

Rhody Health Partners. The Caseload Estimating Conference estimate includes expenditures of \$321.9 million, of which \$146.8 million is from general revenues for the Rhody Health Partners managed care program for adults with disabilities in FY 2024. The estimate is \$3.6 million more than enacted, including \$4.7 million more from general revenues. The estimate includes a 5.0 percent increase in the monthly cost per person and slightly lower enrollment. A portion of the additional general revenue costs is from the

assumption that the enhanced Medicaid rate is not applicable for FY 2024. As previously noted, the Consolidated Appropriations Act 2023, allows for an enhanced rate of 2.5 percent in the first quarter and 1.5 percent in the second quarter to coincide with the requirement that states begin the redetermination process no later than April 1, 2023.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and a new proposal. One of the Executive Office’s proposals affects the Rhody Health Partners program as shown in the following table. *The Governor’s recommendation includes \$2.7 million, including \$1.1 million from general revenues, to reflect the component of the Certified Community Behavioral Health Clinics proposal that affects the Rhody Health Partners program.*

Rhody Health Partners - Proposal	EOHHS Request		Governor's Recommendation	
	Gen. Rev.	All Funds	Gen. Rev.	All Funds
Adult Dental Coverage	\$ 703,452	\$ 1,616,760	\$ -	\$ -
Certified Community Behavioral Health Clinics	-	-	1,110,935	2,740,429
Total	\$ 703,452	\$ 1,616,760	\$ 1,110,935	\$ 2,740,429

Medicaid Expansion

The November caseload estimate includes \$811.3 million to provide Medicaid coverage to adults ages 19 to 64, without dependent children, with incomes at or below 138 percent of poverty. This includes updated enrollment of approximately 100,000 enrollees and is \$49.1 million less than enacted. The estimate also includes \$87.5 million from general revenues for the state match, \$3.1 million less than included in the enacted budget. It includes a 5.0 percent increase in the monthly cost per person.

It also assumes that the public health emergency continues through January 11, 2023, and that the state would begin the redetermination process in April 2023, which would continue over a 12-month period impacting FY 2024. As previously noted, the Consolidated Appropriations Act 2023, requires states to begin the redetermination process no later than April 1, 2023. For this population, whose eligibility is based on income, termination results from an update to the individual’s annual income that is now higher than 138 percent of the federal poverty threshold.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and a new proposal. One of the Executive Office’s proposals affects the Medicaid Expansion program as shown in the following table. *The Governor recommends funding consistent with the caseload estimate.*

Medicaid Expansion - Proposal	EOHHS Request		Governor's Recommendation	
	Gen. Rev.	All Funds	Gen. Rev.	All Funds
Adult Dental Coverage - Total	\$ 183,393	\$ 1,833,930	\$ -	\$ -

Rhody Health Options

Rhody Health Options. The state has a managed care contract with Neighborhood Health Plan of Rhode Island to managed acute care and long-term care services for individuals eligible for both Medicare and Medicaid. The caseload conference estimate includes \$183.5 million, of which \$83.0 million is from general revenues, for the Rhody Health Options program.

The estimate is \$4.9 million more than enacted, including \$3.9 million more from general revenues for the Rhody Health Options managed care program. This reflects a 5.2 percent increase in the monthly cost per person, which is largely related to the enrollment practices and an increase in rates for home-based services originally included in the fee-for-service program. A portion of the additional general revenue cost is from the assumption that the enhanced Medicaid rate is not applicable for FY 2024. As previously noted, the

consolidated Appropriations Act 2023, allows for an enhanced rate of 2.5 percent in the first quarter and ending at 1.5 percent in the second quarter to coincide with the requirement that states begin the redetermination process no later than April 1, 2023.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and a new proposal. One of the Executive Office’s proposals affects the Rhody Health Option program as shown in the following table. *The Governor includes \$1.5 million, of which \$0.6 million is from general revenues, to reflect the Certified Community Behavioral Health Clinics proposal.*

Rhody Health Options - Proposals	EOHHS Request		Governor's Recommendation	
	Gen. Rev.	All Funds	Gen. Rev.	All Funds
Meals on Wheels Rates	\$ 553,570	\$ 1,272,282	\$ -	\$ -
Certified Community Behavioral Health Clinics	-	-	609,182	1,504,060
Total	\$ 553,570	\$ 1,272,282	\$ 609,182	\$ 1,504,060

Pharmacy

The Caseload Estimating Conference estimate includes pharmacy expenses of \$91.9 million; this includes direct pharmacy costs and the state’s estimated Medicare Part D clawback payment. The budget request was submitted prior to the November Caseload estimate and it contains earlier estimates of current service adjustments. *The Governor recommends funding consistent with the caseload estimate.*

Fee-for-Service. The Caseload Estimating Conference estimate includes \$0.5 million for FY 2024 pharmacy expenses, which reflects fee-for-service pharmacy costs offset by federal rebates; this is \$0.2 million more than enacted for updated program expenses. Elderly and disabled individuals who are not enrolled in Rhody Health receive this fee-for-service pharmacy benefit. The caseload estimate separates the actual pharmacy costs for fee-for-service clients and the state’s payment for the Medicare Part D clawback, discussed separately. *The Governor recommends funding consistent with the caseload estimate.*

Medicare Drug Benefit - Part D Clawback. The Caseload Estimating Conference estimate includes the state payment for the Medicare Part D clawback provision at \$91.4 million, which is \$4.3 million more than enacted. A portion of the additional general revenue cost is the assumption that the enhanced Medicaid rate is not applicable for FY 2024. As previously noted, the Consolidated Appropriations Act 2023, allows for an enhanced rate of 2.5 percent in the first quarter and 1.5 percent in the second quarter to coincide with the requirement that states begin the redetermination process no later than April 1, 2023.

The plan provides coverage with a series of deductibles and co-payments based on the recipient’s income level. For individuals enrolled in Medicaid as well as Medicare, commonly referred to as dual eligibles, the state paid a portion of their drug costs matched by the federal participation rate. The state no longer directly pays for the drug costs; however, the state does pay a portion of the savings to the federal government, or a clawback, which has been calculated based on a nationwide formula. The dual eligibles do not pay any annual deductible but do pay a \$1 co-payment for generic drugs or \$3 co-payment for brand names. *The Governor recommends funding consistent with the caseload estimate.*

Other Medical Services

The Caseload Estimating Conference estimate includes expenditures for other medical services of \$174.9 million, which includes \$66.8 million from general revenues and \$98.8 million from federal funds and is \$14.4 million more than the enacted budget, including \$11.5 million more from general revenues. The estimate also includes the enacted level of \$9.3 million from restricted receipts, which provides direct general revenue savings, from assessments to insurance providers to cover the following services: comprehensive, evaluation, diagnosis, assessment, referral and re-evaluation services; home health services; and child and adolescent intensive treatment services. As previously noted, recent federal

legislation allows for an enhanced rate of 2.5 percent in the first quarter and 1.5 percent in the second quarter to coincide with the requirement that states begin the redetermination process no later than April 1, 2023.

Expenditures include the federal Medicare premium payments made on behalf of qualified Medicare recipients so that they are able to retain the federal benefit and not solely be reliant on Medicaid for medical coverage. This totals \$104.0 million from all sources, or \$18.7 million more than enacted, and is 59.5 percent of the other medical services category of expenses. This includes \$2.9 million to reflect a full year's cost for the Part A payments which total \$10.7 million. As of October 2022, the Executive Office enrolled 1,766 individuals in the Medicare Part A Buy-In program consistent with federal requirements.

The estimate also includes \$2.5 million from federal funds for COVID-19 vaccinations for FY 2024, which is \$9.2 million less than enacted and \$2.5 million less than the revised estimate. Other payments include rehabilitation services, including physical and occupational therapy, dialysis, physician and optometry services, behavioral health care services, durable medical equipment and transportation services. Those payments decrease by \$4.8 million to reflect projected spending.

The budget request was submitted prior to the November caseload estimate; it contains earlier estimates of current service adjustments and several new proposals. Several of the Executive Office's proposals affect the Other Medical Services programs as shown in the following table. *The Governor recommends \$16.4 million more than the caseload estimate, including \$7.6 million more from general revenues, to extend abortion coverage, and the component of his proposals for CEDAR Services, conflict-free case management and Certified Community Behavioral Health Clinics that affect the Other Medical Services program.*

Other Medical Services - Proposals	EOHHS Request		Governor's Recommendation	
	Gen. Rev.	All Funds	Gen. Rev.	All Funds
Abortion Coverage	\$ 375,462	\$ 375,462	\$ 536,384	\$ 536,384
CEDAR Services Rates	484,023	1,096,563	\$ 496,195	\$ 1,096,564
Conflict-Free Case Management	855,247	1,965,633	5,875,958	13,060,587
Certified Community Behavioral Health Clinics	-	-	687,273	1,698,610
Adult Dental Coverage	(816,640)	(1,876,902)	-	-
Total	\$ 898,092	\$ 1,560,756	\$ 7,595,810	\$ 16,392,145

Program Administration

Unified Health Infrastructure Project. Unified Health Infrastructure Projects costs are included in the budgets of the Executive Office of Health and Human Services, Department of Human Services and Health SourceRI through the Department of Administration's budget. The expenses to operate the eligibility system, including the design and development, maintenance and operation, financial consultants, postage and notification, and staff from the Division of Information Technology to assist with the system functions, are identified separately in the budget submissions in the agencies. This allows for the comparison of expenses to the enacted budget and prior years. For FY 2024, those expenses are \$87.6 million, or \$7.3 million less than enacted from all sources as shown in the following table.

There are other expenses that support the eligibility system, including at the Department of Human Services for dedicated eligibility technician staff time, and other approved staff, to enter the necessary information into the system and review client information for eligibility determination that are also budgeted in multiple agencies and are considered part of the project. The Executive Office has provided information that shows the FY 2024 total, when including all the expenses, is \$98.2 million from all sources, including \$31.1 million from general revenues, \$59.4 million from federal funds, and \$7.6 million from restricted receipts across the three agencies. This information cannot be disaggregated for the purposes of showing those expenses in the following table; however, the expenses are approved as part of the project's federal

approved Implementation Advanced Planning Document planning document, or IAPD. This includes some of the new expenses related to the public health unwinding that are part of the planning document.

The Executive Office requests \$51.3 million from all sources, including \$11.7 million from general revenues in its FY 2024 budget request. This is \$6.9 million less than enacted, including \$1.8 million less from general revenues, for anticipated expenses to operate the system. It should be noted that there is still a balance of \$0.2 million from Deloitte Settlement funds that has not been spent.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds*	Other Restricted/IT Fund & HealthSource RI	Total
FY 2016 through FY 2022	\$ 85,461,210	\$ 355,861,125	\$ 49,262,860	\$ 16,069,365	\$ 510,939,033
FY 2023 Enacted					
EOHHS	\$ 13,918,551	\$ 43,948,498	\$ -	\$ -	\$ 57,867,049
DHS	14,412,005	15,903,542	-	-	30,315,547
HealthSource RI/Contact Center	1,621,654	-	-	5,105,234	6,726,888
Total	\$ 29,952,210	\$ 59,852,040	\$ -	\$ 5,105,234	\$ 94,909,484
FY 2023 Gov. Rev.					
EOHHS	\$ 12,394,270	\$ 39,852,597	\$ -	\$ -	\$ 52,246,867
DHS	12,698,781	16,208,658	-	-	28,907,439
HealthSource RI/Contact Center	1,256,003	-	-	5,052,148	6,308,151
Total	\$ 26,349,054	\$ 56,061,255	\$ -	\$ 5,052,148	\$ 87,462,457
FY 2024 Request					
EOHHS	\$ 12,093,053	\$ 39,173,740	\$ -	\$ -	\$ 51,266,793
DHS	13,924,330	16,263,358	-	-	30,187,688
HealthSource RI/Contact Center	1,017,614	-	-	5,174,237	6,191,851
Total	\$ 27,034,997	\$ 55,437,098	\$ -	\$ 5,174,237	\$ 87,646,332
FY 2024 Gov. Rec.					
EOHHS	\$ 12,694,750	\$ 45,832,472	\$ -	\$ -	\$ 58,527,222
DHS	13,779,328	16,164,528	-	-	29,943,856
HealthSource RI/Contact Center	1,003,672	-	-	5,094,513	6,098,185
Total	\$ 27,477,750	\$ 61,997,000	\$ -	\$ 5,094,513	\$ 94,569,263
FY 2016 through FY 2024 Gov. Rec.	\$ 139,288,014	\$ 473,919,380	\$ 49,262,860	\$ 26,216,026	\$ 692,970,753

*A balance of \$216,431 remains in the settlement account; it is not included in either the revised or FY 2024 requests or recommendations

The request reflects projected spending and shifting expenses from the development phase to project maintenance. It also includes \$4.6 million for salary and benefit expenses, \$0.1 million less than enacted, primarily from federal funds to partially or fully fund 40 filled position and four vacant ones. The Executive Office requests \$8.5 million for FY 2024 in its capital request, discussed separately in the capital budget section of this publication. *The Governor recommends \$7.5 million more than requested, including \$0.6 million more from general revenues, to adjust for anticipated expenses for ongoing system maintenance and the unwinding of the public health emergency.*

Medicaid Enterprise System. The Executive Office requests \$6.0 million, including \$0.6 million from general revenues, to re-procure the Medicaid Management Information System, which is the primary means for processing Medicaid claims, third-party liability review, and data management. This is \$0.4 million, less than the enacted budget, including \$0.1 million from general revenues. The request is not consistent with the capital budget submission, which totals \$6.4 million for FY 2024.

The request includes \$3.1 million, of which \$0.3 million is from general revenues, for the North Highland Company to complete the planning portion of the project. This brings the total to \$5.8 million over two-years; the revised budget includes \$4.1 million for the first year. This is \$0.4 million less than the capital request to reflect an updated project schedule.

The request includes \$2.0 million, including \$0.2 million from general revenues, for independent verification and validation activities associated with a new project and is consistent with the capital request. It also includes \$1.3 million for the third-party liability module that would be first part of the new system; this is also consistent with the capital plan. *The Governor recommends funding as requested.*

Medicaid Management Information System. The Executive Office requests \$30.0 million, including \$7.2 million from general revenues, for all other Medicaid Management Information system expenses. This is \$2.7 million more than enacted, including \$0.6 million more from general revenues. This includes \$2.6 million, of which \$0.7 million is from general revenues, for an adjustment to the value of the contract.

The four-year contract with the system's operator, Gainwell Technologies, effective April 1, 2021 to March 20, 2025, totals \$104.7 million. The second and third year of the contract, which includes portions of FY 2023 and FY 2024, have an unidentified price increase adjustment that was not included in the enacted budget. In April 2022, the Executive Office negotiated a 6.62 percent price increase, which totals \$1.7 million for the second contract year, affecting FY 2023 for a new total of \$27.9 million, or \$0.2 million less than the revised request. Assuming a similar adjustment for FY 2024, the Executive Office requests an increase of \$2.6 million. However, it should be noted that a \$1.7 million increase to the third year of the contract would bring the total to \$27.5 million, or \$2.5 million less than requested. It should also be noted that information provided by the Executive Office shows \$7.5 million, including \$1.9 million from general revenues, is budgeted for unknown projects for system modifications.

The contractor processes an estimated 11 million transactions a year at \$0.20 a transaction, manages the data warehouse, and performs prior authorization, utilization and claims reviews, training and outreach activities, and other core system functions.

The constrained request excludes \$2.6 million in additional funding. *The Governor recommends \$1.3 million less than requested, including \$0.3 million less from general revenues, for a lower adjustment for anticipated expenses.*

HealthFacts RI/All Payer Claims Database. The Executive Office requests \$7.7 million, including \$0.4 million from general revenues, to support the state's All Payer Claims Database, known as HealthFacts RI. The request is \$2.5 million more than enacted from federal funds for additional reporting, auditing and dashboard activities. The enacted budget includes \$0.4 million for three new positions to bring staffing to 4.6 full-time equivalent positions totaling \$0.8 million. The cost for the new positions was offset by savings of \$0.8 million from converting contractors to full-time equivalent positions to support data analytics functions.

The request reduces the staffing by 0.6 positions to 4.0 full-time equivalent positions, including one currently filled position with the expectation of filling the remaining new positions by December 2022. This results in salary and benefit savings of \$0.5 million, of which \$32,276 is from general revenues. The request adds \$2.3 million, primarily from federal funds for contracted services to include analyses, information dash-boards and reports. The request also adds \$0.4 million for software upgrades but appears to exclude the required general revenue match. *The Governor recommends funding essentially as requested.*

CurrentCare. The Executive Office request includes \$4.3 million to make the payment for the state's share for medical assistance recipients in the CurrentCare, the state's electronic health information exchange. The state payment is based on all its Medicaid beneficiaries already being enrolled in the exchange through the opt-in process. The electronic network that gives medical professionals access to their patients' health information is operated by the Rhode Island Quality Institute.

The FY 2024 request also adds \$118,730, including \$11,873 from general revenues, to change the enrollment process from an opt-in one to an opt-out one to comply with a statutory change made by the 2021 Assembly. The Executive Office's capital request, submitted earlier than the operating request, includes \$3.4 million over five years for this project. The includes \$2.5 million for FY 2023, \$0.8 million for FY 2024 and \$0.2 million for FY 2025 to cover design, development, and implementation costs for the transition to the opt-out model as well as operational, technical, project management, regulatory compliance, and communications. The operating request is not consistent with the capital budget request. *The Governor recommends funding as requested.*

Unite Us - Community Resource Platform. The Executive Office requests \$1.1 million for Unite Us to run the community resource platform, which is an eReferral system allowing for social services recommendations from health care providers to community-based organizations. This is consistent with the enacted budget and includes \$1.0 million from Medicaid funds matched by \$0.1 million from the final year of available Health Care System Transformation Project restricted receipts. Starting in FY 2025, that match will not be available and most likely come from general revenues. *The Governor recommends funding as requested.*

ARPA - Certified Community Behavioral Health Clinics. The enacted budget includes \$30.0 million from State Fiscal Recovery funds for the state to implement the Certified Community Behavioral Health Clinics federal model. The Executive Office's revised request includes \$9.8 million and shifts \$20.2 million to FY 2024 for total funding of \$30.1 million over the two years, which is \$75,192 more than approved for clinics; the additional funding was inadvertently included in the revised request. Funding supports the infrastructure needed to expand the number of clinics and assist with the rate reimbursement structure tied to the federal model. If approved, the new model will be established for FY 2024.

The revised request updates for the projected timeline and required expenses for the federal model in FY 2023 and FY 2024. Funding for the clinics is statutorily required to be included in the Governor's FY 2024 recommended budget.

The Governor does not recommend funding as requested and includes \$30.0 million in his revised recommendation, consistent with the enacted budget. As previously noted, the Governor's FY 2024 budget includes \$21.7 million, of which \$6.9 million is from general revenues to cover the five months of costs consistent with the delayed start proposed.

Certified Community Behavioral Health Clinics. The Executive Office includes \$0.6 million, including \$0.5 million from federal funds and \$0.1 million from general revenues, for contracted services to establish a rate reimbursement structure and a new full-time equivalent finance analyst position to support the Certified Community Behavioral Health Clinics. The request included \$0.5 million from Medicaid funds for contracted services but does not include the required state match.

The new position will coordinate and oversee provider cost reporting submissions, rate setting, payment and reconciliation processes. The 2022 Assembly repurposed a vacant position to support the program and that position was filled on December 4 with existing staff. The Executive Office also shows a contractor in its organizational chart to provide administrative support.

The constrained budget excludes the funding and new position. *The Governor includes \$0.1 million to fund the new position. He also includes \$0.5 million for three contractors and adjusts the request for the state match.*

Home and Community Based Support - ARPA. The Executive Office includes \$52.5 million from all sources, or \$14.0 million less than enacted, to enhance funding to support Home and Community Based services. Funding is available from the ten percentage points of Medicaid reimbursement on eligible home

and community-based services included in the American Rescue Plan Act; general revenues savings must be reinvested to expand home and community-based activities and spent by March 31, 2025.

The spending plan the Executive Office submitted to the federal government in October for these one-time funds totals \$148.2 million. The following table shows the October plan, and proposals for FY 2023 and FY 2024 and as well as FY 2022 spending, which leaves a balance of \$31.7 million to be spent by FY 2025.

Proposals	October Submission	EOHHS					Difference from October Submission
		FY 2022*	FY 2023	FY 2024	3-Year Total		
Increasing Access to HCBS Services	\$ 65.2	\$ -	\$ -	\$ -	\$ -	\$ (65.2)	
Building Infrastructure to Expand Provider Capacity and Care Continuum	30.6	4.0	20.1	5.3	29.4	(1.2)	
No Wrong Door Enhancement Initiative	6.1	0.2	1.6	0.7	2.5	(3.6)	
Updating Technology	1.6	-	1.5	1.8	3.3	1.7	
HCBS Workforce Training	6.8	6.8	0.3	6.5	13.6	6.8	
Phase II & Overall Contracted Support	37.9	-	0.2	0.2	0.4	(37.5)	
Unallocated Funds	-	-	28.8	38.4	67.2	67.2	
Total	\$ 148.2	\$ 11.0	\$ 52.5	\$ 52.9	\$ 116.4	\$ (31.7)	

*\$ in millions/*Staff estimate from EOHHS reporting*

For FY 2024, the request includes \$6.5 million for workforce training projects. With the provider capacity proposal, the request includes \$3.5 million for services to the homeless, \$2.5 million for the long-term services and supports projects, \$1.2 million for Certified Community Behavioral Health Clinics, and \$0.5 million for the dental pilot program. There is also \$1.2 million for contracted system support and \$0.2 million for contracted staff support.

The Governor recommends \$12.1 million less than enacted and \$1.9 million more than funding as requested. This includes \$1.5 million more than requested for updated planed use of the funds and \$0.3 million for printing and advertising expenses.

Pay for Success. The Executive Office requests \$1.5 million, or \$3,000 more than enacted, from restricted receipts, for the Pay for Success program. This includes \$168,695, which is \$27,230 more than enacted for one full-time equivalent position. The Assembly concurred with the Governor’s amendment to add a position, which was underfunded by \$21,153 and the request corrects for that. The position is filled as of January 2023.

A program update was provided in August 2022 that noted the Rhode Island Coalition to End Homelessness, in partnership with the Executive Office, has fully developed a detailed work plan to guide planning and launch efforts, with the goal of beginning service delivery at the latest by January 2023. The Faulkner Group has drafted and is finalizing a comprehensive evaluation plan.

The legislation authorizes a five-year pilot program whereby the Executive Office contracts with non-profit investors and service providers to provide permanent supportive housing and additional wraparound services to a cohort of 125 individuals experiencing homelessness. The 2022 budget included \$6.0 million to fund the restricted account. *The Governor recommends funding as requested.*

Children and Youth - Behavioral Health System of Care Grant. The Executive Office recently received a four-year, \$10.6 million federal grant to expand services available to children and their families that was not included in the enacted budget. The request of \$2.5 million includes \$1.1 million for a Community Based Intensive Care Team, \$1.1 million for Mobile Response Stabilization Services and supports, \$0.4

million for data support and program evaluation, and \$0.1 million each for new contracted positions: a project director and family lead coordinator.

The Executive Office plans to have one Community Based Intensive Care Team to provide services to 35 children in the first year, expanding to 40 in the second year, and 45 in the third and fourth years of the grant. The Executive Office notes in its application that it is also seeking funding for a second care team. At the end of the grant, it intends to create a statewide program funded through the Medicaid program that will require a state match.

Total funding for the 24/7 mental health crisis emergency services required for Mobile Response Stabilization Services is \$5.8 million in the revised request because the Executive Office is using \$5.0 million from the Home and Community Based Support - ARPA funds for FY 2023 and \$1.1 million for FY 2024. The program will involve accepting referrals from the 24-hour 988 crisis hotline, schools, primary care providers, with an in-person response within one hour of receiving the referral. The initial screening will occur over the phone when the referral is received to determine eligibility for the response and stabilization services. Youth who do not meet the eligibility criteria for these stabilization services will be referred to a more appropriate level of care, such as a lower level of care setting, hospital, or the Department of Children, Youth and Families. *The Governor recommends funding as requested.*

Statewide Opioid Funds. The Executive Office includes \$10.3 million from restricted receipts, which is \$10.6 million less than enacted, from multiple opioid fund sources for FY 2024. This includes \$10.0 million from opioid abatement funds and \$0.3 million from opioid stewardship funds. The request excludes \$0.5 million from McKinsey Opioid Settlement funds; the \$2.6 million the state received from that agreement will be spent over FY 2022 and FY 2024. The Executive Office is coordinating with the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals on distribution of the funds. The FY 2023 revised request includes \$20.8 million, for a two-year total of \$31.1 million, from these sources.

The 2022 Assembly included an annual January 1 reporting requirement to the Speaker of the House of Representatives, President of the Senate and the Attorney General on how the opioid abatement funds were spent. The report shows spending of December 31, 2022, \$46,949 on program administration in the Executive Office and \$5,405 to support Department of Health staff to expand data surveillance capacity and accelerate data collection and reporting on overdoses and fatalities.

The report also identified the planned use of the funds to be spent on services and capital projects including: \$2.8 million for community organizations to provide new opioid-related prevention activities, \$2.0 million for the state's Overdose Prevention Center (also known as the Harm Reduction Center), \$1.5 million for investments in school and community based mental health services, \$1.0 million for harm reduction and recovery programs, \$1.5 million for outreach, and \$0.2 million for services at the Cranston Street Armory Warming Station.

Funding also includes \$2.0 million to build new treatment facilities, \$0.8 million to expand the availability of recovery housing for those with a higher level of need and \$0.5 million for peer outreach and education in the state's non-residential construction industry. It also includes \$0.6 million to treat substance exposed newborns and \$0.3 million for emergency response set-aside funds. Finally, the report includes \$1.0 million for data analysis and program administration. The following table shows FY 2023 projects identified in the January report and the FY 2024 information has been provided by the Executive Office to support its request.

Projects	FY 2023	FY 2024
New Opioid Treatment Facilities	\$ 2,000,000	\$ -
Harm Reduction Center and Treatment Capacity	2,950,000	1,250,000
Housing and Recovery Housing Supports	750,000	2,620,000
Youth Prevention Programming	-	1,150,000
Investment in School and Community-Based Mental Health	1,500,000	-
Investment in Community-Based Mental Health	2,500,000	-
Expanded Street Outreach	1,500,000	1,050,000
Capacity Building - Non-profit Organizations	750,000	-
Substance-Exposed Newborns	600,000	-
BIPOC Youth Development	-	800,000
BIPOC Workers - Non-residential Construction	500,000	-
SUD Residential and Workforce Support	-	600,000
Nalaxone Distribution Infrastructure	-	500,000
Drop-in Center for Drug User Health	-	150,000
Undocumented and Uninsured MAT Coverage	-	550,000
Emergency Response Set Aside	332,000	500,000
Program Administration	250,000	600,000
Enhanced Survey and Data Analysis	620,000	-
Project Evaluation	125,000	500,000
Contingency Management	300,000	-
Total	\$ 14,677,000	\$ 10,270,000
EOHHS Budget Request	\$ 20,790,226	\$ 10,319,937
<i>Balance</i>	\$ 6,113,226	\$ 49,937

The Governor recommends \$6.1 million less than requested to reflect planned use of funds in FY 2024 in the Executive Office's budget. Opioid funds are included in four agency budgets and those are listed in the following table for both FY 2023 and FY 2024.

Governor's Recommendation			
Agency	FY 2023	FY 2024	2-Year Total
EOHHS	\$ 10,905,608	\$ 4,187,739	\$ 15,093,347
BHDDH	10,132,500	7,045,000	17,177,500
Health	5,567,074	3,610,222	9,177,296
Corrections	2,868,614	1,331,585	4,200,199
Total	\$ 29,473,796	\$ 16,174,546	\$ 45,648,342

Health System Transformation Project. The Executive Office requests \$27.7 million from federal funds for the Health System Transformation program, which is \$8.0 million less than enacted to reflect updated project expenses in FY 2024. Through the project, the federal funds and restricted receipts support programs that address access to healthcare, the healthcare workforce and the state's system of care. This includes \$2.8 million, or \$0.4 million more than enacted to either fully or partially fund 42 currently filled positions and another 17 vacant ones. This is the final year that funding is available from federal funds and restricted receipts to support this project.

The request also includes \$20.8 million, or \$4.1 million less than enacted, for payments to the six certified Accountable Entities that include: Blackstone Valley Community Health Center; Coastal Medical; Integrated Health Partners; Providence Community Health Center; Prospect Health Services of Rhode Island. A more detailed description of the program is in the Medicaid Report in the Special Reports section of this publication. *The Governor recommends funding essentially as requested.*

HIV Treatment Services and Administration. The Executive Office requests \$11.9 million for HIV services and administration expenses, which is \$0.5 million less than enacted. The FY 2024 request decreases funding through the Ryan White federal grant by \$0.5 million to \$3.1 million and includes \$7.8 million from drug rebates essentially as enacted. This decreases community support by \$0.2 million to \$2.9 million, reflecting available resources and includes the enacted level of \$6.5 million for pharmaceutical expenses. It also lowers salary and benefit expenses by \$0.2 million to \$0.8 million from federal funds. *The Governor recommends \$1.1 million more than requested for supportive services and pharmaceuticals.*

Early Intervention Services. The Executive Office requests \$2.8 million, including \$0.1 million from general revenues, for Early Intervention Services, which is \$0.2 million more from all sources, primarily from federal funds. The request includes \$0.3 million more for direct funding available to the nine providers for administrative support, performance incentive, professional development and staff recruitment and retention. *The Governor recommends funding as requested.*

Court Monitor and Consent Decree Coordinator. The Executive Office requests the enacted level \$400,000, including \$200,000 from general revenues, to pay for a court monitor and consent decree coordinator as part of the state settlement with the Department of Justice to address community based and employment services for adults with developmental disabilities in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. This includes \$300,000 for the monitor and \$100,000 for the coordinator. *The Governor recommends funding as requested.*

Deputy Chief of Legal Services (5.0 FTE). The Executive Office requests \$0.8 million, including \$0.5 million from general revenues, for five new Deputy Chief of Legal Services positions. This includes two assigned to the Department of Children, Youth and Families for Child Support Enforcement cases since the Family Court is adding a magistrate in FY 2023. The remaining three attorneys will be assigned to Department of Health to support its boards and commissions and work with the Office of the Attorney General to assist with litigation. *The Governor includes \$0.5 million, including \$0.3 million from general revenues for three new attorneys: two for the Department of Children, Youth and Families to reduce attorney caseloads and one for the Department of Human Services' Child Support Enforcement unit.*

Legal Staff Pay Upgrades. The Executive Office requests \$86,203, including \$55,647 from general revenues to upgrade 14 Senior Legal Counsel full-time equivalent positions to Deputy Chief of Legal Services positions. This would increase the salary from \$86,967 to \$93,075, or seven percent, and bring the total cost to \$144,289, with benefits.

The Executive Office reports that it has had difficulty recruiting and retaining legal staff particularly, within current classification. The Executive Office noted that a salary study has been conducted by the Department of Administration's Office of Human Capital Management that concluded that the current pay grade is not commensurate with similarly situated government attorneys in neighboring states.

The constrained budget excludes the funding. *The Governor does not included funding as requested.*

Medicaid Medical Director (1.0 FTE). The Executive Office requests \$0.3 million, including \$0.1 million from general revenues, for a new Medicaid medical director. It reports that the new position is requested to improve the quality of care by identifying inefficiencies in current benefit coverage and addressing health disparities among beneficiaries; recommending policy changes to better align state medical assistance programs with evidence-based best practices; and recommending actions to improve quality and access to care for beneficiaries, with an emphasis on maternal and infant health, behavioral health for children and adults, and primary and specialty care services.

It should be noted that the Executive Office includes \$93,600 for its portion of an agreement with the Department of Health for a medical director to oversee Medicaid policy and other related activities. The

Executive Office has noted that if this proposal is accepted there would need to be a reduction to this expense.

The constrained budget excludes the funding and the new position. *The Governor does not include the funding or new position.*

Medicaid Pharmacy Director (1.0 FTE). The Executive Office requests \$0.2 million, including \$0.1 million from general revenues for a new Medicaid pharmacy director to develop strategies to best manage pharmacy costs for the Medicaid program. This would include a comprehensive review of the current pharmacy benefits and rebate programs. Currently, oversight of pharmacy expenses is a function done by the managed care plans for its enrollees and contractors for the fee-for-service program. In addition, oversight of the managed care contracts is a function done by current Medicaid staff. *The Governor includes funding and the new position.*

Budget and Finance (3.0 FTE). The Executive Office requests \$0.5 million, including \$0.2 million from general revenues, for three new finance positions. This includes a financial management administrator and assistance finance administrator to provide timely reports, analyses, oversight and administration of the Medicaid program. It also includes a director for oversight, development, and implementation of the Medicaid state plan.

The Executive Office's updated organizational chart for its Budget and Finance Unit has 31 positions, of which 26 are currently filled and five are vacant. There are also two contractors working in the division. However, the Executive Office reports that there are no contractors assigned to do this work and the new positions would be reporting to the Associate Director, Financial Management, Chief of Strategic Planning, Monitoring and Evaluation, and Assistant Director of Financial and Contract Management. It should also be noted that there are 12 filled state staff positions in the Managed Care and Oversight Unit along with three vacancies and six contractors providing oversight and administration of the Medicaid program.

The constrained budget excludes the funding and the new positions. *The Governor recommends the funding and the new positions.*

Auditors (2.0 FTE). The Executive Office requests \$0.3 million, including \$0.1 million from general revenues for two new auditors to support nursing home oversight requirements that under current law reside with the Department of Health. Rhode Island General Laws, Chapter 23-17.11, the Nursing Facilities Receivership Act, requires the Director of the Department of Health to regulate nursing facilities and provide appropriate legal remedies to provide quality of care for residents in nursing care facilities. The statute also requires that any licensed nursing home provide information to the Department of Health, Department of Human Services, and the Office of the Attorney General related to the financial management of a nursing facility. The Executive Office notes that the current statute does not reflect the transfer of the Medicaid program from the Department of Human Services to the Executive Office and its request includes the new positions to perform a function not currently assigned to it.

The constrained budget excludes the funding and the new positions. *The Governor does not include the funding or new positions.*

Health Program Evaluator (1.0 FTE). The Executive Office requests \$152,150, including \$73,032 from general revenues, for a health program evaluator to provide clinical oversight and compliance monitoring for the managed care and fee-for-service programs. The position would report to the new Deputy Director of Medicaid, a change in title for the former Chief of Staff of Medicaid. The Executive Office reports that this work is not currently performed by any contractors; however, there is a Deputy Medicaid Program Director of Managed Care and Oversight who has 12 filled positions, three vacant ones, and six contracted positions in that unit. There are seven assigned to contract oversight.

The constrained budget excludes the funding and the new position. *The Governor does not include the funding or new position.*

Purchasing Finance Manager (1.0 FTE). The Executive Office requests \$112,914, including \$53,069 from general revenues, for a new purchasing finance manager to provide contract oversight and management. The Executive Office includes this new position because it reports that it will issue a minimum of 16 new requests for proposals, 60 new contracts, not including amendments, in addition to processing invoices, closing purchase orders and processing releases. The position supports the work needed for the Pay for Success program, Certified Behavioral Health Care Clinics initiative, new federal Children and Youth's Behavioral Health System of Care Grant, and the home and community-based services programs.

The constrained budget excludes the funding and the new position. *The Governor does not include the funding or new position.*

Support Staff (2.0 FTE). The Executive Office requests \$0.3 million, including \$0.2 million from general revenues for two new positions to support strategy development. The new staff will report to the Chief Strategic Planning, Monitoring and Evaluation and be part of the Executive Office's new Strategy and Innovation team, which has seven filled positions and three contractors.

The constrained budget excludes the funding and the new positions. *The Governor does not include the funding or the new positions.*

Appeals Officers - Public Health Unwinding (3.0 FTE). The Executive Office requests \$0.4 million, including \$0.2 million from general revenues for three new legal positions to support the Appeals Office and the additional work during the unwinding of the public health emergency which will last 12 months. There are currently six filled positions and one vacancy in the appeals office.

The constrained budget excludes the funding and the new positions. *The Governor includes the funding and new positions. He also includes \$15,561 in the Department of Administration's HealthSource RI's budget for the positions.*

Medicaid Eligibility Quality Control Staff from DHS (3.0 FTE). The Executive Office proposes to transfer Medicaid Eligibility Quality Control Unit and its three full-time equivalent positions from the Department of Human Services to its budget for FY 2024. States are federally required to have a Medicaid Eligibility Quality Control unit to report the ratio of erroneous excess payments in its medical assistance program. Federal guidelines note that to avoid potential conflicts of interest during the case reviews, the agency and staff responsible for the development, direction, implementation, and evaluation of the reviews and associated activities must be functionally and physically separate from the state agency and staff responsible for Medicaid policy and operations, including eligibility determinations.

The Executive Office reports that since the Department is responsible for determining Medicaid eligibility then transferring this oversight unit would resolve any potential conflict issues. It includes \$0.4 million, of which \$0.2 million is from general revenues, for the three existing positions.

The constrained budget does not include this proposal. *The Governor concurs with the transfer.*

HSRI Staff Support - UHIP. The Executive Office requests \$122,516, including \$16,399 from general revenues, to fund a portion of a new full-time equivalent project manager position, converted from a contractor, that is requested in the Department of Administration's budget to support HealthSource RI. The total cost of the position is \$158,450; \$27,195 is funded by the Department of Human Services, \$8,739 by HealthSource RI, with the remainder allocated to the Executive Office of Health and Human Services.

The Executive Office reports that the new position is required to allow the RI Bridges project to be completed and the Department of Administration's request for HealthSource RI notes that it has over 25 contracted employees and this conversion would allow it to manage more contracts in-house.

The constrained budget does not include funding for the new position at HealthSource RI. *The Governor recommends the request.*

Rhody Health Option Transition Plan. The state's arrangement with Neighborhood Health Plan of Rhode Island to operate its Neighborhood Integrity Program for approximately 13,000 individuals who are eligible for both Medicare and Medicaid will end on December 31, 2023. A final rule by the Centers for Medicare and Medicaid Services phased out these demonstration programs nationwide. However, states have the option to extend them until December 31, 2025, if a transition plan is submitted that details the intent to convert to a Fully Integrated Dual Eligible Special Needs Plan. The Executive Office submitted a transition plan to convert to this new arrangement and is awaiting federal approval.

During the transition process, the state must continue to provide ombudsman services which are currently delivered by the Rhode Island Parent Information Network. The Executive Office requests \$339,474, including \$169,737 from general revenues, which includes \$300,000 for consultant services to assist with the transition and \$39,474 for one month of a 20-month contract for ombudsman services.

The constrained request does not include the proposal. *The Governor recommends funding as requested.*

Nursing Facilities - Minimum Staffing Audit Services. The Executive Office requests \$0.3 million, including \$0.2 million from general revenues for contracted audit services to review and certify that nursing facilities are complying with the wage-pass requirements through provision of minimum staffing requirement under the Nursing Home Staffing and Quality Care Act. The Assembly enacted 2021-H 5012, Substitute A, as amended, which requires nursing facilities have minimum staffing levels in nursing homes, base rate staffing increases over three fiscal years and other compliance requirements.

The act requires that the base rate adjustments of 0.5 percent on October 1, 2021, 1.0 percent on October 1, 2022 and 1.5 percent on October 1, 2023, 80 percent of the rate increases must be used to increase the rates for direct care workers. Starting on July 1, 2021, and each July after, the nursing facilities must certify to the Executive Office that each has complied with this provision.

The constrained budget excludes the proposal. *The Governor recommends funding as requested.*

Medicaid Waiver Implementation. The Executive Office includes \$1.0 million, of which \$0.4 million is from general revenues, for consultant services to assist with the implementation of a Medicaid waiver for another five years assuming a January 1, 2024 renewal date. This is anticipated to be approved by the Centers for Medicare and Medicaid Services by December 2023. The enacted budget includes \$0.5 million, of which \$0.3 million is from general revenues, for a consultant to assist with the waiver plan. The request includes \$100,000, of which \$50,000 is from general revenues for these services, or \$0.4 million less than enacted, including \$0.2 million from general revenues.

The request also includes \$0.9 million, of which \$0.3 million is from general revenues, to assist with implementing the waiver once it is approved. This would include preparing for potential program changes that would need Assembly approval and evaluation services for those program changes.

The constrained request excludes this funding. *The Governor recommends funding as requested.*

Children's Cabinet - Early Childhood Programs. The Executive Office excludes the \$250,000 from general revenues included in the enacted budget for a transition plan for the coordination and administration

of childhood programs and services to a new Office of Early Childhood Planning. Funding will pay for a consultant to assist the Children's Cabinet with the plan. *The Governor recommends funding as requested.*

ARPA - Butler Hospital. The Executive Office excludes the one-time funding of \$8.0 million from State Fiscal Recovery funds awarded to Butler Hospital. Funding is for a new 25-bed short term stay unit intended to alleviate overcrowding in emergency departments for adults and adolescents by providing immediate access to inpatient behavioral health care services, crisis intervention, and other related services. *The Governor concurs.*

ARPA - Pediatric Health Care Recovery. The Executive Office includes \$3.6 million, or \$3.9 million less than enacted, from State Fiscal Recovery funds for stabilization and pay-for-performance bonus payments to pediatric providers. The revised request includes \$3.9 million for a two-year total of \$7.5 million, consistent with the enacted plan. *The Governor excludes funding for FY 2024 since his revised recommendation includes the final portion of the payment.*

ARPA - Early Intervention. The Executive Office excludes the one-time funding of \$5.5 million from State Fiscal Recovery funds included in the enacted budget for stabilization grants and pay for performance bonuses for Early Intervention providers. *The Governor concurs.*

Long Term Services and Support Programs. The Executive Office excludes the one-time funding of \$10.0 million, of which \$5.0 million is from general revenues, to provide support to home care providers in FY 2023. The enacted budget assumes the one-time funds could be used for retention and recruitment support, reimbursements for education and certification expenses, or new and renewed licenses. As of January 2023, the Executive Office has spent \$20,438 for a contractor to provide administrative support and has not provided the requested plan to award the funds. *The Governor concurs.*

Health Equity Zone Staff from DOH (7.0 FTE). The Executive Office's constrained request increases its staffing authorization by 7.0 full-time equivalent positions to reflect the transfer of the Health Equity Zone program from the Department of Health. Funding will remain with the Department of Health. The Executive Office reports that this staffing transfer will support the continued growth of this program. It notes that it is leading a cross-sector state expansion, scaling, and sustainability workgroup for the Health Equity Zone program to secure additional investments, including through the Medicaid program.

As noted, this proposal keeps the funding with the Department of Health, including paying for staffing and operating expenses, but through a memorandum of understanding between the two agencies, allows the Executive Office to fund the health equity zones. The Executive Office reports that it is not required to transfer the funding as those positions are currently funded and the payroll systems have the capability to allocate staff across state agencies. It also notes that a portion of the funding is from federal grants specific to the Department of Health that cannot be transferred to the Executive Office. *The Governor recommends the requested transfer and retains funding in the Department of Health.*

Other Salaries and Benefits. The Executive Office requests \$28.7 million for other salaries and benefits, including \$14.6 million from general revenues, \$12.8 million from federal funds and \$1.3 million from restricted receipts. This is \$1.7 million more from all sources and \$0.9 million more from general revenues to either fully or partially fund 158.0 authorized positions in the Executive Office. This includes \$1.5 million for current service planning values and other adjustments, including staff upgrades. The request includes \$1.4 million, or \$0.1 million less than enacted, in turnover savings. The request also funds a portion of ten positions in the Departments of Health, and one position in the Department Children, Youth and Families through the Preschool Development grant at a cost of \$0.6 million. *The Governor recommends \$0.2 million less than requested, including \$4,898 more from general revenues to reflect anticipated staffing expenses.*

Other Contracted Services. The Executive Office requests \$6.8 million, including \$1.3 million from general revenues, for all other contracted services. This is \$0.1 million less than enacted, primarily from federal funds, for finance, management and information technology contracted services for the RItE Care and RItE Share programs, as well as data management and health information projects. *The Governor recommends funding as requested.*

Contracted Staffing Conversion (13.0 FTE). The Executive Office's constrained request converts 13 current contracted employees to full-time equivalent positions for savings of \$171,442, including \$16,645 from general revenues. The request includes \$1.9 million, including \$0.5 million from general revenues for the new positions, offset by \$2.0 million, including \$0.5 million from general revenues, from excluding the current contractor costs. Savings likely decline as employee costs increase.

The converted administrative, finance, management, and analytics positions include four project managers for the Health System Transformation Project and one administrator position funded through the Home and Community based - ARPA enhanced funding. It should be noted that these two programs are time limited with funding expiring in FY 2024 for the transformation project and during FY 2025 for home and community-based services funding. There are also four positions for data analytics, three positions for oversight, contract management and quality control, program liaison and administrative support for the managed care plans and one administrator for Early Intervention. *The Governor does not recommend the request.*

Other Operations. The Executive Office requests \$4.1 million, including \$2.2 million from general revenues for all other operations. This is \$0.3 million more for than enacted, including \$0.2 million more from general revenues. This includes \$3.0 million, or \$0.4 million more for centralized services, of which \$0.2 million is from general revenues. The request also includes \$1.3 million for operating expenses, essentially consistent with the enacted budget. *The Governor recommends \$0.5 million more than requested, including \$0.3 million more from general revenues, primarily for statewide adjustments to centralized services.*

Special Education. The Executive Office requests \$28.5 million from federal funds for special education services provided by the local education agencies. This includes the enacted level of \$19.5 million for direct services and \$9.0 million for administrative costs. *The Governor recommends funding as requested.*

Capital Projects. The Executive Office requests \$91.2 million for four information technology projects, including \$82.5 million from federal funds, \$8.0 million from general revenues, and \$0.6 million from restricted receipts. The request includes \$16.1 million for FY 2023, \$74.5 million for FY 2024 through FY 2028 and \$0.6 million in the post-FY 2028 period. *The Governor recommends the technology projects in the operating budget. He does not include them in the capital plan. A detailed description of the projects is included in the Capital Budget section of this publication.*

2023-H 5200

The Governor recommends legislation that affects implementation and operation for some of the Executive Office's programs. This is included in Articles 9 and 10 in the Governor's FY 2024 recommended budget and are summarized as follows.

Article 9. Section 1. Hospital License Fee. This section extends the annual hospital license fee and replaces the current two-tier structure with a three-tier system with separate rates applicable to revenues generated by inpatient and outpatient services. The tiers are based on the hospital type, including the volume and type of patient served. The new rates are intended to average 6.0 percent.

The section also establishes a separate rate for Eleanor Slater Hospital, 5.42 percent rate based on 2022 revenues. The budget assumes total revenues of \$217.2 million of which \$2.8 million is from state payments for the Eleanor Slater Hospital fee.

Section 2. Hospital Uncompensated Care Payments. This section extends the uncompensated care payments to the community hospitals for FY 2024, with the state making a payment on or before June 15, 2024 that does not exceed \$15.2 million. The budget includes \$14.7 million, including \$6.6 million from general revenues for the state share of this payment.

Section 3. Conflict-Free Case Management Services. This section directs the Executive Office of Health and Human Services to establish a conflict-free case management system by January 1, 2024, for individuals receiving home and community-based services through the Medicaid program. This is required to come into compliance with federal regulations that require that person-centered planning and case management services be provided independently from the agency providing the direct service, to avoid a conflict of interest.

The budget includes \$14.4 million, of which \$6.5 million is from general revenues in the Executive Office's budget to cover the cost statewide for half a year. This is offset by \$0.3 million of savings in the Office of Healthy Aging as its services have been shifted to the Executive Office.

Section 4. Certified Community Behavioral Health Clinics. This section delays the implementation of the federal Certified Community Behavioral Health Clinics model from July 1, 2023 to February 1, 2024. It repeals the current deadlines for organizations to submit their cost reports, and for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and the Executive Office of Health and Human Services to complete their analyses and determination of which clinics can be certified, and the cost for each one. Those deadlines passed on December 1, 2022 and January 15, 2023, respectively. The Governor's FY 2024 budget includes \$22.4 million, of which \$7.2 million is from general revenues to cover the five months of costs consistent with the delayed start proposed and administrative expenses. It appears these costs are subject to change when the required analyses are complete.

Section 5. Medicaid Resolution. This section includes the resolution language for Assembly approval for the Executive Office to apply for certain changes to the Medicaid program. This includes changing the rate structure for the state's two CEDAR Family Centers for which the budget includes \$1.2 million, of which \$0.6 million is general revenues. It also includes establishing a new hospital state directed managed care payment model for which the budget includes \$288.0 million, of which \$91.4 million is general revenues. It also authorizes the pursuit of federal approval for the new multi-tiered license fee for the community hospitals.

Article 10. Reproductive Healthcare. The article repeals the prohibition on coverage for most abortions through the state employee health insurance plans. The budget includes \$29,500 to account for the change. It also extends coverage for abortion services not currently available to individuals enrolled in the Medicaid program, effective upon passage. Expenses would not be matched by federal Medicaid funds since this coverage is excluded by federal law. The FY 2024 budget includes \$0.6 million from general revenues, including the cost of one-time implementation.

Department of Children, Youth and Families

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Central Management	\$ 24,006,416	\$ 26,275,694	\$ 39,614,691	\$ 25,224,919
Child Welfare	237,087,723	239,794,753	264,701,573	260,413,837
Juvenile Corrections	23,082,546	22,689,725	23,011,349	38,705,762
Children's Behavioral Health	30,129,762	28,303,868	17,861,626	17,482,028
Higher Education Incentive Grants	200,000	200,000	200,000	194,806
Total	\$ 314,506,447	\$ 317,264,040	\$ 345,389,239	\$ 342,021,352
Expenditures by Category				
Salaries and Benefits	\$ 92,978,901	\$ 92,114,863	\$ 95,660,664	\$ 95,627,027
Contracted Services	6,676,943	8,671,475	7,127,818	7,127,818
Subtotal	\$ 99,655,844	\$ 100,786,338	\$ 102,788,482	\$ 102,754,845
Other State Operations	15,918,301	13,841,772	15,367,721	16,982,398
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	197,012,302	200,880,430	206,983,036	202,034,109
Capital	1,920,000	1,755,500	20,250,000	20,250,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 314,506,447	\$ 317,264,040	\$ 345,389,239	\$ 342,021,352
Sources of Funds				
General Revenue	\$ 206,600,999	\$ 204,450,336	\$ 218,969,094	\$ 218,427,815
Federal Aid	105,120,290	110,298,470	109,642,441	106,852,414
Restricted Receipts	1,785,158	1,509,734	1,527,704	1,491,123
Other	1,000,000	1,005,500	15,250,000	15,250,000
Total	\$ 314,506,447	\$ 317,264,040	\$ 345,389,239	\$ 342,021,352
FTE Authorization	702.5	702.5	711.5	705.5

Summary. The Department of Children, Youth and Families requests \$345.4 million from all sources, including \$219.0 million from general revenues, \$109.7 million from federal funds, \$1.5 million from restricted receipts, and \$15.3 million from Rhode Island Capital Plan funds. This is \$30.9 million more than enacted, including \$12.4 million from general revenues. The Department requests 711.5 full-time equivalent positions, 9.0 more than the enacted authorization. *The Governor recommends \$342.0 million from all sources, which is \$27.5 million more than enacted, including \$11.8 million more from general revenues. The recommendation is \$3.4 million less than requested, including \$0.5 million less from general revenues. The Governor recommends 705.5 positions, 3.0 more than the enacted authorization, and 6.0 less than requested. The Governor also renames the Juvenile Corrections program to Youth Development Services.*

Target Issues. The Budget Office provided the Department with a general revenue target of \$204.6 million. The amount includes current service adjustments of \$8.4 million and a 5.0 percent target reduction, adjusted for certain exclusions, of \$10.3 million.

The Department’s constrained request is \$0.3 million less than the target level. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor’s recommendation is \$14.0 million above the target.*

FY 2024 Budget	Children, Youth and Families		Difference
	Budget Office		
FY 2023 Enacted	\$ 206,600,999	\$ 206,600,999	\$ -
Current Service Adjustments	8,366,548	9,729,021	1,362,473
New Initiatives	-	2,639,074	2,639,074
<i>Change to FY 2023 Enacted</i>	<i>\$ 8,366,548</i>	<i>\$ 12,368,095</i>	<i>\$ 1,362,473</i>
FY 2024 Current Service/Unconstrained Request	\$ 214,967,547	\$ 218,969,094	\$ 1,362,473
Target Reduction/Initiatives	(10,320,739)	(14,581,904)	(4,261,165)
FY 2024 Constrained Target/Request	\$ 204,646,808	\$ 204,387,190	\$ (259,618)
<i>Change to FY 2023 Enacted</i>	<i>\$ (1,954,191)</i>	<i>\$ (2,213,809)</i>	<i>\$ (259,618)</i>

Staffing. The Department requests \$95.7 million, which is \$2.7 million more than enacted for 711.5 full-time equivalent positions, 9.0 more than the enacted authorization. The request adds 1.5 positions to central management, 7.0 positions to Juvenile Corrections and 14.5 positions to Child Welfare, offset by a 14.0 position reduction to Children’s Behavioral Health. It is worth noting that the Children’s Behavioral Health and Child Welfare programs often overlap in duties and responsibilities and shifting positions between the programs is not uncommon. As of the pay period ending November 19, 2022, there were 632.0 filled positions. The Department’s request assumes an average of 680.0 positions filled. The Department averaged 634.6 filled positions per pay period or 45.4 fewer than assumed in the request. By fund source, the request includes \$3.6 million more than enacted from general revenues, \$0.7 million less from federal funds, and \$0.2 million less from restricted receipts. *The Governor recommends \$33,637 less than requested, mostly from general revenues. He includes 705.5 positions, 3.0 more than enacted and 6.0 less than requested. The recommendation repurposes vacant positions instead of adding new positions for 5.0 of the 6.0 remaining requested positions; he excludes the erroneously requested position.*

Placements

The Department provides placement services for youth removed from their home and offers foster care when appropriate, but places children into group homes when more extensive treatment and services are required. The Department manages some homes under its direct supervision while other placements are managed by private entities, which are required to oversee service provisions as agreed upon through a contract. Some services are funded through federal resources, including Medicaid, Title IV-E, and Supplemental Security Income payments. Below are descriptions of each placement.

Congregate Care Placements. The Department provides residential services to approximately 400 children and youth under its care. This includes in-state group homes, assessment and stabilization centers, Bradley Hospital, independent and semi-independent living facilities, residential treatment centers and out-of-state placements if no appropriate in-state placement is available.

While the state has contracts with several providers within the same placement type, each provider has differing rates that vary based on services provided. For example, Groden Center and Boys Town New England both offer group home placements, but vary in cost as Groden Center provides more extensive therapeutic treatments.

The request includes higher placement costs and 57.6 more placements than the revised request, including 24.0 placements for the female youth facilities which are assumed not to open in FY 2023, 9.0 more for group homes, 8.8 independent living placements, and 15.8 more for all other residential care placements. The increase in placements appears to reflect increased availability which is expected to occur in FY 2023

because of contract renegotiations, which are expected to be completed by the start of FY 2024 and provider initiatives, such as provider wage stabilization and enhanced rates, that the Assembly included in the enacted budget. For FY 2024, the Department also includes \$6.9 million from all sources for a 12 percent increase above the enacted budget which includes a 14 percent rate enhancement.

Foster Care Placements. The Department provides home-based placements to between 1,300 and 1,600 children and youth under its care. The Department first tries to place a youth in a kinship home which is with a relative or close family friend. If no appropriate placement is available, the Department places the youth in a non-kinship home. Within each of these, there are therapeutic foster homes for youth with more intensive treatment needs than traditional foster homes. The recruitment of foster homes is done by the Department and contracted private agencies. Many of the private agency homes recruit therapeutic homes.

Through the first four months of FY 2023, the Department averaged 1,243 placements which is 236 fewer than the 1,479 foster care placements assumed in the request. In FY 2022, the Department averaged 1,300.1 foster care placements. During the pandemic, the Department lacked congregate care placement availability caused by the pandemic and provider staffing issues resulting in youth who would be placed into congregate care being placed in lower levels of care than necessary, primarily foster care. The Department expects congregate care placement availability increases to occur in FY 2023 because of contract renegotiations which are expected to be completed by the start of FY 2024 and approved provider initiatives, such as approved wage stabilization and enhanced rates. During the pandemic, there was a decrease in child abuse reports which also affected the number of placements; as the pandemic wanes, the Department expects to see an increase in all placements, including foster care. The caseload through the end of October however does not reflect the changes expected with a total of 1,533.5 youth in Department care or 164.2 less than assumed in the revised request and 366.4 less than its FY 2024 request. *The Governor does not identify specific population or cost per youth assumptions, but reduces the request by \$5.0 million based on a revised estimate of caseload.*

Placement	Description/Services	Population					
		FY 2023 Enacted	FY 2023 Rev. Req.	Diff. from Enacted	FY 2024 Req.	FY 2023 Diff. from Rev. Req.	October Census*
Congregate Care	Residential Based Placements	393.8	362.8	(31.0)	420.4	57.6	381.0
Assessment and Stabilization Centers	Trauma centers with counseling	8.6	12.9	4.3	14.9	2.0	17.0
Bradley	In-patient psychiatric care, long-term treatment	29.6	29.8	0.2	29.8	0.0	51.0
Group Homes	Less-intensive treatment plans, counseling	123.7	93.4	(30.3)	102.5	9.1	90.0
Independent Living	Unrestricted community access, live in own apartment	44.2	55.1	10.9	63.9	8.8	53.0
Residential Treatment Centers	Intensive treatment, behavior modification/treatment; includes psychiatric female youth facilities	98.5	72.5	(26.0)	104.1	31.6	84.0
Semi Independent Living	Semi-restricted community access, sleep-in staff	39.3	29.3	(10.0)	34.0	4.7	19.0
Out-of-State	Most troubled children care with specialized behavioral needs	50.0	69.8	19.8	71.2	1.4	67.0
Foster Care	Home Based Placements	1,149.8	1,334.4	184.6	1,479.0	144.6	1,164.0
Total		1,543.6	1,697.2	153.6	1,899.4	202.2	1,545.0

*Census reporting categorizes placements in a manner different than the budget

Congregate Care. The Department requests \$78.8 million from all sources, including \$50.8 million from general revenues, for congregate care placements. This is \$17.3 million more than enacted from all sources, including \$9.8 million more from general revenues. The enacted budget includes a 14 percent rate increase that is intended to support providers until the Department renegotiates its provider contracts which is

anticipated to be completed prior to July 1, 2023. The request assumes an additional 12 percent rate increase over the enacted budget for a total of 26 percent. For the rate increase, the request includes \$6.9 million from all sources, including \$4.4 million. The request assumes 24.6 more placements than assumed in the enacted budget and 33.6 more placements than assumed in the revised request, most of which are out-of-state placements. Similar to the revised request, the request assumes an additional 21.2 out-of-state placements which are the Department's most expensive and high-end placements and accounts for \$7.6 million of the increase. It is unclear why there is an expected increase in out-of-state placements and if the increase in the high level of need placements assumed in the request is the result of actual youth needs or are assumed to increase because of additional placement availability.

The request assumes a cost per youth in each congregate care placement adjusted based on FY 2022 costs and the assumed rate increase. Changes to the request include a 13.8 percent increase for semi-independent living facilities, and approximately 10 percent change for assessment and stabilization centers, independent living facilities, residential treatment centers and Bradley Hospital. The cost per placement for out-of-state placements, the costliest of Department placements, are essentially consistent with the revised request, as the assumed rate increase does not apply to these placements.

The constrained request excludes the \$6.9 million from all sources, including \$4.4 million from general revenues, included for the rate increase above that assumed in the enacted budget. *The Governor includes \$2.1 million less than requested from all sources, including \$0.4 million less from general revenues, reflecting a lower caseload assumption. It also increases the share of expenses attributed to general revenues, reflecting the annual update to the applicable Medicaid match rate.*

Female Residential Facilities. The Department's request includes \$10.4 million from all sources, including \$4.6 million from general revenues, for the operation of at least one new psychiatric residential facility for female youth currently residing in out-of-state congregate care placements. The request is \$8.7 million less than enacted from all sources, including \$2.3 million more from general revenues. The 2022 Assembly provided \$12.0 million from American Rescue Plan Act funds in the enacted budget to expand existing in-state capacity at private facilities and initial design of a new qualified residential treatment program facility which is expected to be completed in FY 2023 and excluded from the request. The Department plans to use \$10.5 million to expand existing in-state capacity for female youth placements within a psychiatric residential treatment program; it assumes an additional 12 placements would be a sufficient capacity for this population. Its FY 2024 request is based on a full year.

The remaining \$1.5 million will be used to design the new female youth facility and the 2022 Assembly included \$45.0 million from Rhode Island Capital Plan funds over FY 2024 and FY 2026 to construct such a facility. As of December 1, the Department is in discussions with a provider to expand in-state placement capacity and the Division of Capital Asset Management and Maintenance is in the process of procuring a project manager and architect for the project. Currently, female youth who would otherwise be served in state facilities are placed in out-of-state high-end residential facilities which are among the most expensive and intensive placements in use. Since FY 2020, the Department has attempted to find a suitable provider to deliver these services, but no provider was able to meet the psychiatric residential treatment facility requirements. *The Governor recommends funding as requested.*

Foster Care. The Department requests \$29.4 million from all sources, including \$18.3 million from general revenues for home based foster care placements. The request is \$3.2 million less than enacted, including \$2.6 million less from general revenues. The enacted budget includes a 14 percent rate increase that is intended to support providers until the Department renegotiates its provider contracts which is anticipated to be completed prior to July 1, 2023. The request assumes an additional 12 percent, or \$0.9 million from all sources, including \$0.7 million from general revenues for anticipated renegotiated contract expenses. Through December 2022, the Department has averaged 1,210 placements which is 124 fewer than assumed in the request. It is worth noting that in July 2022, when the budget was being prepared, the

population was 1,403. For FY 2022, the Department averaged 1,300.1 placements which is approximately 34 fewer than assumed in the request. The Department assumes a cost per placement of \$19,912 which is \$371 less than its revised request. It is unclear why the cost per youth would decrease, as the request assumes an additional 12 percent rate increase above the enacted budget for private foster care providers, which account for approximately a quarter of foster care expenses; using FY 2023 foster care cost per youth assumptions, the increase would be \$0.8 million more than the revised request for its private foster care population.

The constrained request excludes the \$0.9 million from all sources, including \$0.7 million from general revenues included for the rate increase. *The Governor includes \$0.7 million less than requested from all sources, including \$0.4 million less from general revenues, which assumes a lower caseload. It also increases the share of expenses attributed to general revenues, reflecting the annual update to the applicable Medicaid match rate.*

ARPA - Provider Workforce Stabilization Payments. In October 2021, the Governor requested an amendment to add \$12.5 million from State Fiscal Recovery funds to provide workforce stabilization payments to direct care staff of congregate care and community-based providers in contract with the Department, and the Assembly concurred in January 2022. This is in response to providers reporting a high number of vacancies and staff recruitment issues which has resulted in a capped or reduced number of youth that providers are able to serve. These payments are for employees earning less than \$75,000 annually and to support the recruitment of additional provider staff. Eligible employees received funding from the enhanced wage rate for time worked retroactive to July 1, 2021. The FY 2022 final budget included language authorizing unspent funding to be carried forward into FY 2023.

During the FY 2023 budget process, the Governor requested an amendment to add \$1.9 million from general revenues to provide phased-down payments at a rate of 66 percent in the third quarter and 33 percent in the fourth quarter. The recommendation assumed \$5.6 million of unspent FY 2022 funding would be available to continue the initiative for the first two quarters. The Department reported funding provided for FY 2022 was not used because it overestimated the number of provider staff eligible for support payments and providers have not been able to increase staffing levels at the rates assumed in the proposal. The Assembly instead added \$2.5 million from State Fiscal Recovery funds to continue the initiative in FY 2023 at full value. The Department's request excludes these limited funds for FY 2024. It expects to address staffing issues in its contract renegotiations expected to be complete prior to the start of FY 2024. *The Governor excludes funding as requested.*

ARPA - Foster Home Lead Abatement and Fire Safety Upgrades. Consistent with the approved State Fiscal Recovery Fund plan, the Department requests \$0.3 million for lead abatement and fire suppression upgrades for foster homes which is \$1.1 million less than enacted. These funds would be used on homes that cannot meet licensing requirements because of lead or fire standards. The budget assumes that these funds would allow for the licensing of 200 additional foster homes in FY 2023 and 50 in FY 2024. One goal of this initiative is to allow for additional foster care placement opportunities and fewer group-based placements. As of December 1, the Department has submitted documents to the Pandemic Recovery Office and is awaiting approval or guidance for next steps.

The Department of Health promulgates the rules and regulations for lead prevention that a foster home must comply with to be licensed. States can leverage federal funds for foster care payments if a child or youth is residing in a licensed foster care home. The Department has previously reported that lead safety compliance makes recruitment efforts more challenging, especially in the urban core where the housing stock is older. *The Governor recommends funding as requested.*

COVID Child Welfare Grants. The Department requests \$0.7 million from federal funds, or \$0.5 million more than the enacted budget for COVID-related child welfare services grants. The enacted budget assumes

only \$0.2 million would be available from these grants. The Department has requested unspent previous year funding in its revised request and FY 2024 request. The FY 2022 final budget included \$1.8 million from federal Chafee funds, provided in the Consolidated Appropriations Act of 2021, that was not spent; these funds are included in the FY 2023 revised request. The funds requested for FY 2024 were provided in the American Rescue Plan Act for use in FY 2022, but also not spent. *The Governor recommends funding as requested.*

Child Care. Consistent with the revised request, the Department requests \$7.4 million, including \$2.6 million from general revenues, for child care costs. The request is \$3.1 million less than enacted for child care expenses for children in foster care, including \$1.2 million more from general revenues, to be more consistent with FY 2022 spending and federal claiming expenses. In recent years, the Department has been allocated Temporary Assistance for Needy Families funds to offset general revenue expenses for these youth; however, it has experienced difficulty providing the documentation necessary for federal compliance with funding requirements; it is unclear why. The request essentially replaces \$1.3 million of these federal funds with general revenues. *The Governor recommends \$67,843 less than requested mostly from general revenues, assuming a lower caseload.*

Adoption and Guardianship. The Department requests \$33.6 million from all sources, including \$22.3 million from general revenues, for adoption and guardianship expenses. The request is \$9.0 million more than enacted, including \$5.3 million more from general revenues. This includes adoption subsidies, pre-adoption placements and both relative and non-relative guardianships. The Department indicates that it is working toward moving youth from foster homes and congregate care homes to permanent homes when appropriate. The request assumes average adoption costs of \$8,758 per youth and guardianship costs of \$8,611 per youth, which is consistent with the revised request and \$1,236 and \$1,064 more than enacted, respectively. The average daily rate for these two placements increased from FY 2022 by \$2.70 and \$1.36, respectively, reflecting a more current mix of new and old placements which are paid lower rates. Changes reflect updated information on the expected number of placements and updated cost estimates. *The Governor includes \$0.8 million less than requested from all sources, including \$0.4 million less from general revenues, assuming a lower caseload. It also increases the share of expenses attributed to general revenues, reflecting the annual update to the applicable Medicaid match rate.*

Home and Community Based Services. The Department requests \$41.1 million from all sources, including \$16.8 million from general revenues, for its home and community-based services. The request is \$0.7 million more than enacted from all sources, including \$6.6 million less from general revenues, to reflect updated usage estimates for its youth and family support services. It is worth noting that the Department expects to renegotiate all provider contracts by July 1, 2023, which will include higher rates and is expected to help address service delivery issues. Similar to congregate care and foster care, the enacted budget includes a 14 percent rate increase that is intended to support providers until the Department renegotiates its provider contracts which is anticipated to be completed prior to July 1, 2023. The request intended to include an additional 12 percent rate increase over the enacted budget for a total of 26 percent; however, it inadvertently excluded the increase of \$4.2 million, including \$2.7 million from general revenues to effectuate the increase. Similar to its revised budget, the request assumes an increase in the services attributable to federal funds, as the Department is working to identify additional services that are eligible for Temporary Assistance for Needy Families funds.

The revised request includes \$30.3 million from all sources for these services, largely reflecting ongoing provider staffing issues which reduce service availability; these issues are assumed to be resolved in the request from initiatives included in the enacted budget, such as provider wage stabilization and enhanced rates, and contract renegotiations, which are expected to conclude prior the start of FY 2024. These services include counseling, education programs, family support services for preparation for reunification, family centered treatment, parent aides, and the Positive Parenting program. While the services primarily reflect

foster care placements, they also include children in congregate care, other placements, and in-home populations.

The constrained request inadvertently includes \$1.4 million in additional general revenues; the intent was to exclude the rate increase of \$4.2 million from all sources, including \$2.7 million from general revenues which was inadvertently left out of the unconstrained request. *The Governor includes \$1.3 million less than requested from all sources, including \$0.5 million less from general revenues, assuming a lower caseload. It also increases the share of expenses attributed to general revenues, reflecting the annual update to the applicable Medicaid match rate. The recommendation maintains the exclusion of funds to support the contract renegotiation made in the request.*

Voluntary Extension of Care. Consistent with the revised request, the Department requests \$1.3 million from general revenues for its Voluntary Extension of Care program. The request is \$322,500 more than enacted from general revenues for rent and other services, offset by \$82,770 less from federal funds, making the program entirely general revenue funded. The Department has been unable to claim federal funds for these youth as Title IV-E eligibility for this population is limited because of federal income requirements. The request reflects updated expenses for rent which have increased more than FY 2023 enacted assumptions. The program lets individuals age 18 through 21 remain in state care with the Family Court retaining oversight. *The Governor recommends funding as requested.*

Children's Rights Settlement. Consistent with the enacted budget, the Department requests \$0.1 million from general revenues for a data validator that is required as a part of the state's settlement with Children's Rights. In May 2018, the case was settled in the federal Court of Appeals for the First Circuit. The Department entered into an agreement to fulfill mutually agreed upon commitments for improvement and related reporting requirements.

For each commitment, the Department is required to submit proof of compliance data to an independent data validator who will determine if Department data is unbiased, reliable, and statistically valid. Findings and assessments are then submitted to the Office of the Child Advocate who will determine whether or not the Department has fulfilled the agreed upon criteria. Upon completion of each assessment for two consecutive six-month periods, the Department may file with the federal District Court to exit from monitoring for that specific commitment. If the Department fails to comply with these requirements, the data validator and the Office of the Child Advocate will put forward a corrective action plan to help guide compliance. If such action fails, a second corrective action will be decided between the parties once again in court. Through the most recent report published February 2022, the Department has exited 12 of the 20 commitment areas. *The Governor recommends funding as requested.*

Local Education Agency Reimbursement. The Department indicates that its request intended to assume full repayment of authorities' special education rates. It appears that the payments may be included in other payments to providers, thus the request assumes \$3.1 million less in reimbursements collected than payments for these services. The Department indicates that it expects to receive full reimbursement from local education agencies for payments to residential treatment centers that provide education services. The Department has had issues splitting payments for education expenses from other service payments in the past. It is likely that the remaining payment expenses are built into the broader rates paid to these providers, but this cannot be confirmed. The Department did not explain why these payments do not match, but did indicate it should be cost neutral.

Historically, the residential facilities billed local education agencies directly for reimbursement for the education costs. However, the facilities reported that disputes over residency have resulted in diminished collections. When a dispute occurs, the Department determines residency in coordination with the Department of Elementary and Secondary Education. In order to ensure reimbursements were made to providers in FY 2020, the Department, began paying the costs directly and sought reimbursement from the

appropriate local education agency. Lack of local reimbursement results in additional costs for the state instead of the provider. The education costs are paid to providers as part of the overall placement cost, which includes general revenues, federal funds, and supplemental security income, and payments received from the local education agency, offset the general revenue share.

Local education agencies must pay the special education rate per child to each of these facilities and if additional funding is required, the Department pays the remainder. As noted, any costs not paid by the districts are paid by the Department to the residential facility. The Department is currently appealing a court ruling that requires the Department to invoice based on the child's needs, rather than the special education rate which has historically been charged in accordance with Rhode Island General Law, Section 16-64-1.1. *The Governor recommends funding as requested.*

Education Expense Shift to Local Education Agencies (1.0 FTE). The Department's constrained budget includes savings of \$1.3 million mostly from general revenues, from shifting special education expenses for Ocean Tides exclusively to local education authorities, which requires a law change. Under current law, local contributions are made only for education for students living in residential placements that do not have a contract with the Department for a pre-determined number of placements. Ocean Tides is the only provider who the Department does not have the legal authority to bill for education expenses and would reflect cost sharing practices similar to all other residential treatment centers contracted by the Department. The savings are partially offset by a request for \$0.1 million for one new full-time position to coordinate local education agency billings, payment, and legal tracking. This position is also inadvertently included in the Department's unconstrained request. *The Governor does not recommend this initiative.*

Higher Education Incentive Grant. The Department requests the enacted level of \$440,000 for higher education support payments. This includes \$200,000 from general revenues for the statutorily mandated funding for the Higher Education Incentive Grant and \$240,000 from federal funds for Education and Training Vouchers. The Department spent \$0.4 million in FY 2022, including \$366,630 from general revenues, \$29,692 from federal funds, and \$17,927 in unspent restricted receipt funds from prior years.

The Higher Education Incentive Grant is provided to former foster care youth who choose to attend the University of Rhode Island, Rhode Island College, or the Community College of Rhode Island. In order to qualify for these grants, a youth must have been in Department foster care on or after their 16th birthday and spent at least two years in foster care. General revenues have historically been paid to the Office of Postsecondary Commissioner during the fall, but in March 2021, it was reported that the Department was making payments directly to the youth's education institution. Similar to the Higher Education Incentive Grant, the vouchers are an annual federal grant provided to states to fund youth who have aged out of the foster care system and enrolled in college, university or vocational training programs. *The Governor recommends \$5,194 less than requested from general revenues which appears to be inadvertent.*

Emergency Housing. Consistent with the revised request, the Department requests \$2.5 million from general revenues, \$1.9 million more than enacted, for emergency housing for families in which housing is a barrier to reunification. The Family Court has the authority to require the Department to provide housing, most often in the form of a hotel. As the housing crisis has worsened, there are more families requiring emergency housing. As of the end of October, the Department has 36 families in hotels for which it paid approximately \$200,000 for that month. If expenses through the end of October were annualized, costs would be \$2.5 million, consistent with the request. *The Governor recommends funding as requested.*

All Other Placements and Services. The Department requests \$4.7 million from all sources, including \$1.3 million from general revenues, for all other placements and services. The request is \$1.2 million more than enacted, including \$0.5 million less from general revenues. These costs include intensive supervision for youth and training for nursing and religious chaplains. These placements also include medical treatments provided to children, a first month rent payment when it is the last barrier to reunification, parent

aide services including education (tutoring, SATs, unfunded summer school, etc.) among other costs that are not covered by any other source of payment. *The Governor recommends funding as requested.*

Juvenile Corrections

Training School Staff (3.0 FTE). The Department requests \$0.3 million from general revenues and authorization for three new training school staff positions which is a full year of funding. The Department experienced an influx of youth in FY 2022 and the first quarter of FY 2023 which has required opening a fourth module. The FY 2021 population was 21 youth and the FY 2022 population was 36. Previously, the Department had one module each for sentenced boys and girls and one for non-sentenced which serves as an intake center. The fourth module was opened to accommodate more sentenced boys. Notably, the past three budgets included reductions to Training School staff to reflect decreases in population. In its FY 2022 request, the Department shifted 11.0 personnel from its Training School allocation to other programs.

The constrained request excludes funding and authorization for these positions. *The Governor recommends the requested funds.*

Other Salaries and Benefits. The Department requests \$18.8 million from all sources, including \$18.7 million from general revenues, for authorized staff positions at the Rhode Island Training School. The request is \$0.4 million more than enacted, including \$0.7 million more from general revenues, reflecting current service adjustments. The request funds 130.8 of the 137.0 positions. As of the pay period ending November 19, 2022, Juvenile Corrections had 124.0 filled positions or 6.8 fewer than funded in the request. The request includes \$0.3 million less than enacted for overtime and is consistent with FY 2022 expenses and the revised request. *The Governor recommends \$2,220 more than requested based on revised benefit cost expectations.*

Education Services. The Department requests \$142,769, mostly from general revenues, for non-payroll education expenses at the Training School. The request is \$0.1 million less than enacted and general revenue funding is essentially consistent with FY 2022 expenses, and the revised request. The largest expense is for temporary staff needs, including long-term substitute teachers and post-secondary instructors; this expense was \$43,862 in FY 2022, or \$119,138 less than enacted, which accounts for most of the difference. Educational services are provided to all residents of the Rhode Island Training School, both detained and adjudicated. Each teacher's class size is capped at 12 students. The services adhere to all Department of Elementary and Secondary Education regulations. Courses include academic, co-curricular, and career/technical work. The Community College of Rhode Island offers on-site courses and vocational classes to post-secondary students. *The Governor recommends funding as requested.*

Institutional Support Services. The Department requests \$1.4 million, \$0.5 million more than enacted from general revenues, for institutional support services at the Training School. The Department spent \$1.1 million in FY 2022. The Department has averaged 44 youth at the Training School through the first half of FY 2023 which is eight more than the FY 2022 average of 36, resulting in expected higher costs. The request assumes the population will continue to increase as the effects of the pandemic lessen. These expenses include legal costs, repairs and maintenance, food, non-prescription medicine and clothing for juveniles. *The Governor recommends \$7,033 more than requested, reflecting updated fuel cost projections.*

Juvenile Probation and Parole. The Department requests \$0.4 million from general revenues, or \$58,730 more than enacted, for Juvenile Probation and Parole, reflecting an expected higher population. These services include the supervision of adolescents that are placed on probation by the Family Court. Through December 2022, the Department averaged 174 probation and parolees which is nine more than the FY 2022 average, increasing as expected each quarter in FY 2023. The second quarter population was 180 which is 13 more than the first quarter population of 167. *The Governor recommends \$538 more than requested, reflecting updated fuel cost projections.*

Other Operations

Accreditation (3.0 FTE). The Department submitted a plan on October 1, 2020 that proposed a 48-month plan for its accreditation. Based on that report, the Assembly added \$9.4 million from general revenues for FY 2022 for all accreditation costs, including \$8.8 million for the 75.0 additional positions the Department identified as necessary to become accredited in addition to approving the 16 new positions the Governor had recommended. It also included \$0.6 million for other identified costs such as the application fee, accreditation readiness assessment, accreditation fees, and the site visit; these costs appear to have been inadvertently included in the enacted budget and are excluded in the request. The Department's request shifts \$1.7 million enacted from general revenues for the 16.0 positions added by the Assembly assuming full workloads from its accreditation tracking, as those are no longer distinct from other frontline staff positions, similar to the FY 2022 experience. The remaining 75.0 positions are separate from other frontline staff with the only change to the revised request being for current service adjustments.

The Department also requests three additional positions which it indicates are necessary to achieve accreditation. The Department has conducted internal evaluations within each of its divisions to assess what resources are required to achieve accreditation. The assessment found that three additional positions were required: a casework supervisor II within the Work Force Development Unit; a program services officer within the Division of Performance Improvement; and a contract compliance officer within the Contracts, Compliance and Auditing Unit. The request assumes a full year of funding for these positions.

The 2021 Assembly also required the Department to submit a report every 60 days on its progress toward achieving accreditation beginning September 1, 2021. At the end of FY 2022, the Department had filled all of its accreditation positions; however, because many of the positions were filled by existing Department staff, vacancies occurred in other frontline positions. In its most recent November 1, 2022 report, the Department indicates that it has begun to execute the 12 project plans that are necessary to achieve accreditation. Examples of this include workgroups to draft modifications to regulations, preparing new operation functions for administrative activities, enhance qualitative case reviews and quarterly case record reviews and research with the help of the Council on Accreditation on understanding the standards that support succession planning and risk prevention. The Department estimates that it will achieve accreditation by the summer of 2024, consistent with its plan.

The new positions and funding are excluded in the constrained request. *The Governor does not recommend the new positions, but recommends repurposing existing vacant positions. He also recommends \$4,583 more than requested based on revised benefit cost expectations.*

Child Support Staff (2.0 FTE). The Department requests \$181,071 from all sources, including \$135,459 from general revenues, and authorization for 2.0 new child support staff based on the findings of its workload study. During FY 2022, the Department conducted a workload study in accordance with the requirements set in the Children's Rights settlement to help address areas in which it has not met the criteria required in the settlement. As of the most recent February 2022 report, the Department has met 12 of the 20 criteria. The contract for the study was awarded to the Public Consulting Group who developed a tool to assess caseloads and staffing needs as part of the study. The request appears to be based on an assessment done using that tool which determined two additional child support technicians were required; these positions help with transportation of Department youth.

These positions and funding are excluded in the constrained request. *The Governor does not recommend new positions, but recommends repurposing existing vacant positions, and provides funding as requested.*

Other Salaries and Benefits. The Department requests \$68.3 million from all sources, including \$51.4 million from general revenues, for all remaining staff expenses which appears to assume 27.0 vacancies or 8.0 fewer than the enacted budget. The request is \$2.9 million more than enacted from all sources, including

\$3.5 million more from general revenues. The request assumes full staffing for the Children's Behavioral Health program, 7.2 vacancies in Central Management and 20.3 vacancies in the Child Welfare program. Through the final pay period of November, the Department has 433.0 of these positions filled or 30.5 less than assumed in the request. As noted previously, 16.0 of the 91.0 positions added by the Assembly for accreditation are assuming full workloads and no longer distinguished from other frontline staff positions. The Department anticipates a decrease in federal fund availability based on its cost allocation plan which determines what amount of staffing costs are attributable to federal funds; that loss is replaced with general revenues. *The Governor recommends \$70,754 more than requested, including \$54,028 more from general revenues, reflecting the restoration of turnover savings and updated benefit cost expectations.*

Temporary Staff. Consistent with the revised request, the Department requests \$1.3 million, or \$0.2 million less than enacted, including \$0.3 million less from general revenues partially offset by \$0.1 million more from federal funds, for temporary staff which is usually used to fill vacancies until permanent staff can be hired. This is essentially consistent with FY 2022 spending. *The Governor recommends funding as requested.*

Peer Mentor Grant. The Department received a new \$750,000 federal grant to peer support mentors, which it requests in both years. These would be treated as contracted staff; however, the Department is still in the planning phase and these funds represent a placeholder. As part of its contracted home and community-based services, the Department currently uses peer mentors to support children and families at risk for mental, emotional and behavioral disorders and to assist youth not currently in Department care. *The Governor recommends funding as requested.*

Parking and Occupancy. The Department requests \$4.0 million from all sources, including \$3.9 million from general revenues, for its parking and rent expenses. The Department pays rental expenses for several locations, the largest being its headquarters at 101 Friendship Street in Providence. It also pays parking expenses at the 75 Clifford Street parking garage. The request is \$0.1 million more than requested, nearly all from general revenues, reflecting updated payment expectations. It is worth noting that in the past two years the Department has incorrectly projected these expenses and has not made payments in the fiscal year in which they occur; it is unclear why this is the case, as there have been no changes in rent payment amounts. *The Governor recommends funding as requested.*

Technology Purchases. The Department requests \$3.7 million, including \$2.1 million from general revenues, \$1.6 million from federal funds, and \$0.1 million more from restricted receipts, for computer supplies, software, and equipment. The request is \$0.3 million more than enacted, including \$0.4 million more from general revenues, partially offset by \$0.1 million less from all other sources and reflects the Department's technology purchasing plan. The request is \$51,851 more than the revised request and reflects the Department's updated technology replacement schedule and maintenance contracts. *The Governor recommends funding as requested.*

Legal. Consistent with the revised request, the Department requests \$322,683 from general revenues for temporary legal services while it seeks to fill vacant legal positions. It is \$259,877 more than enacted. At the time of the request, the Department had 6.0 vacant positions in its legal office and was using contracted legal assistance. It is worth noting that the FY 2024 budget request for the Executive Office of Health and Human Services includes two new attorney positions for the Department and upgrades for all authorized legal counsel position salaries for the Department to help alleviate staffing issues; however, as positions will be filled through the course of FY 2024, having funding for necessary contracted staff should ensure no disruption in services. *The Governor recommends funding as requested. The Governor provided the two new legal positions within the Executive Office, but did not include the position upgrades.*

Vehicles. The Department requests \$0.8 million from general revenues for costs associated with its vehicle fleet which is \$0.2 million more than enacted. Consistent with the Department's FY 2024 through FY 2028

capital request, the Department requests \$0.5 million, or \$0.3 million more than enacted, from general revenues for lease expenses from replacing all of its state-owned vehicles with a fully leased fleet by FY 2029. That request grows lease costs annually, reflecting increases in the number of leased vehicles which will gradually replace state-owned vehicles. At the time of the request, the Department has 99 vehicles in its fleet, 36 of which are leased. By the end of FY 2024, the Department plans to have 60 leased vehicles and 43 state-owned vehicles. These costs are partially offset by \$77,238 for the reduction of state fleet costs. *The Governor recommends an additional \$433,392 for state fleet expenses based on updated statewide costs.*

Capital Projects. The Department requests \$20.3 million from all sources for its capital projects, including \$15.3 million from Rhode Island Capital Plan funds. The request is \$18.3 million more than enacted, including \$14.3 million more from Rhode Island Capital Plan funds. The request includes \$15.0 million for the construction of a residential treatment facility for female youth, consistent with the approved plan. *The Governor recommends funding as requested, however, inadvertently excludes federal funds for the information system replacement from his capital budget. A detailed description of the projects is included in the Capital Budget section of this publication.*

Centralized Services. Consistent with the revised request, the Department requests \$5.3 million, or \$0.4 million less than enacted, for centralized services provided through the Department of Administration. By source, this includes \$0.9 million less from general revenues and \$0.4 million more from federal funds, consistent with the FY 2022 experience for federal funds and updated billings. In total, the request is \$0.1 million more than FY 2022 spending. It is worth noting that the Budget Office includes \$0.3 million in general revenue current service adjustments for these expenses which appear to be inadvertently excluded in the request. *The Governor recommends \$1.1 million more than requested from all sources, including \$0.7 million more from general revenues, reflecting updated cost estimates.*

Other Operations. The Department requests \$4.3 million from all sources, including \$2.6 million from general revenues for all other expenses. Expenses include \$1.2 million for its cost allocation plan, \$0.5 million for staff training, \$0.4 million for mileage reimbursement for frontline staff, \$0.3 million for security services, \$0.3 million for state fleet repair costs, \$0.2 million for insurance, \$0.2 million for electricity, \$0.1 million for translators, and \$1.4 million for all other expenses. The request is \$28,482 less from all sources than enacted, including \$49,299 more from general revenues and is \$33,876 more than the revised request. Adjustments include reductions for translators and staff training, reflecting the FY 2022 experience. *The Governor recommends \$47,412 more from general revenues based on updated fuel cost projections.*

Placement Changes. The Department's constrained request includes savings of \$16.7 million from all sources, including \$9.0 million from general revenues, from a series of placement changes, including accepting fewer youth into its care and providing services to these youth while they remain in their homes. On average, the Department receives about 90 youth into its care a month; this proposal would require limiting the number of youth taken into its care to 68. Similarly, there are 1,150 youth in Department care for five months or longer; this proposal would reduce all youth placed into its care for five months or longer by 45 days. The mechanisms to achieve this proposal are unidentified and the Department reports it would be difficult to implement. It is unclear if the savings would be from youth who are currently removed who do not necessarily need to be and what changes to policy would need to occur to effectuate this. *The Governor did not recommend this proposal.*

Department of Health

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Central Management	\$ 33,489,971	\$ 33,792,479	\$ 28,661,234	\$ 25,576,516
Community Health and Equity	128,269,956	127,781,753	121,841,526	121,919,554
Environmental Health	15,604,923	16,882,836	18,213,780	18,213,199
Health Lab. & Medical Examiner	14,136,617	16,488,288	15,476,344	15,719,184
Customer Services	18,593,161	21,643,502	18,342,480	19,942,909
Policy, Info. & Communications	5,101,194	6,374,480	5,645,440	5,442,959
Preparedness, Response, Infectious Disease & Emergency Services COVID-19	27,013,692 131,144,016	26,469,001 147,458,721	21,934,913 85,814,577	21,851,589 91,032,580
Total	\$ 373,353,530	\$ 396,891,060	\$ 315,930,294	\$ 319,698,490
Expenditures by Category				
Salaries and Benefits	\$ 75,419,816	\$ 73,043,058	\$ 88,470,069	\$ 78,131,963
Contracted Services	84,206,677	91,118,877	53,668,612	28,828,155
Subtotal	\$ 159,626,493	\$ 164,161,935	\$ 142,138,681	\$ 106,960,118
Other State Operations	117,277,066	126,952,519	92,538,369	129,659,558
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	61,167,734	69,780,944	49,912,978	51,748,267
Capital	35,282,237	35,995,662	31,340,266	31,330,547
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 373,353,530	\$ 396,891,060	\$ 315,930,294	\$ 319,698,490
Sources of Funds				
General Revenue	\$ 32,872,378	\$ 33,816,016	\$ 33,918,885	\$ 34,442,151
Federal Aid	266,107,628	285,418,444	216,076,586	221,318,646
Restricted Receipts	73,973,524	77,080,588	65,534,823	63,537,693
Other	400,000	576,012	400,000	400,000
Total	\$ 373,353,530	\$ 396,891,060	\$ 315,930,294	\$ 319,698,490
FTE Authorization	535.4	543.4	639.4	556.4

Summary. The Department of Health requests FY 2024 expenditures totaling \$315.9 million from all sources, including \$33.9 million from general revenues. This is \$57.4 million less than enacted, including \$1.0 million more from general revenues and decreases of \$50.0 million from federal funds, primarily reflecting the removal of one-time stimulus funds and \$8.4 million from restricted receipts. The request includes staffing authorization of 639.4 full-time equivalent positions, 104.0 more than enacted and 1.0 more than the revised request. As of December 31, 2022, the Department had seven vacancies.

The Governor recommends \$319.7 million from all sources, which is \$3.7 million more than requested including increases of \$0.5 million from general revenues and \$5.2 million from federal funds, and \$2.0 million less from restricted receipts. He includes staffing of 556.4 full-time equivalent positions, 13.0 positions more than the revised budget.

Target Issues. The Budget Office provided the Department with a general revenue target of \$32.3 million. The amount includes current service adjustments of \$0.9 million and a 5.0 percent target reduction of \$1.5 million, adjusted for certain exclusions. The Department’s constrained request met the target level. The proposals to achieve the reductions are noted among the items described below where appropriate. *The recommended budget is \$2.2 million above the target.*

FY 2024 Budget	Budget Office		Health		Difference
FY 2023 Enacted	\$	32,872,378	\$	32,872,378	\$ -
Current Service Adjustments		922,089		1,992,825	1,070,736
New Initiatives		-		(946,318)	(946,318)
Change to FY 2023 Enacted	\$	922,089	\$	1,046,507	\$ 124,418
FY 2024 Current Service/ Unconstrained Request	\$	33,794,467	\$	33,918,885	\$ 124,418
Target Reduction/Initiatives		(1,506,245)		(1,612,059)	(105,814)
FY 2024 Constrained Target/Request	\$	32,288,222	\$	32,306,826	\$ 18,604
<i>Change to FY 2023 Enacted</i>	\$	<i>(584,156)</i>	\$	<i>(565,552)</i>	\$ <i>18,604</i>

Salaries and Benefits (104.0 FTE). The Department requests \$88.3 million for staffing of 639.4 full-time equivalent positions. The request includes benefit rates consistent with FY 2024 planning values. It is \$13.1 million and 104.0 positions more than enacted and 1.0 more than the FY 2023 revised request, which also includes half a year funding to support new positions. It includes \$0.6 million from general revenues and restricted receipts to fund 5.0 new positions to help the Department sustain its capacity to manage and maintain data systems and reporting. It also transfers 7.0 positions to the Executive Office of Health and Human Services; however, funding is retained in the Department’s budget.

The Infrastructure Investment and Jobs Act authorized funding to address water infrastructure projects. The request includes \$1.7 million to fund 10.0 new full-time equivalent positions, including environmental engineers and scientists to review projects to ensure compliance. Subsequent to enactment of the budget, the Department received a five-year grant award to help the state build its workforce and data systems to respond to future public health emergencies. The request includes \$1.3 million to fund 11.0 new full-time equivalent positions, including data analysts and health program administrators to implement the grant’s requirements. The Department also requests that its staffing authorization be increased by an additional 85.0 full-time equivalent positions and includes \$10.4 million from federal funds and restricted receipts to fund them. The Department notes that increasing its staffing authorization will enable it to better respond to public health needs and that it risks losing federal grant funds. Approximately half of these positions would be in the Community Health and Equity, and COVID-19 programs.

The Governor recommends \$78.1 million from all sources and staffing of 556.4 full-time equivalent positions. This is \$10.3 million less than requested, including \$9.2 million for positions requested but not recommended. His staffing recommendation is 21.0 more than enacted. This includes the transfer of 7.0 positions to the Executive Office of Health and Human Services. It adds 8.0 positions to address water infrastructure project reviews and an additional 20.0 positions to backfill high priority positions; 19.0 positions are federally funded and 1.0 position is supported by Opioid Stewardship restricted receipts.

Centralized Services. The request includes \$6.8 million, including \$3.5 million from general revenues for the Department’s share of centralized services provided by the Department of Administration. This includes \$2.3 million for facilities management, \$0.9 million for human resources support, and \$3.6 million for information technology services. The request is \$1.1 million more than enacted, including \$0.1 million more from general revenues to align expenses with FY 2022 actual spending; however, the request is \$0.4 million less than the revised request. *The Governor recommends \$9.4 million, or \$3.7 million more than enacted, reflecting anticipated billing increases. This includes increases of \$1.0 million for facilities management, \$0.2 million for human resources, and \$2.4 million for information technology services. The recommendation is \$1.1 million more than the revised recommendation.*

COVID-19

CDC Funding. On March 13, 2020, President Trump declared that a nationwide emergency exists as a result of COVID-19 beginning on January 20, 2020. Through March 2021, six federal acts were adopted, providing the Centers for Disease Control and Prevention with approximately \$60 billion to prepare for, promote, distribute, administer, monitor, and track coronavirus vaccines to ensure broad-based distribution and vaccine coverage. A portion of these funds can be used through federal fiscal year 2024 and some are to remain available until expended. The Centers for Disease Control and Prevention provides funding to states, municipalities and other entities for surveillance, laboratory capacity or other preparedness and response activities. According to information provided by *Federal Funds Information for States*, Rhode Island will receive a total of \$373.3 million. This includes \$82.0 million for the construction of the new health laboratory facility. The following table shows COVID related funding and expenses.

Total Available	\$ 373,347,499		
Expenditures	Per year	Cumulative	Balance
FY 2020 Spent	\$ 828,157	\$ 828,157	\$ 372,519,342
FY 2021 Spent	64,459,905	65,288,062	308,059,437
FY 2022 Spent	56,482,817	121,770,879	251,576,620
FY 2023 Gov. Rev.	160,052,747	281,823,626	91,523,873
FY 2024 Gov. Rec.	64,081,030	345,904,656	27,442,843
Total	\$ 345,904,656	\$ 345,904,656	\$ 27,442,843

Through FY 2022, a total of \$121.8 million has been spent and the FY 2023 revised and FY 2024 requests assume use of \$224.6 million. This would leave a balance of \$27.0 million, of which \$20.1 million is for the new laboratory. Based on the depletion of these funds, the FY 2024 request assumes use of \$30.0 million from State Fiscal Recovery funds. Excluding warehouse lease expenses, the Assembly provided \$186.9 million from the fund to help the state continue its response to the COVID-19 pandemic. The multi-year appropriation includes \$73.0 million for FY 2023, \$75.1 million for FY 2024 and \$38.8 million for FY 2025. Funds would be used for testing, contact tracing, vaccinations, and mitigation efforts.

The Governor includes \$64.1 million from direct federal grants and based on FY 2023 revised expenditures, \$27.4 million would remain at the end of FY 2024. The recommendation includes \$34.9 million from State Fiscal Recovery funds to help the state continue its response to the COVID-19 pandemic, \$4.9 million more than requested. Of the recommended amount from the State Fiscal Recovery Fund, \$2.8 million is for salaries and benefits; use for the remaining \$32.3 million is not specified.

New Health Laboratory. The request includes \$30.5 million from federal funds, to construct a new 80,000 square foot facility to house the Health Laboratories Program. Following a request for proposals, a project developer was selected in October 2022. The request is \$0.5 million more than enacted and the capital budget request, to include expenditures for architectural and legal services. *The Governor concurs with the request; however, his capital budget includes \$33.0 million for FY 2024. A detailed analysis of the project is included in the Capital Budget section of this publication.*

COVID Relief - Testing. The Department's request includes \$3.5 million from State Fiscal Recovery funds for testing, including laboratory contracts, supplies, site equipment, and staffing. This includes \$3.0 million for medical supplies, such as test kits and \$0.1 million for contracted staff to process specimens. It also includes \$0.3 million for salaries and benefits, including \$0.2 million for an administrator of operations management position within the Department's existing staffing authorization, and \$0.1 million for overtime expenses. The request is \$25.9 million less than enacted, reflecting the depletion of direct grant awards from the Centers for Disease Control and Prevention. *The Governor appears to concur with the request in the aggregate. He does not dedicate \$3.1 million from State Fiscal Recovery funds for this specific expense.*

COVID Relief - Contact Tracing/Epidemiological Operations (7.0 FTE). The Department requests \$12.1 million or \$7.0 million less than enacted from federal funds for infection prevention, contact tracing, and case investigation. This includes new expenditures of \$10.9 million from State Fiscal Recovery funds To support Epidemiological Operations, including the call center. This assumes use of \$1.5 million for salary and benefit expenses for 8.5 existing positions. The request includes \$1.0 million to fund 7.0 new full-time equivalent positions, including public health epidemiologists, public health promotion specialists, a data analyst, a health policy analyst, and a community health nurse coordinator. The staffing request is consistent with the revised request. It also includes \$199,346 for operating expenses, all but \$1,355 is for indirect cost charges. *The Governor appears to concur with the request in the aggregate. He does not dedicate \$9.4 million from State Fiscal Recovery funds for this specific expense.*

COVID Relief - Vaccine Campaign (4.7 FTE). The Department requests \$14.3 million from direct federal grant funds, or \$1.0 million more than enacted for the distribution of vaccines, including personnel to administer it, storage, supplies and outreach. The actual cost of the vaccine will be paid by the federal government. The request includes \$1.5 million for salaries and benefits for 10.0 full-time equivalent positions. Consistent with the revised request, it includes \$0.5 million for 4.7 new positions to support immunization efforts and conduct site visits in provider offices and healthcare facilities to assess compliance of federal and state program requirements. Remaining salary and benefit expenses are \$1.3 million less than enacted, reflecting staffing costs and allocations, and \$0.5 million less for overtime. The request includes \$9.0 million for various contracted services, including media buys, medical and staff supporting vaccination efforts. It includes \$1.0 million, or \$0.4 million more for grants to support vaccination sites. The request also includes \$3.8 million for operating expenses, including \$2.2 million for indirect cost charges. These expenses are \$0.1 million more than enacted. *The Governor recommends \$0.9 million less than requested, primarily for management consultant services.*

COVID Relief - Community Health Workers. In 2021, the Centers for Disease Control and Prevention made the Community Health Workers for COVID Response grant available, which can be used for various training programs. Consistent with the revised request, the request includes \$5.2 million from federal funds or \$1.3 million less than enacted. Of the requested amount, \$2.8 million will be used to support Health Equity Zones and \$1.4 million is for workforce development initiatives. The request includes \$0.6 million for salary and benefit expenses for 4.2 full-time equivalent positions, which are within the Department's existing staffing authorization and were all filled at the time of the budget submission. The request also includes \$375,292 for operating expenses, all but \$8,924 is for indirect cost charges. *The Governor concurs.*

COVID-Relief - Other Expenses (7.6 FTE). The request includes \$25.0 million from federal funds, of which \$15.3 million is from State Fiscal Recovery funds and \$9.8 million is from direct stimulus awards for all remaining COVID-19 expenses. This is \$14.3 million less than enacted. The request includes \$3.1 million or \$1.4 million more for salaries and benefits for 22.1 full-time equivalent positions. Consistent with the revised request, it includes \$1.1 million to support 7.6 new positions, including 2.0 chief officers of special projects to lead compliance and implementation efforts. The request for \$2.0 million for all other salaries and benefits is \$0.3 million more than enacted, reflecting staffing costs and allocations for 14.5 full-time equivalent positions, one of which was vacant at the time of the budget submission.

The request includes \$15.0 million or \$6.9 million less for data analytics, technical enablement and development related expenses, personnel costs for contractors providing support, and information technology expenses. It includes \$0.6 million for hospital surge expenses, and \$0.2 million for communication. Remaining expenditures of \$6.1 million are primarily from various COVID-19 Health Disparities grants, for which the Department received a total of \$19.7 million and will be used to support public health response, mitigation efforts, and individual support, including temporary housing. *The Governor appears to concur with the request in the aggregate. He does not dedicate \$14.5 million from State Fiscal Recovery funds for a specific expense other than salaries and benefits.*

Preparedness, Response, Infectious Disease and Emergency Services

Center for Emergency Medical Services (3.3 FTE). The request includes \$1.6 million from all sources for the Center for Emergency Medical Services, which plans for and oversees licensing of emergency medical services in the state. This is \$80,286 more than enacted, including \$119,336 from general revenues. The request includes \$1.0 million for salary and benefit expenses of 7.7 full-time equivalent positions. This includes \$0.4 million, of which \$0.1 million is from general revenues to support 3.3 new positions. The positions include a public health epidemiologist to oversee the First Responder's Opioid Overdose Prevention grant and 2.0 health program administrators to oversee the federal First Responder Comprehensive Addiction and Recovery Act grant, the federal Mental Health Awareness and Training grant, and the Mobile Integrated Health and Community Paramedicine Program. Remaining salary and benefit expenses are \$0.2 million less than enacted or \$0.3 million less than the current service estimate, reflecting staffing costs and allocations. It also includes turnover savings of \$9,242 for which the enacted budget did not assume any. The request includes \$0.4 million from federal funds for grants, which is \$0.1 million more than enacted to support opioid drug overdose prevention. Program expenses of \$0.3 million are \$0.2 million less than enacted, reflecting available federal funds.

The constrained request removes funding and authorization for the new positions; however, adds \$0.4 million for unspecified operating expenses. *The Governor recommends total funding as requested. The recommendation appears to fund one of the requested new positions.*

Center for Emergency Preparedness and Response (7.4 FTE). The request includes \$8.6 million from federal funds or \$0.6 million less than enacted for the Center of Emergency Preparedness and Response, which is responsible for hospital preparedness and public health emergency response activities. The request includes \$4.7 million or \$1.5 million more than enacted for salaries and benefits of 34.5 full-time equivalent positions. This includes \$0.9 million to fund 7.4 new positions, including 3.0 assistant health program administrators to assist with research, development, review, evaluation, and maintenance of emergency response plans, conduct and evaluate drills and exercises, and develop plans, policies, and procedures for public health response. It also includes a health policy analyst who will co-chair the Healthcare Coalition of Rhode Island with the Hospital Association of Rhode Island, manage all emergency training and exercise coordination, and make recommendations for improvements to plans, policies, training and equipment use for preparedness. Remaining expenses for salaries and benefits are \$0.6 million more than enacted and \$0.5 million more than the current services estimate, reflecting staffing costs and allocations. The request does not include any turnover savings; the enacted budget assumes \$0.1 million.

The request includes \$1.2 million, or \$0.9 million less than enacted for grants; these funds provide hospitals and municipalities with financial support to develop and expand capabilities to respond to public health emergencies. Program expenses of \$2.8 million are \$1.2 million less than enacted, reflecting the use of these funds for the new positions. The constrained request removes funding and authorization for the new positions; however, adds \$0.9 million for unspecified operating expenses. *The Governor recommends total funding as requested. The recommendation appears to fund two of the requested new positions.*

Other Staffing and Operations (3.0 FTE). The request includes \$11.4 million for all remaining expenses in the division for prevention and control of infectious, communicable diseases in the areas of HIV/AIDS, sexually transmitted diseases, viral hepatitis and tuberculosis. This is \$4.6 million less than enacted, including \$68,494 less from general revenues. The request includes \$6.1 million for salaries and benefits of 43.4 full-time equivalent positions. This is \$1.3 million more than enacted, including \$0.4 million to fund 3.0 new positions, consisting of a health program administrator, a public health epidemiologist and a disease intervention specialist who would be responsible for meeting with individuals who have already contracted a sexually transmitted disease in order to prevent the transmission of the disease to others. The Department had previously noted that annual counts of newly diagnosed cases of HIV have stabilized; however, hospitalization and deaths associated with Hepatitis C are increasing. All other salary and benefit

expenses are \$1.0 million more than enacted and \$0.8 million more than the current service estimate and is essentially consistent with the FY 2023 revised request. This reflects the restoration of all but \$40,716 of the enacted \$0.8 million of turnover savings. There were no vacancies at time of its budget submission.

The request includes \$1.3 million for grants, including \$0.3 million from general revenues for the state-funded tuberculosis specialty clinic at the Miriam Hospital and a contract for Rhode Island Hospital for ambulatory pediatric tuberculosis services. It also includes \$1.0 million from federal funds to various organizations such as AIDS Care Ocean State and Family Service of RI for HIV prevention services. All other expenses are \$5.9 million less than enacted, primarily to reflect the removal of one-time stimulus funds. Of this amount, \$2.8 million was included to renovate the Office of State Medical Examiners in Cumberland, which was acquired in December 2020. A portion of the renovations are funded with Rhode Island Capital Plan funds, which are budgeted in the Department of Administration.

The constrained request removes funding and authorization for the new positions; however, adds \$0.4 million for unspecified operating expenses. *The Governor recommends total funding as requested. The recommendation appears to fund one of the requested new positions.*

Central Management

Health Equity Zones Staff to EOHHS (-7.0 FTE). The Department proposes to transfer 7.0 full-time equivalent positions supporting the Health Equity Zones to the Executive Office of Health and Human Services. The Executive Office notes that it has the capacity to further expand and sustain the zones. Funding of \$0.9 million from all sources, including \$0.1 million from general revenues for the positions is retained in the Department's budget. The Department indicates that a memorandum of understanding would be needed to provide the Executive Office with access to its accounts. The Health Equity Zones are geographical areas designed to achieve health equity by eliminating health disparities using place-based strategies to promote healthy communities. In 2015, ten zones were created and five more were added in 2021. These 15 zones provide services to 26 cities and towns. *The Governor concurs.*

Public Health Infrastructure (11.0 FTE). Subsequent to enactment of the budget, the Department received a \$15.3 million five-year grant award from the Centers for Disease Control and Prevention to help the state build its workforce and data systems to respond to future public health emergencies. The Department notes that in year one, an assessment of current capacity, gaps, and opportunities for modernizing the public health data infrastructure will be undertaken. In years two through five, the plan will address job satisfaction, retention, and employee wellness. The request includes \$3.2 million from the grant, including \$1.7 million to fund 11.0 new full-time equivalent positions, including data analysts, health program administrators and public health epidemiologists to implement the grant's requirements. It also includes \$1.5 million for program expenses, including \$0.6 million for indirect cost charges and \$0.8 million for training, workshops and management consultant services. *The Governor recommends total funding as requested. The recommendation appears to fund six of the requested new positions.*

Indirect Cost Recovery (8.0 FTE). The Department uses its indirect cost recovery restricted receipts to offset costs associated with administering federally funded programs. Revenues for the indirect cost recovery accounts are based on the expenditure of certain federal grants and exclude some expenditures such as assistance and grants. A portion of the Department's federal grants allow a percent cost recovery charge on the actual amount expended. The 2022 Assembly adopted legislation requiring the Director of the Office of Management and Budget to approve expenditures from the indirect cost recoveries on federal stimulus grants. At the end of FY 2022, the Department reported a surplus of \$3.9 million. The FY 2024 request assumes the enacted indirect cost rate of 20.1 percent and receipts of \$12.6 million, \$18.3 million less than enacted, based on anticipated grant spending. The rate for FY 2024 is being reassessed.

Excluding expenditures for centralized services, the request includes \$15.6 million or \$8.9 million less than enacted. The request includes \$9.0 million for salaries and benefits for 55.4 full-time equivalent positions. This includes \$0.8 million to fund 8.0 new positions to support finance operations and grants management within the Department. Remaining salary and benefit expenses are \$0.1 million less than enacted and \$0.3 million less than the current service estimate, primarily for overtime expenses. It does not assume any turnover savings, for which the enacted budget includes \$0.1 million. All other expenses are \$9.7 million less than enacted to remove one-time budgeted expenses for COVID-19. Based on requested expenditures and projected receipts, the Department anticipates a surplus of \$1.5 million at the end of FY 2024.

The constrained request removes funding and authorization for the new positions; however, adds \$0.8 million for unspecified operating expenses. *The Governor recommends \$11.0 million, \$4.6 million less than requested based on projected resources.*

Other Staffing and Operations (2.2 FTE). The request includes \$5.6 million from all sources for all other expenses in Central Management. This is \$0.3 million more than enacted, including increases of \$70,144 from general revenues and \$0.4 million from federal funds, and \$0.2 million less from donated receipts. The request includes \$2.5 million for salary and benefit expenses for 15.7 full-time equivalent positions. This includes \$298,616 to fund 2.2 new public health promotion specialists for federal grants management and reporting, and program evaluation. Remaining salary and benefit expenses are \$0.3 million more than enacted and \$0.2 million more than the current service estimate, reflecting staffing costs and allocations, and restoring all but \$8,739 of the enacted \$0.1 million of turnover savings. The request also includes \$2.0 million budgeted as grants and \$1.1 million for operating expenditures.

The constrained request removes funding and authorization for the new positions; however, adds \$298,616 from federal funds for unspecified operating expenses. *The Governor recommends funding essentially as requested. The recommendation appears to fund one of the requested new positions.*

Community Health and Equity

ARPA - Public Health Centers. The request reflects the removal of one-time expenses of \$4.0 million from State Fiscal Recovery funds, including \$2.0 million each to the Rhode Island Free Clinic to improve statewide access and quality of primary care for uninsured adults, and Open Door Health to address issues for people who are disproportionately impacted by the COVID-19 pandemic. *The Governor concurs.*

First Connections Benefits to EOHHS. The Department proposes transferring Medicaid benefits funding of \$150,000 and the general revenues match of \$128,467 for the First Connections Program to the Executive Office of Health and Human Services. The program provides services to prenatal women, including home and health assessments, developmental screening, and connections to community resources. The Executive Office notes that the transfer is technical in nature as the Department will continue to manage and offer the services; however, providers will bill the Department for non-Medicaid claims and the Executive Office for Medicaid claims.

The constrained request retains only the state match expense in the Department's budget, which the Department subsequently indicates was inadvertent. *The Governor concurs with the transfer.*

Family Home Visiting Benefits to EOHHS (2.1 FTE). The request includes \$9.0 million from federal funds for expenses relating to home visiting programs, which are designed to work with women from pregnancy and families children through age five. The programs include Healthy Families America, Nurse-Family Partnership, and Parents as Teachers and they provide families with resources and services such as preventive health and prenatal practices, promoting positive parenting techniques, and finding employment and child care solutions. The programs are primarily funded by the Maternal, Infant and Early Childhood block grant. The request is \$1.6 million less than enacted from all sources, including \$0.8 million from

general revenues. This reflects the Department's proposal to transfer Medicaid benefit expenses of \$1.8 million, including \$0.8 million from general revenues to the Executive Office of Health and Human Services. The Department will continue to provide the services; however, providers will bill the Department for non-Medicaid claims and the Executive Office for Medicaid claims.

All other expenses are \$173,974 more than enacted, including \$305,075 for salaries and benefits for 7.4 full-time equivalent positions. This includes \$276,596 for 2.1 new positions to ensure that community agencies meet program requirements and evaluate performance measures and benchmarks. The request includes \$7.2 million, or \$0.2 million for grants to community-based providers for services. Operating expenses of \$0.8 million are \$0.3 million less than enacted, reflecting the Department's proposal to use these funds for the requested new positions. The constrained request removes funding and authorization for the new positions; however, adds \$276,596 from federal funds for unspecified operating expenses. It also retains funding for Medicaid benefit expenses in the Department's budget. *The Governor's recommended budget transfers Medicaid benefit expenses to the Executive Office. The recommendation includes \$9.1 million for remaining expenses, \$73,208 more than requested for salaries and benefits. The recommendation funds the requested positions.*

Immunization Programs (2.1 FTE). The Department requests \$58.3 million, including \$17.4 million from federal funds and \$41.0 million from restricted receipts for immunization expenses. This is \$0.9 million more than enacted, including \$1.0 million less from federal funds. The request includes \$53.0 million or \$0.4 million more for vaccines, based on purchasing projections. It includes \$3.0 million or \$0.3 million more than enacted to support 22.3 full-time equivalent positions. This includes \$0.2 million to fund 2.1 new positions, including a data control clerk who would enter immunization and demographic data from paper forms into the KIDSNET data system, and partial authorizations for a human services business officer, and a senior human services policy and systems specialist to assist with data quality initiatives. Remaining salaries and benefits are \$81,472 more than enacted and essentially consistent with the current service estimate. Operating expenses of \$2.4 million are \$0.2 million more for contracted information technology support, including database management and development of immunization assessment rates.

The constrained request removes funding and authorization for the new positions; however, adds \$203,856 from federal funds for unspecified operating expenses. *The Governor recommends total funding as requested. The recommendation appears to fund one of the requested new positions.*

WIC Nutrition Assistance (0.1 FTE). The Department requests \$21.9 million from federal funds or \$0.2 million less than enacted for the Women, Infants, and Children nutrition assistance program, which provides supplemental food, nutrition education and information, referral and coordination services for eligible women and children under the age of five who are at risk of poor health and development because of inadequate nutrition, health care or both. The request includes \$1.8 million for salary and benefit expenses for 12.9 full-time equivalent positions. This includes \$12,789 for partial authorization for a senior public health promotion specialist to work on program deliverables. Other salary and benefit expenses are \$138,166 more than enacted or \$84,418 more than the current service estimate, reflecting the restoration of turnover savings and employee medical benefit selection. The request includes \$18.6 million for benefit payments, or \$0.4 million less than enacted based on anticipated utilization. Program expenses of \$1.5 million for information technology and claims processing are essentially consistent with the enacted budget.

The constrained request removes funding and authorization for the new position; however, adds \$12,789 from federal funds for unspecified operating expenses. *The Governor recommends total funding as requested. He does not recommend the new position and provides the funds for operating expenses.*

Chronic Care and Disease Management (6.5 FTE). The Department requests \$9.1 million for the Center for Chronic Care and Disease Management, including cancer screening, the Home Asthma Response program, which is designed to reduce emergency department visits and hospitalizations, newborn screening,

Alzheimer's disease and related disorders, and stroke prevention. The request is \$315,628 less than enacted; all but \$15,421 is from federal funds. It includes \$3.9 million for salaries and benefits of 29.1 full-time equivalent positions. This includes \$0.8 million from federal funds for 6.5 new positions to support the aforementioned programs, including grants and contracts management, and reporting. Remaining expenses for salaries and benefits are \$17,026 less than enacted and \$122,351 less than the current service estimate, reflecting staffing costs and allocations. Consistent with the enacted budget, it does not assume any turnover savings. It includes \$2.2 million, or \$0.3 million less than enacted for expenses budgeted as grants to community-based agencies for services, such as screening. It also includes \$2.9 million for operating and contracted services, including peer support and training. These expenses are \$0.8 million less than enacted, reflecting the Department's plan to use these funds for the requested new positions.

The constrained request removes funding and authorization for the new positions; however, adds \$0.8 million from federal funds for unspecified operating expenses. *The Governor recommends total funding as requested. The recommendation appears to fund three of the requested new positions.*

Other Staffing and Operations (8.5 FTE). The request includes \$17.9 million from all sources, including \$15.2 million from federal funds for all remaining expenses in the Division of Community Health and Equity. This is \$0.4 million more than enacted, including increases of \$16,106 from general revenues, \$0.3 million from federal funds and \$67,420 from restricted receipts. The request includes \$6.2 million for salary and benefit expenses for 43.2 full-time equivalent positions. This includes \$1.1 million, all but \$7,050 is from federal funds for 8.5 new positions, including public health promotion specialists to plan, develop, implement and evaluate drug overdose outreach and education projects. It also includes program administrators to provide oversight on evaluation activities for the Drug Overdose Prevention and Surveillance programs and a senior clinical laboratory scientist who would be responsible for analyzing specimens in support of various toxicological initiatives, including drug overdoses. Remaining expenses for salaries and benefits are \$0.3 million less than enacted and \$0.5 million less than the current service estimate, reflecting staffing costs and allocations. The request includes turnover savings of \$13,214, essentially as enacted. The request includes \$8.0 million, or \$0.2 million less than enacted for grants. It also includes \$3.7 million or \$0.2 million less for operating expenses. This includes \$0.2 million more for indirect cost charges and \$0.5 million for unspecified expenses.

The constrained request removes funding and authorization for the new positions; however, adds \$1.1 million from federal funds for unspecified operating expenses. *The Governor recommends \$0.2 million less from federal funds than requested, reflecting staffing costs associated with prescription drug overdose activities. The recommendation appears to fund one of the requested new positions.*

Environmental Health

Regional Poison Control Center. The Department requests \$200,000 from general revenues to fund the Regional Poison Control Center, which provides assistance and medical diagnosis for poisonings. The Center receives calls from individuals, hospitals and health care centers. Rhode Island used to operate its own Poison Control Center at an annual cost of over \$0.4 million. Over a decade ago, it joined with Massachusetts and the required cost was reduced to \$0.3 million. The Center was funded with bioterrorism grants; however, these funds have been depleted.

The constrained budget removes the requested funding for the Poison Control Center. The Department indicates that if this proposal is accepted, it would not renew the contract that is set to expire on June 30, 2023. *The Governor recommends funding consistent with the enacted budget.*

Food Protection Program (1.0 FTE). The request includes \$5.6 million from all sources, \$182,243 more than enacted including \$155,548 less from general revenues for food protection, which is responsible for licensing and regulating more than 7,200 "farm to table" food establishments including restaurants, caterers,

food markets, bakeries, food processors, dairy producers, bottlers, and bottle beverage plants. The request includes \$5.0 million to support 41.7 full-time equivalent positions. This is \$254,779 and 1.0 more position than enacted. This includes \$120,658 from federal funds for a new chief information and public relations position, which would provide guidance to the food industry as well as information related to recalls. The request includes \$0.2 million from turnover savings, essentially as enacted.

At the time of the budget submission, the Department had two positions vacant, reflecting a delay in filling the positions that the 2022 Assembly authorized for the Cottage Food Manufacturer Program. The program took effect on November 1, and the Department is using existing staff to process applications. The Department notes that it intends to fill them; however, they are on hold as it is close to its authorized staffing level. All other salary and benefit expenses are \$134,121 more than enacted and \$23,921 more than the current service estimate for employee medical benefit selection. The request includes \$0.6 million for operating expenses, \$72,536 less than enacted for clerical services and program supplies.

The constrained request removes funding and authorization for the new position; however, adds \$120,658 for unspecified operating expenses. *The Governor recommends an additional \$3,245 for medical benefit rates. He does not recommend the new position and provides the funds for operating expenses.*

Water Quality Protection Programs (15.0 FTE). The Department requests \$6.2 million and 35.8 full-time equivalent positions to support water quality protection programs. The programs are responsible for enforcing the provisions of the Safe Drinking Water Act and several state laws relating to safe drinking water and regulating nearly 500 public water systems. The request is \$1.7 million more than enacted, including \$2,522 less from general revenues. The Infrastructure Investment and Jobs Act authorized funding to address water infrastructure projects. Consistent with the revised request, the request includes \$1.2 million from federal funds for 10.0 new full-time equivalent positions, including environmental engineers and scientists to review projects to ensure compliance. The Department indicates that it has started receiving applications, but does not have the staffing capacity to review applications and conduct regular required testing. The request also includes \$0.7 million from all sources, including \$65,454 from general revenues to fund 5.0 new environmental scientist positions to work on contaminants, including lead. The Department indicates that the positions will provide technical assistance to small public water systems and be responsible for compliance oversight and environmental violations. All other salary and benefit expenses are \$252,024 less than enacted and \$303,445 less than the current service estimate, reflecting staffing costs and allocations. The request assumes turnover savings essentially as enacted. It includes the enacted amount of \$331,000 for grants to support small water suppliers. All remaining expenses are \$44,061 less, of which \$95,665 is for indirect cost charges.

The constrained request removes funding and authorization for the new positions; however, adds \$2.0 million, including \$0.1 million from general revenues for unspecified operating expenses. *The Governor recommends \$6.2 million and staffing of 28.8 full-time equivalent positions. The recommendation includes \$0.9 million for 8.0 new positions for water quality projects review, 7.0 fewer positions than requested.*

Occupational Health and Safety Programs (1.7 FTE). The request includes \$0.6 million from all sources, including \$0.1 million from general revenues for the state's match to support the Occupational Health and Safety Program, which works to eliminate hazardous conditions in the workplace. The Department works with occupational hazard consultants to visit businesses with less than 250 employees to help them find occupational hazards and recommends approaches to address these hazards. These services are provided to employers upon request and at no cost. The request includes \$570,154, or \$206,478 more than enacted for staffing of 4.6 full-time equivalent positions. This includes \$191,145 from federal funds for 1.7 new positions to conduct field visits and to consult on workplace safety and health practices. All other salary and benefit expenses are \$15,333 more than enacted and is essentially consistent with the current service estimate. The request includes \$32,691 for operating expenses. This is \$194,310 less than enacted, including \$190,103 from federal funds; these funds are being used for the requested new positions.

The constrained request removes funding and authorization for the new positions; however, adds \$191,145 from federal funds for unspecified operating expenses. It also proposes \$76,827 in general revenue savings by eliminating the state Occupational Safety and Health Administration Consultation Program. Onsite consultation services are separate from enforcement and do not result in penalties or citations. This includes \$47,652 from eliminating 0.4 full-time equivalent positions and operating expenses of \$29,175. As of December 5, 2022, the positions were filled. *The Governor recommends total funding requested, but provides the funds for operating expenses instead of the new position.*

Blood Lead Poisoning Prevention (0.8 FTE). The Department includes \$2.1 million from all sources for blood lead poisoning prevention activities. The program provides state staff to investigate complaints and inquiries about lead poisoning, arrange inspections when elevated blood lead levels are found, make referrals for case management and provide follow up after the inspection to ensure the lead abatement was completed and the individual's blood lead level has returned to a reasonable level. The request is \$0.4 million more than enacted, all but \$10,768 is from federal funds. It includes \$1.0 million for salary and benefit expenses for 8.0 full-time equivalent positions. This is \$180,278 and 0.8 positions more than enacted. The request includes \$106,087 from federal funds and restricted receipts for partial authorization of a public health promotion specialist and an industrial hygienist to assist with the Childhood Lead Poisoning Prevention Program. Remaining salary and benefit expenses are \$74,191 more than enacted and \$46,201 more than the current service estimate, reflecting staffing costs and allocations. Consistent with the enacted budget, the request does not assume any turnover savings. It includes \$1.1 million for operating expenses, which is \$0.2 million more than enacted, including \$0.1 million each for contracted environmental testing services and indirect cost charges.

In 2019, the Department entered into a memorandum of understanding with the Housing Resources Commission, whereby the Department took on responsibility for enforcing the lead mitigation rules in exchange for annual funding from the Commission. The agreement was in effect through June 30, 2022. The Department entered into another three-year memorandum of understanding with the Commission, through June 30, 2025. The agreement is essentially consistent with the first agreement; however, funding to the Department was increased from \$350,000 to \$500,000 annually.

The constrained request removes funding and authorization for the new positions; however, adds \$106,087 from federal funds and restricted receipts for unspecified operating expenses. *The Governor recommends total funding essentially as requested, but provides the funds for operating expenses instead of the new positions.*

Other Staffing and Operations (1.5 FTE). The request includes \$3.2 million for all remaining expenses in the Division of Environmental Health, which is responsible for all licensure and regulatory activities relating to environmental health and healthy homes. This is \$189,386 more than enacted, including \$28,662 more from general revenues. It includes \$2.5 million, or \$42,528 less than enacted for salaries and benefits for 17.1 full-time equivalent positions. This includes \$211,700 for 1.5 new positions, including an environmental health risk assessment toxicologist who would be responsible for conducting reviews of contaminated sites investigated by the Department of Environmental Management. Other salary and benefit expenses are \$0.3 million less than enacted and the current service estimate, reflecting staffing costs and allocations. It also assumes \$18,862 in turnover savings, for which the enacted budget did not include any. The request includes \$745,230 for operating expenses, which is \$231,914 more than enacted. This includes \$204,308 for unspecified expenses.

The constrained request removes funding and authorization for the new positions; however, adds \$0.2 million from all sources, including \$32,082 from general revenues for unspecified operating expenses. *The Governor recommends total funding requested, but provides the funds for operating expenses instead of the new positions.*

Health Laboratories and Medical Examiners

Office of State Medical Examiners (1.0 FTE). The Department requests \$3.9 million from all sources to support the Office of State Medical Examiners. This is \$0.9 million more than enacted, all but \$27,040 is from general revenues. The request includes \$2.0 million, or \$56,357 less than enacted for salaries and benefits of 16.0 full-time equivalent positions. This includes \$0.2 million from general revenues to fund a new assistant medical examiner position. Remaining salary and benefit expenses are \$0.2 million less than enacted and \$0.3 million less than the current service estimate, primarily reflecting turnover savings. As of December 5, 2022, there were three vacancies, including two assistant medical examiners and the chief medical examiner position, which has been vacant for six years. In November 2021, the Department of Administration held a public hearing to increase the wage for that position from \$259,461 to \$295,000, which the Department had historically indicated was the hindrance for filling it. The request includes half a year funding for the chief medical examiner position. In the event the Department fills the position, an adjustment to wages may be needed. The request includes the enacted amount of \$65,949 for overtime; however, this is \$47,974 less than FY 2022 expenses.

The request includes \$1.8 million or \$0.9 million more for operating expenses. This includes \$1.0 million or \$0.6 million more for contracted medical services in the event the office is not fully staffed. The Department also attributes the increase to two factors: additional autopsies as a result of the opioid epidemic crisis and some contractors require a higher rate per case to cover their airfare and per diem. Expenditures were \$1.1 million in FY 2022, \$0.3 million each in FY 2021 and FY 2020. Through December 13, 2022, \$0.4 million has been spent, which is \$0.1 million more than enacted. The request also includes \$545,963 for other contracted services, such as livery, x-ray and histology services. This is \$270,927 more than enacted for livery services, including \$236,400 based on anticipated costs for a new contract.

The constrained request removes funding and authorization for the new position; however, adds \$153,503 for unspecified operating expenses. It also removes \$714,691 for additional contract medical and livery services. *The Governor recommends total funding as requested and an additional \$28,154 for statewide adjustments, of which \$27,360 is for state fleet expenses. He does not recommend the new position and instead provides the funds for operating expenses.*

Breathalyzer Unit. The request includes \$0.5 million from general revenues and federal funds, and staffing of 3.0 full-time equivalent positions to support impaired driver testing. The program trains and certifies law enforcement officers in the area of breath analysis and tests blood specimens submitted by law enforcement agencies. In 2020, the program certified 2,006 police officers. The Department notes that approximately 1,600 breathalyzer calibrations are performed annually. The request is \$3,113 less than enacted, including \$877 less from general revenues. Salary and benefit expenses of \$0.3 million are \$3,778 less than enacted or \$11,499 less than the current service estimate, reflecting turnover savings for which the enacted budget did not assume any. Operating expenses of \$149,039 are essentially consistent with the enacted budget. This includes \$87,000 for test kits.

The constrained request proposes to shift general revenue expenses of \$0.2 million for 2.0 full-time equivalent positions to municipalities, using a tiered system based on the number breathalyzer units calibrated and law enforcement officers trained. Based on the number of calibrations conducted in FY 2022, the costs would range from \$100 to \$385. Statutory authority to effectuate this would be needed. *The Governor maintains approved funding from general revenues and federal funds for the program. He recommends \$0.5 million, which is \$46,639 more than requested to account for statewide adjustments.*

Forensic Laboratories. The Department requests \$2.8 million from all sources for operating expenses for the forensic laboratories, which provide testing for the identification of confiscated drugs as well as conducting DNA analysis of evidence to assist law enforcement agencies in solving drug-related and other crimes. The request is \$108,647 more than enacted, including \$125,527 more from general revenues. The

request includes \$2.2 million for salaries and benefits of 17.0 full-time equivalent positions, the authorized level. This is \$65,649 more than enacted and \$15,689 more than the current service estimate, reflecting employee medical benefit selection. It also includes \$0.6 million for operating expenses, or \$42,998 more than enacted. Of this amount, \$0.4 million or approximately 60 percent is for medical supplies and costs for maintenance of laboratory equipment.

The constrained request proposes a portion of funding for the forensic laboratories be tied to drug tests based on a tiered municipal approach and assumes savings of \$0.6 million from general revenues for 6.0 full-time equivalent positions and operating expenses. Under the proposal, municipalities would pay for processing drug tests. The cost would be \$75 to \$7,500 for cases under 100; \$150 to \$750 for 100 to 500 cases, and \$390 for 500 or more cases. The Department notes that the estimate is based on the 2,115 cases that were processed in FY 2022. Statutory authority to effectuate this would be needed. *The Governor maintains approved funding from general revenues and federal funds for the laboratories. He recommends \$2.8 million, consistent with the request.*

Capital - Health Laboratories and Medical Examiners Equipment. Consistent with the approved plan and the capital budget request, the Department's request includes \$0.4 million from Rhode Island Capital Plan funds to replace and/or upgrade medical equipment in the following laboratories: Biological, Forensic and Environmental Sciences. *The Governor recommends funding as requested. A detailed description of the project is included in the Capital Budget section of this publication.*

Other Staffing and Operations (2.0 FTE). The Department includes \$7.6 million from all sources for all remaining expenses in the Health Laboratories program, including the Centers for Biological Sciences and Environmental Sciences, which performs blood lead, radon and other testing. The request is \$0.4 million more than enacted, including \$0.5 million more from general revenues. The request includes \$5.2 million to fund 41.9 full-time equivalent positions. This includes \$160,482 for 2.0 new laboratory assistant positions, who would be responsible for preparing specimen collection kits, collecting and transporting medical/hazardous waste, and mailing laboratory reports. Remaining salary and benefit expenses are \$0.3 million more than enacted and \$0.1 million more than the current service estimate, reflecting staffing costs and allocations, and overtime expenses. Operating expenses are \$46,747 less than enacted and include adjustments for medical supplies, such as test kits, chemicals, reagents and glassware, and contracted medical services. The request of \$2.3 million is \$0.1 million more than FY 2022 expenses.

The constrained request removes funding and authorization for the new positions; however, adds \$160,482 for unspecified operating expenses. It also proposes to privatize blood lead laboratory operations and includes savings of \$0.3 million from the elimination of 3.2 clinical laboratory scientists, and operating expenses. This proposal would require a change to current law, which requires that children under age 6 be tested at certain intervals for lead levels in their blood. Current law also requires that the Department of Human Services pay when the client is Medicaid eligible, the Department of Health pay when the individual has no health insurance and the insurer pay when an individual has health insurance. These reimbursements from insurers are deposited into the general fund and fees are based on the rates paid by the insurers to private labs for blood lead analysis. Revenues from blood lead testing in FY 2022 were \$116,297; the net savings would be \$0.2 million. *The Governor maintains approved funding from general revenues and federal funds for the laboratories. His recommendation of \$7.6 million is consistent with the request. He does not recommend the new positions and instead provides these funds for operating expenses.*

Customer Services

Center for Vital Records (1.0 FTE). The Department requests \$2.6 million from all sources and 14.6 full-time equivalent positions for the Center for Vital Records, which is responsible for a statewide vital records system involving the births, marriages, deaths and fetal deaths that occur in the state. This is \$0.5 million more than enacted, including \$0.5 million less from general revenues, offset by \$1.0 million from

federal funds. The request includes \$1.0 million from a new grant to support implementation of the electronic death registration system, which includes connectivity to eligible hospitals' systems in addition to vital records systems of the federal government and other states. The Department was allowed to shift \$0.6 million of salaries and benefits from general revenues to the new grant. Salary and benefit expenses are \$92,902 more than enacted, including \$80,241 from federal funds to fund a new genealogical clerk, who would be responsible for searching microfiche and vital records for tracing family lineage or title searches and providing certified copies of records. Remaining salaries and benefits are \$12,661 more than enacted or \$26,784 less than the current service estimate, reflecting employee medical benefit selection. Operating expenses of \$0.9 million are \$0.4 million more than enacted, including \$0.2 million each for information technology support and indirect cost charges on the new grant.

The constrained request removes funding and authorization for the new position; however, adds \$80,241 for unspecified operating expenses. *The Governor recommends total funding essentially as requested; he does not recommend the new position and instead provides these funds for operating expenses.*

Center for Health Professional Boards and Licensing (1.0 FTE). The request includes \$4.2 million from all sources for the Center of Health Professional Boards and Licensing, which is responsible for certifying, licensing, and disciplining health care professionals, as well as identifying professional standards to ensure the highest quality health care in the state. The request includes \$3.6 million for salaries and benefits of 29.3 full-time equivalent positions, which is \$0.2 million more than enacted. This includes \$0.7 million more from general revenues, of which \$0.6 million will be used to fund approximately five positions who previously administered the Medical Marijuana Licensing program, reflecting anticipated receipts. The request also includes \$127,899 from general revenues to fund a new assistant health program administrator to assist the chief of investigations in investigation of allegations of unprofessional conduct. The request includes \$0.5 million or \$0.2 million less for operating expenses, including \$0.1 million less from federal funds provided through the CARES Act to ensure that health care services are in compliance with federal regulatory health and safety standards.

The constrained request removes funding and authorization for the new position; however, adds \$127,899 for unspecified operating expenses. *The Governor recommends total funding essentially as requested. He does not recommend the new position and instead provides these funds for operating expenses.*

Center for Facilities Regulation (4.0 FTE). The Department requests \$6.8 million from all sources to support the Center for Health Facilities Regulation, which is responsible for ensuring that approximately 2,400 state licenses and federally certified Medicare/Medicaid health care facilities, health service agencies, assisted living residences and adult day care programs meet the applicable health and safety, and quality standards and regulations of state and federal law. The request is \$0.3 million more from all sources than enacted, including \$0.2 million less from general revenues. It includes \$6.0 million to fund 42.6 full-time equivalent positions. This is \$0.5 million more than enacted, including \$0.4 million from general revenues and federal funds for 4.0 new positions. The positions include a licensing aide to help reduce licensing wait times, a senior clinical laboratory scientist, a health facility surveyor, and a nursing care evaluator. The Department notes that the Centers for Medicare and Medicaid Services review its performance in terms of quality, timeliness and enforcement of health facilities. The positions would also investigate complaints. All other salary and benefit expenses are \$49,117 more than enacted and \$115,778 less than the current service estimate, reflecting staffing costs and allocations, and turnover savings. The request includes \$0.8 million for operating expenses, which is \$0.2 million less than enacted.

The constrained request removes funding and authorization for the new positions; however, adds \$427,568 for unspecified operating expenses. *The Governor recommends total funding essentially as requested; he does not recommend the new position and instead provides these funds for operating expenses.*

Opioid Stewardship Funds (1.0 FTE). The request includes \$1.2 million from Opioid Stewardship funds, or \$0.7 million less than enacted. This includes \$0.5 million less to purchase naloxone and \$0.1 million for a quality assurance officer position to provide timely data on fatal overdoses. The 2022 Assembly provided the funds for the Department to be filled within the Department's staffing authorization. Consistent with the revised request, the request includes \$119,918 for a new public health promotion specialist to serve as the board administrator for the Board of Pharmacy to assist with investigations and disciplinary hearings. Subsequently, the Department indicates that it had intended to request \$1.6 million, or \$0.4 million more. This would restore enacted funding for the quality assurance officer position and adds \$248,370 for expenses related to the Prescription Drug Monitoring Program, which provides information regarding prescription of controlled substances in order to prevent improper or illegal use.

The 2019 Assembly passed legislation that created an annual \$5.0 million fee assessed to manufacturers and distributors of opioids registered in the state. Companies are assessed their in-state market share of all distributed or manufactured opioids, subject to some exceptions. Funds are deposited as restricted receipts for programs that provide opioid treatment, recovery, prevention, and education services, subject to future appropriation.

The constrained request removes funding and authorization for the new position; however, adds \$119,918 for unspecified operating expenses. *The Governor recommends \$1.8 million, which is \$58,536 less than enacted, reflecting an updated plan. This includes \$0.3 million less for naloxone supply, new expenditures of \$0.3 million for newborns exposed to substances program and \$0.1 million more for other expenses. The recommendation includes the requested position.*

Opioid Settlement Funds. In February 2021, the Attorney General's Office announced a multi-state settlement with McKinsey and Company for its work on behalf of opioid manufacturers that contributed to the opioid crisis. The company has agreed to pay \$478 million to 47 states, the District of Columbia and five territories in the first year, then four annual payments of \$23 million. The share for each state was determined by a formula and Rhode Island will receive a total of \$2.6 million. The Attorney General stated that it will work with other state agencies, public health experts and other entities to put a framework in place to ensure the funds are used solely to address the impact of the opioid epidemic. Funds will be used for treatment, rescue, recovery, and prevention programs. The Department's request includes the enacted amount of \$0.7 million from McKinsey and Company Settlement funds. *The Governor recommends \$1.8 million, which is \$1.1 million more than enacted. This assumes use of \$0.1 million from the McKinsey and Company and \$1.7 million from Opioid Abatement Settlement funds, including \$1.1 million to expand outreach services, \$0.5 million to purchase naloxone and \$0.3 million for drop-in centers.*

Other Staffing and Operations (1.0 FTE). The request includes \$2.8 million from all sources for all remaining expenses in the division. This is \$0.4 million less than enacted; expenses from general revenues are essentially consistent with the enacted budget. The request includes \$1.5 million to fund 9.8 full-time equivalent positions. This includes \$86,234 from general revenues for a new executive assistant to coordinate schedules, ensuring that letters, notices and decisions are followed with respect to licensing. Remaining salary and benefit expenses are \$0.4 million less than enacted, \$0.5 million less than the current service estimate, reflecting staffing costs and allocations. The request includes turnover savings of \$22,667, essentially as enacted. It also includes \$1.3 million for operating expenses, or \$0.1 million less than enacted to reflect anticipated funding for the prescription drug monitoring system.

The constrained request removes funding and authorization for the new position; however, adds \$86,234 for unspecified operating expenses. *The Governor recommends total funding essentially as requested; he does not recommend the new position and provides the funds for operating expenses.*

Policy, Information and Communications

Target - Requests for Public Health Data (2.0 FTE). The Department's Center for Health Data Analysis manages health datasets and systems. These data are currently used to monitor health status and trends in natality, morbidity and mortality. With the exception of hospital discharge data, the Department does not currently charge a fee for data requests. It indicates that it receives approximately 700 requests annually. The Department indicates that it costs \$0.2 million and requires 2.0 full-time equivalent positions to provide the data. The Department's constrained request proposes charging a new fee for data requests. Legislation to effectuate this is needed. The Governor recommended this proposal as part of his FY 2022 recommendation. The Assembly did not concur. *The Governor does not recommend the positions.*

Health Workforce Data (3.0 FTE). The Department requests \$356,045 from general revenues to fund 3.0 new full-time equivalent positions, including a public health epidemiologist, a health program administrator and a senior human services policy and systems specialist to collect demographic and workplace data from licensed healthcare professionals upon licensure and/or renewal. The Department notes that the data would allow it to collect standardized information to address workforce shortages, enhance access to care and reduce health disparities. It further notes that the current data that is collected may not be accurate, especially data on nursing shortages. The Department currently licenses 115,000 health care professionals. The Department indicates that it reviewed sections of the general laws that currently allow it to collect certain information for reporting purposes; however, it does not believe that current law allows it to collect demographic information.

The constrained request removes funding as well as staffing authorization for the positions. *The Governor does not recommend the positions.*

Health Professional Loan Repayment. The request includes \$0.8 million from federal funds for the health professional loan repayment program, which pays a portion of an eligible health care professional's student loan if the participant agrees to work for two years in a health professional shortage area. The request is \$260,200 less than enacted, including \$289,800 more from federal funds and the removal of \$550,000 from restricted receipts, which were used to provide the 50.0 percent minimum match on the federal grant. The federal program was amended, and effective October 1, 2022, a state match is no longer required. State match was covered by donated funds. *The Governor recommends funding as requested.*

Other Staffing and Operations (1.5 FTE). The Department requests \$4.4 million and staffing of 19.1 full-time equivalent positions for the Division of Policy, Information and Communications, which includes: the Center for Health Data and Analysis, the Center for Public Health Communications, Legislative and Regulation Affairs, and the Office of the Associate Director, which provides policy redirection and operational oversight and coordination. This is \$0.5 million more than enacted, including \$35,761 from general revenues. The request includes \$164,570 from federal funds to support 1.5 new positions, including a human services policy and systems analyst who would be responsible for maintaining and developing systems for immunizations, including KIDSNET, and partial authorization for a public health epidemiologist. Remaining salary and benefit expenses are \$135,373 more than enacted or \$55,756 more than the current service estimate, to restore turnover savings. The request includes \$1.6 million or \$163,380 more for operating expenses. This includes \$160,000 from restricted receipts for contracted legal services.

The constrained request removes funding and authorization for the new positions; however, adds \$164,570 for unspecified operating expenses. *The Governor concurs with the requested expenditures and includes an additional \$0.1 million from a federal grant for staffing costs associated with the Drug Overdose Surveillance Program, and concurs with the remainder of the request.*

Department of Human Services

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Central Management	\$ 13,312,059	\$ 14,890,733	\$ 10,977,072	\$ 11,057,403
Child Support Enforcement	16,027,374	16,687,599	18,130,651	16,941,037
Individual and Family Support	191,892,331	221,067,776	179,021,105	165,848,870
Office of Veterans Services	46,409,836	47,005,072	49,945,068	48,594,356
Health Care Eligibility	26,021,599	21,599,627	24,873,015	25,702,234
Supplemental Security Income	17,886,000	17,072,050	17,886,000	17,108,100
Rhode Island Works	103,277,833	96,116,023	107,274,828	114,483,709
Other Programs	448,281,462	468,287,067	354,983,387	355,414,967
Office of Healthy Aging	39,026,770	39,580,466	41,009,109	39,553,447
Total	\$ 902,135,264	\$ 942,306,413	\$ 804,100,235	\$ 794,704,123
Expenditures by Category				
Salaries and Benefits	\$ 123,379,584	\$ 120,056,785	129,532,638	\$ 124,985,447
Contracted Services	40,181,041	41,653,604	37,977,648	36,969,814
Subtotal	\$ 163,560,625	\$ 161,710,389	\$ 167,510,286	\$ 161,955,261
Other State Operations	40,192,462	38,544,107	38,895,377	40,795,187
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	693,080,963	736,040,452	591,753,279	585,404,972
Capital	1,775,712	1,508,776	2,149,293	2,149,293
Capital Debt Service	-	-	-	-
Operating Transfers	3,525,502	4,502,689	3,792,000	4,399,410
Total	\$ 902,135,264	\$ 942,306,413	\$ 804,100,235	\$ 794,704,123
Sources of Funds				
General Revenue	152,311,791	\$ 151,683,553	150,318,566	143,479,731
Federal Aid	739,510,589	779,370,374	641,899,350	638,693,106
Restricted Receipts	4,954,671	5,095,450	5,892,103	5,933,660
Other	5,358,213	6,157,036	5,990,216	6,597,626
Total	\$ 902,135,264	\$ 942,306,413	\$ 804,100,235	\$ 794,704,123
FTE Authorization				
Department of Human Services	773.0	773.0	770.0	770.0
Office of Veterans Services	263.0	263.0	301.0	267.0
Office of Healthy Aging	31.0	31.0	36.0	31.0
Total FTE Authorization	1,067.0	1,067.0	1,107.0	1,068.0

Summary. The Department of Human Services, including the Office of Veterans Services and Office of Healthy Aging, requests total funding of \$804.1 million from all fund sources, including \$150.3 million from general revenues, \$641.9 million from federal funds, \$5.9 million from restricted receipts, and \$6.0 million from other funds. This is \$98.0 million less than enacted, including \$2.0 million less from general revenues and \$97.6 million less from federal funds, offset by \$0.9 million more from restricted receipts and \$0.6 million more from other funds.

The Department requests 1,107.0 full-time equivalent positions, 40.0 more than the enacted authorization. This includes 38.0 new positions for the Rhode Island Veterans' Home and 5.0 new positions for the Office of Healthy Aging. As of the pay period ending January 1, 2023, the Department has 170.0 vacancies. *The Governor recommends total funding of \$794.7 million from all sources, including \$143.5 million from general revenues. This is \$107.4 million less than enacted, including \$8.8 million less from general revenues. His recommendation includes authorization for 1,068.0 full-time equivalent positions, 1.0 more than enacted.*

Target. The Budget Office provided the Department with a general revenue target of \$138.4 million. The amount includes \$7.3 million less for current service adjustments and a 5.0 percent target reduction of \$6.6 million, adjusted for certain exclusions. The Department's request is \$5.3 million above the current services estimate; the constrained budget submitted by the Department is \$2.2 million below the target.

The Department proposes savings initiatives of \$14.1 million from general revenues. The items are discussed separately, where appropriate. *The Governor's recommendation is \$5.1 million above the target.*

FY 2024 Budget	Budget Office	Human Services	Difference
FY 2023 Enacted	\$ 152,311,791	\$ 152,311,791	\$ -
Current Service Adjustments	(7,329,362)	(3,616,122)	3,713,240
New Initiatives	-	1,622,897	1,622,897
Change to FY 2023 Enacted	\$ (7,329,362)	\$ (1,993,225)	\$ 5,336,137
FY 2024 Current Service/Unconstrained Request	\$ 144,982,429	\$ 150,318,566	\$ 5,336,137
Target Reduction/Initiatives	(6,558,768)	(14,079,905)	(7,521,137)
FY 2024 Constrained Target/Request	\$ 138,423,661	\$ 136,238,661	\$ (2,185,000)
<i>Change to FY 2023 Enacted</i>	<i>\$ (13,888,130)</i>	<i>\$ (16,073,130)</i>	<i>\$ (2,185,000)</i>

Staffing. The Department requests authorization for 1,107.0 full-time equivalent positions for FY 2024, 40.0 more than the enacted budget. The request adds 38.0 new positions for the Rhode Island Veterans' Home, including 37.0 registered nurses and cooks and 1.0 operations administrator. It also adds 5.0 new positions for Office of Healthy Aging, including 4.0 for finance and 1.0 for community living. The request provides funding for 1,080.1 positions, leaving 26.9 unfunded. As of January 1, 2023, the Department has 897.0 filled positions and is averaging 885.4 in FY 2023.

The 2022 Assembly provided authorization for 20.0 new full-time equivalent positions to support increased eligibility redetermination activity as the public health emergency ends. In addition, Article 1 of 2022 – H 7123, Substitute A, as amended, requires the Department to submit a report every 60 days, beginning August 1, 2022, on its progress in recruiting and retaining staff. Reports comprise information on the agency's hiring activity, vacancies resulting from recent departures, staff on leave, civil service exam administration, call center activity, and current caseload trends related to program eligibility redeterminations. The Department has reported filling over 120 positions in FY 2023 through mid-January 2023. However, many of these were internal candidates, which causes new vacancies and there continues to be other attrition. In this same time period, the number of filled positions, excluding those associated with Veterans Services and Healthy Aging, has increased by only 32. There is a significant backlog of applications for assistance despite the newly added staff and a nearly three year pause on recertification of Medicaid eligibility.

The Governor recommends the transfer of 3.0 full-time equivalent staff responsible for conducting required Medicaid eligibility determinations and quality control tasks to the Executive Office of Health and Human Services in order to address potential compliance issues. He also recommends 4.0 full-time positions at the Veterans' Memorial Cemetery converted from the existing six seasonal staff to assist with increased activity associated with the extension of burial privileges to more national guard members and reservists, consistent with a new federal law. These changes bring the total recommended positions to 1,068.0, one more than enacted.

Centralized Services. The Department requests \$12.9 million from all sources for centralized services provided by the Department of Administration including Veterans Services and Healthy Aging. The request is \$1.5 million more than enacted, including \$1.0 million more from general revenues and \$0.6 million more from federal funds. This includes \$0.8 million for facilities management, \$0.3 million for human resources, and \$0.5 million for information technology services. It is also \$0.5 million more than requested for FY 2023 and the Budget Office current service estimate for FY 2024.

The Governor recommends \$1.4 million more than requested, primarily from general revenues, to account for updated estimates particularly facilities management which increased significantly statewide from utility cost increases. Total expenses are \$2.9 million more than enacted including \$1.3 million more for Veterans Services.

Cash Assistance Programs

The Caseload Estimating Conference estimate includes \$130.9 million from all sources, including \$29.0 million from general revenues for cash assistance programs, including Rhode Island Works, child care, state only supplemental security income program payments and general public assistance bridge program benefits. The caseload estimate is \$8.5 million more than enacted, including \$1.2 million more from general revenues. The Department’s request does not reflect the estimate adopted at the November Caseload Estimating Conference.

The following table itemizes cash assistance expenditures as enacted, adopted by the caseload estimators, and recommended by the Governor. Each category is discussed separately.

The Governor recommends total caseload expenditures of \$133.3 million, which is \$2.4 million more from federal funds than the November estimate to reflect the updated contract agreement for family-based child care providers.

Cash Assistance	FY 2021 Actual	FY 2022 Preliminary	FY 2023 Enacted	FY 2023 Gov. Rev.	FY 2024 Nov. CEC	FY 2024 Governor
Rhode Island Works						
Persons	5,872	6,413	7,963	8,800	9,600	9,600
Monthly Cost per Person	\$ 183.37	\$ 234.51	\$ 236.00	\$ 226.50	\$ 240.00	\$ 240.00
Total Costs/Federal Funds	\$ 14.4	\$ 19.5	\$ 24.8	\$ 26.0	\$ 30.0	\$ 30.0
Child Care						
Subsidies	5,616	5,404	7,302	6,300	7,725	7,725
Annual Cost per Subsidy	\$ 9,843	\$ 10,104	\$ 10,741	\$ 10,972	\$ 10,624	\$ 10,935
General Revenue	\$ 8.4	\$ 8.1	\$ 8.7	\$ 9.2	\$ 10.2	\$ 10.2
Federal Funds	46.9	46.5	69.8	59.9	71.9	74.3
Total Costs	\$ 55.3	\$ 54.6	\$ 78.4	\$ 69.1	\$ 82.1	\$ 84.5
SSI						
Persons	33,184	32,695	33,000	32,050	32,000	32,000
Monthly Cost per Person	\$ 45.89	\$ 44.25	\$ 45.00	\$ 44.25	\$ 44.40	\$ 44.40
Total Costs/General Revenues	\$ 18.3	\$ 17.4	\$ 17.9	\$ 17.1	\$ 17.1	\$ 17.1
SSI Transition/Bridge						
Persons	67	114	296	340	475	475
Monthly Cost per Person	\$ 167.39	\$ 184.88	\$ 185.00	\$ 188.00	\$ 191.00	\$ 191.00
Total Costs/General Revenues	\$ 0.7	\$ 0.8	\$ 1.3	\$ 1.4	\$ 1.7	\$ 1.7
General Revenue	\$ 27.4	\$ 26.3	\$ 27.8	\$ 27.7	\$ 29.0	\$ 29.0
Federal Funds	61.3	66.0	94.6	85.9	101.9	104.3
Total Cash Assistance	\$ 88.8	\$ 92.4	\$ 122.4	\$ 113.6	\$ 130.9	\$ 133.3

\$ in millions

Maintenance of Effort Requirement. The Department is required to spend \$60.4 million from general revenues as its maintenance of effort requirement for the \$95.0 million temporary assistance to needy families' block grant, assuming it meets its work participation rates. The state has separate one-parent and two-parent participation rates, but receives the penalty if either rate is not met. For Rhode Island, this increases by \$4.0 million to \$64.4 million if one or both of the work participation rates are not met. The state has not met its 90.0 percent two-parent participation rate, so it must maintain the higher maintenance of effort.

Work participation rates are the percent of qualified parents that are participating in work, work-like activities or the individualized employment plan. Almost all individuals receiving Rhode Island Works are required to immediately enter into individualized employment plans, which can include job search and readiness, vocational or adult education, on-the-job training and subsidized employment. The Department has not met its 90.0 percent two-parent work participation rate, which requires one parent to engage in work activities for 35 hours a week, because families who are in non-compliance with their work plan remain on the active caseload. The rules and regulations call for individuals and families to be sanctioned and have benefits reduced or eliminated when they are not in compliance with the individual employment plan, miss appointments, or refuse or quit employment.

The state can report any spending for its maintenance of effort requirement as long as it meets one of the four temporary assistance to needy families purposes: assisting needy families so that children can be cared for in their own homes; reducing the dependency of needy parents by promoting job preparation, work and marriage; preventing out-of-wedlock pregnancies; and encouraging the formation and maintenance of two-parent families. The state uses the circuit breaker program, earned income tax credit, administrative expenses through the Department of Human Services, and services provided through the Departments of Children, Youth and Families and Labor and Training. The Department's request assumes that the higher \$64.4 million requirement will be met.

Rhode Island Works. The November Caseload Estimating Conference estimate includes program expenditures for Rhode Island Works of \$30.0 million, entirely from federal funds. The estimate increased the monthly caseload by 1,637 cases to a level of 9,600 and the monthly cost per person by \$4.00 to \$240.00. Total estimated expenditures are \$5.2 million more than the enacted budget, reflecting increases in both the number of persons and the cost per person as well as adjustments for clothing and other supportive services. The FY 2024 request is consistent with the enacted budget as it was submitted prior to the November Caseload Estimating Conference.

The 2022 Assembly increased the \$170 monthly earned income disregard to \$300 and the resource limitation for eligibility from \$1,000 to \$5,000. This allows participants who do not receive the full monthly benefit to receive up to an additional \$130 per month and individuals who meet all other criteria but whose income is enough to result in \$0 benefit to be newly eligible for funds. The Assembly exempted any federal or state child tax credits and rebates. It also allowed participants who have successfully completed their first year at the Community College of Rhode Island to complete a second year as part of their work plan. As of November 2022, these legislative changes have either been fully or partially implemented, with full implementation expected to occur in early 2023. *The Governor recommends \$5.2 million more than enacted, consistent with the November estimate.*

Child Care. The November Caseload Estimating Conference estimate includes child care expenditures of \$82.1 million, of which \$10.2 million is from general revenues. This is \$3.7 million more than enacted, including \$1.6 million more from general revenues. The estimate increases anticipated FY 2024 child care subsidies by 423 for an average of 7,725 subsidies and decreases the annual cost by \$117 to \$10,624. The Department requests \$4.0 million more than enacted from general revenues in accordance with Budget Office current service adjustments which anticipate caseload growth will outpace available federal funds.

The request does not reflect the estimate adopted at the November caseload conference as it predates the conference.

A family is eligible for child care assistance either through the Rhode Island Works program (if they qualify for Works they are automatically eligible for child care assistance) or if they qualify as low income, which is at or below 200 percent of federal poverty. However, families meeting that criteria initially, remain eligible until the family income exceeds 300 percent of poverty. Prior to FY 2023, income-based eligibility was limited to 180 percent of poverty and families remained eligible until their income exceeded 225 percent of poverty. The 2022 Assembly also permanently expanded eligibility for subsidized child care to families enrolled in a degree program at a Rhode Island institution of higher education; it was initially established as a one-year pilot program.

Child care rates have been increased in four of the last five budgets. Most recently, the 2022 Assembly increased the tiered reimbursement rates for center-based providers for all age groups by aligning payments for first tier providers to the 50th percentile of the 2021 market rate survey and top tier providers with the 80th percentile. Child care centers continue to be reimbursed based on the rating the provider has achieved in the state's quality rating system. Providers with higher rankings will receive additional funding compared to those in the lower tiers. It also established tiered reimbursement rates for school age children.

The enacted budget includes \$7.6 million from federal child care funds authorized under the American Rescue Plan Act for the rate increases, of which \$0.9 million is for children served through the Department of Children, Youth and Families. Family-based child care providers continue to be reimbursed in a manner consistent with the most recent labor union contract, pending negotiations that were ongoing at the time.

On December 20, 2022, a contract agreement was announced in which family-based providers will begin receiving increased percentages of the 2021 market rate survey, similar to center-based providers. They will also receive a 2.5 percent rate increase in years two and three of the contract, and retroactive pay for January 1 to December 2022. The agreement includes one-time technology subsidies of \$1,000 per provider for a total of \$337,000 and \$350,000 in training supports for FY 2023. This increases to \$375,000 for FY 2024 and \$400,000 for FY 2025. Neither the Governor's original recommendation nor the enacted budget included set-aside funds in anticipation of a new settlement. Current law requires General Assembly approval of new economic contract terms.

The Governor recommends \$6.0 million more than enacted, including \$1.5 million more from general revenues. This includes adjustments consistent with the caseload estimate and adds \$2.4 million from federal funds to reflect the new contract settlement for family-based providers. This settlement increases the annual cost for child care subsidies to \$10,935, which is \$311 more than the November estimate assumed.

Supplemental Security Income Payments. The November Caseload Estimating Conference estimate includes direct supplemental security income expenditures of \$17.1 million from general revenues, or \$0.8 million less than enacted. The caseload decreases by 1,000 persons to a monthly level of 32,000. Estimators decreased the monthly cost per person by \$0.60 to \$44.40. The estimate also includes transaction fees of \$58,500, 7,500 less than the enacted level. The Department requests the enacted funding for the program as the request was submitted prior to the November caseload conference. *The Governor recommends \$0.8 million less than enacted, consistent with the November caseload estimate.*

Assisted Living State Supplemental Payments. The Department requests \$158,003 from general revenues for additional state supplemental payments of \$206 per month to individuals who receive the state supplemental security income payment and live in a state licensed assisted living facility that is not eligible to receive Medicaid. The request is consistent with the enacted level based on prior year payments; caseload

testimony suggests total payment expenditures could be \$100,322 based on payments though the first quarter. *The Governor recommends funding as requested.*

Supplemental Security Income Transition/Bridge Program. The November Caseload Estimating Conference estimates expenditures for the supplemental security income transition/bridge program at \$1.7 million, entirely from general revenues. The estimate includes \$1.1 million for cash payments and \$0.6 million for burials. The estimate assumes 475 monthly persons, or 179 more than the enacted budget, and increases monthly cost per person by \$6.00 to \$191.00. The estimate is \$0.4 million more than enacted. The Department requests the enacted level of funding and does not reflect the conference estimate. This program is designed for individuals who maintain an active application for the supplemental security income program. *The Governor recommends funding consistent with the November estimate.*

Hardship Payments. The Department requests \$90,000 from general revenues, consistent with the enacted budget, for hardship contingency payments which provide temporary support to individuals who do not qualify for the supplemental security income or Rhode Island Works programs. Payments have been declining annually and declined by over 90 percent in the five-year period from FY 2018 through FY 2022; final FY 2022 expenses were \$2,400. The Department has indicated that the rules and criteria for the program are strict and applicants often do not want to fill out the paperwork for the \$100 payment, especially since the applicants must reapply each month in which they request the payment. *The Governor recommends funding as requested.*

Other Programs

Program Eligibility Administration. The Department requests \$102.7 million from all sources, including \$47.0 million from general revenues, for personnel and operating expenses associated with administering programs that require eligibility determination. This includes Rhode Island Works, the child care assistance program, and the Supplemental Nutrition Assistance Program, as well as expenses associated with RI Bridges also known as the Unified Health Infrastructure Project. The request is \$0.7 million more than enacted from all sources, including \$0.2 million less from general revenues. *The Governor recommends \$69,300 more than requested, including \$34,022 from general revenues.*

Staff and Other Expenses	General Revenues			All Sources		
	Eligibility			Eligibility		
	UHIP	Admin.	Total	UHIP	Admin.	Total
Enacted	\$ 14.0	\$ 33.1	\$ 47.2	\$ 29.7	\$ 72.3	\$102.0
Revised Request	12.6	32.8	45.4	27.0	75.3	102.3
Revised Change to Enacted	\$ (1.4)	\$ (0.3)	\$ (1.7)	\$ (2.7)	\$ 3.0	\$ 0.2
FY 2024 Request	13.6	33.4	47.0	29.2	73.5	102.7
Request Change to Enacted	\$ (0.5)	\$ 0.3	\$ (0.2)	\$ (0.5)	\$ 1.2	\$ 0.7

\$ in millions; excludes centralized services

Project Manager I. The Department requests \$27,195 from all sources, including \$14,891 from general revenues, and authorization for its share of one new project manager position at HealthSource Rhode Island. This represents the conversion of one contractor position to a full-time equivalent position to improve the program, contract management, and savings. The position would be a technical role on the operations team, guiding the design of new eligibility system features, improvements, and fixes, as well as facilitating interagency and vendor relationships to better manage shared contracts, such as Deloitte. The constrained request removes the funding and authorization for the position. *The Governor recommends funding as requested and includes the position in the Department of Administration’s budget.*

Medicaid Eligibility Quality Control Staff (3.0 FTE). The Executive Office of Health and Human Services proposes to transfer Medicaid Eligibility Quality Control Unit and its three full-time equivalent positions

from the Department of Human Services to its budget for FY 2024. States are federally required to have a Medicaid Eligibility Quality Control unit to report the ratio of erroneous excess payments in its medical assistance program. Federal guidelines note that to avoid potential conflicts of interest during the case reviews, the agency and staff responsible for the development, direction, implementation, and evaluation of the reviews and associated activities must be functionally and physically separate from the state agency and staff responsible for Medicaid policy and operations, including eligibility determinations.

The Executive Office reports that since the Department is responsible for determining Medicaid eligibility then transferring this oversight unit would resolve any potential conflict issues. The Department's request reduces expenses by \$400,684 from all sources, including \$200,342 from general revenues, for the transfer of 3.0 full-time equivalent staff. The constrained request excludes the transfer. *The Governor recommends funding and authorization for the transfer essentially as requested.*

Other Staffing. The Department requests \$59.8 million, including \$29.0 million from general revenues, for all other eligibility administration staff expenses. This includes \$12.4 million from the Unified Health Infrastructure Project and \$47.4 million from the other program areas. The request is \$1.3 million more than enacted from all sources, primarily general revenues and primarily reflects the Department's cost allocation plan for which programs staff are working on. The Department updates its cost allocation quarterly based on random moment in time studies.

The constrained request proposes shifting \$2.0 million of general revenues staffing expenses to federal block grants. It further proposes to reduce \$1.0 million from all sources for overtime expenses. *The Governor recommends \$65,081 more than requested including \$30,395 from general revenues, to account for updated medical benefit rate projections.*

Rent and Related Expenses for Satellite Offices. The Department requests \$3.9 million from all sources for rent of office space, including \$1.5 million from general revenues and \$2.4 from federal funds. The request also adds \$0.5 million from general revenues for potential costs related to office relocation projects currently underway for a total cost of \$4.4 million, which is \$0.9 million less than enacted mostly general revenues. The enacted budget assumes \$5.3 million from all sources, including \$2.9 million from general revenues, for rent including funds to support a short-term resolution to field office occupancy issues in Providence. The Providence office on Elmwood Avenue closed in 2021 and staff moved to other locations occupied by state staff. This includes the following locations in Providence: Department of Labor and Training on Reservoir Avenue, Office of Rehabilitative Services on Fountain Street, and Department of Administration on Smith Street. The Reservoir Avenue and Fountain Street locations both serve clients. Staff were also moved to other field offices, including Pawtucket, and to the Pastore Campus in Cranston. The Department is currently looking at securing a new lease in Providence.

The Governor recommends funding as requested, though this may exceed current need. He also includes Section 3 of Article 11 of 2023-H 5200 to authorize a ten-year lease for space on Holden Street in Providence for which the Department entered into a one-year lease on January 17. It assumes occupancy on or before July 1, 2023 with a first-year cost of \$476,000 plus utilities; however, it is unclear how many staff will move and from which locations.

Public Health Emergency Expenses. The Department requests \$2.0 million from all sources, including \$1.4 million from general revenues to shift contracted professional service expenses related to redeterminations that begin with the end of the public health emergency from FY 2023 to FY 2024. As the public health emergency has been extended several times, costs have been shifted from FY 2023 to FY 2024, including costs for contracted personnel and RI Bridges, also known as the Unified Health Infrastructure Project.

The Centers for Medicare and Medicaid Services has provided guidelines on the eligibility review of more than 300,000 individuals enrolled for Medicaid. The Department's field staff must process these

redeterminations in addition to the normal processing for other public health benefits such as the Supplemental Nutrition Assistance Program, Child Care Assistance Program, and Rhode Island Works. The request increases contracted personnel and related costs for the Department to process applications and for the Executive Office of Health and Human Services' appeals staff to process appeals in a timely manner. Funds are also requested for RI Bridges system updates to create efficiencies for both customers and workers, communications to notify customers to update personal information to facilitate contact, and staff training. Redeterminations are expected to begin in March 2023.

The constrained request excludes the funding. *The Governor recommends funding as requested. Federal legislation adopted in December requires the process to begin by April 1, 2023.*

Other Expenses. Excluding centralized services, the Department requests \$36.9 million from all sources, including \$14.7 million from general revenues and \$22.1 million from federal funds, for all other operating expenses for administration of the eligibility programs. This is \$1.3 million less than enacted, including \$1.8 million less from general revenues, which reflects a reduction in contracted information technology expenses based on the most recent RI Bridges, also known as the Unified Health Infrastructure Project, maintenance contract. Excluding salaries and benefits, the RI Bridges budget is projected to be \$14.8 million, which is \$2.7 million less than enacted, including \$1.9 million less from general revenues. The request also includes \$1.5 million for planned grant expenses, specifically for family and adult services and the Supplemental Nutrition Assistance Program, reflecting an overall increase of program participants. It also increases expenses for telephone services and software contracts associated with the administration of the Supplemental Nutrition Assistance Program, offset by reduced expenses for office supplies and equipment for the administration of other programs.

The constrained request proposes reductions of \$450,000 from all sources, including \$834,000 from general revenues, for miscellaneous operating expenses; this also represents the shifting of \$600,000 from general revenues to the Temporary Assistance for Needy Families block grant. *The Governor adds \$4,534, primarily from general revenues, to account for updated cost projections for utilities.*

Child Care Quality Improvements. The Department requests \$4.6 million from federal Child Care Development Block Grant funds designated for improving the quality of the state's child care assistance program. The request reflects anticipated expenses based on the actual FY 2022 experience for quality contracts, which exceeded the budgeted amount, and available discretionary block grant funding. Funds have been used to provide technical assistance and professional development to child care providers, including a cohort-based model at the Community College of Rhode Island and regulatory changes in response to the coronavirus. *The Governor adds \$0.4 million for training supports associated with the updated contract agreement for family-based providers.*

ARPA - Child Care Support. The Department requests \$14.5 million from federal State Fiscal Recovery funds, primarily for payments to child care workers. The request is \$6.7 million less than enacted and reflects the reprogramming of funds based on FY 2022 experience and projected FY 2023 expenditures. For FY 2024, \$1.2 million was enacted, including \$0.6 million for workforce registry and quality improvements and \$0.7 million for the T.E.A.C.H. early childhood scholarship program.

In 2021-H 6494, Substitute A, the Assembly authorized the use of \$19.0 million from State Fiscal Recovery funds for two \$1,500 retention bonuses for direct care staff at child care centers and licensed family-based care providers. The 2022 Assembly concurred with the Governor's recommendation for a total of \$42.0 million from State Fiscal Recovery funds to continue providing retention bonuses for child care providers. Funds are also authorized to improve child care quality, create a workforce registry, provide education opportunities for direct care staff, and waive any fees for new family-based care providers. The multi-year plan includes \$21.3 million for FY 2023, \$1.2 million for FY 2024, and \$0.5 million for FY 2025. The

Department spent \$12.6 million in FY 2022 and intends to spend \$11.1 million in FY 2023. The remaining funds would be spent in FY 2024 and FY 2025.

Enacted Child Care Support Initiatives	FY 2022	FY 2023	FY 2024	FY 2025	Total
Retention Bonus - \$3,000	\$ 18.7	\$ 18.7	\$ -	\$ -	\$ 37.4
Family-Based Provider Support	0.3	0.3	-	-	0.6
Workforce Registry & Quality Improvements	-	1.0	0.6	0.5	2.0
TEACH Program	-	1.3	0.7	-	2.0
Total Authorized	\$ 19.0	\$ 21.3	\$ 1.2	\$ 0.5	\$ 42.0
<i>FY 2023 Revised/FY 2024 Request</i>	<i>\$ 12.6</i>	<i>\$ 11.1</i>	<i>\$ 14.5</i>	<i>\$ 3.8</i>	<i>\$ 42.0</i>
Change to Authorized Plan	\$ (6.4)	\$ (10.2)	\$ 13.3	\$ 3.3	\$ -
<i>FY 2023 Gov. Revised/FY 2024 Governor</i>	<i>\$ 12.6</i>	<i>\$ 27.7</i>	<i>\$ 1.7</i>	<i>\$ -</i>	<i>\$ 42.0</i>
Change to Authorized Plan	\$ (6.4)	\$ 6.4	\$ 0.5	\$ (0.5)	\$ -

The Governor's recommendation adds the unspent \$6.4 million to FY 2023. He also advances FY 2025 funding to FY 2024 for a total of \$1.7 million to ensure timely obligation of the federal funds.

Child Care Stabilization Grants. The Department requests total funding of \$0.1 million, which is \$1.8 million less than enacted, from federal child care stabilization and development block grant funds authorized under the American Rescue Plan Act, Consolidated Appropriations Act of 2021, and Coronavirus Aid, Relief, and Economic Security Act to provide grants to child care providers with operating expenses during the pandemic. The state was awarded \$57.3 million, of which \$1.2 million is included in the enacted budget. The Department was also awarded \$18.6 million from child care stabilization funds authorized under the Consolidated Appropriations Act of 2021, which was distributed in FY 2021. The FY 2024 request represents an adjustment to reflect available funds. *The Governor recommends \$0.6 million less than requested, which includes a \$1.0 million negative total for one of the grants, apparently in error.*

Child Support Enforcement Program - Lien Network. The Department requests \$3.6 million from restricted receipts to support the Lien Network operated by the Child Support Enforcement program, which is a consortium of states to collect overdue child support for which Rhode Island holds the contract. The program has existed for more than a decade, with funds previously deposited into an escrow account converted to restricted receipts in FY 2021 which now appear in its budget. These receipts are fees collected for and paid to the vendor. Consistent with the revised request, the request increases expenditures by \$38,411 based on projected costs for needed constable services. *The Governor recommends funding as requested.*

Child Support Services Case Management System. The Department requests \$1.3 million from all sources, including \$0.4 million from general revenues, for a new project to fully transition the Child Support Case Management system to a web-based platform. RIKidsBridge is the Child Support Case Management system of record, which is predominantly a legacy mainframe-based application. The Department anticipates that the other state agencies using the mainframe will transition off of it over the next three to five years leaving Child Support Services as the sole agency using the system; the current contract expires between 2024 and 2026. The Department reports that Connecticut estimated \$68 million to \$82 million in 2018 to replace its system, with annual maintenance costs of \$3.8 million. The Department also notes that system enhancements are needed to accommodate compliance with future federal regulations. The Office is in the early planning stages of the software system changeover.

The constrained request excludes the funding for this project. *The Governor recommends transferring \$22.0 million from general revenues to Large Systems Initiatives funds and includes the project in the Department of Administration's five-year capital plan. This appears to be just the state share of the cost which should be less than half of the total expense.*

Child Support Enforcement Program. The Department requests \$12.9 million from all sources, including \$4.0 million from general revenues and \$8.9 million from federal funds, for expenditures related to child support enforcement. This is \$0.8 million more than enacted including \$0.4 million from general revenues. This primarily reflects an increase in salary and benefit expenses, specifically for child support enforcement agent pay classification changes, as well as overtime to receive federal incentive grant awards that are based on staff performance. *The Governor adds \$3,786, primarily from federal funds, to account for updated cost projections for medical benefit rates and utilities.*

Preschool Development Grant. The Department requests \$0.9 million from federal preschool development funds. This is \$3.8 million less than enacted to reflect available funds for award payments. In December 2018, the Department was awarded a \$4.2 million grant from the Administration for Children and Families Office of Child Care designed to support development, planning, and coordination of the state's early childhood system, specifically from birth to age five. Funding was used for a facilities assessment to identify space that could be used to expand the state's prekindergarten program, a family needs assessment, a funding stream analysis, as well as technical assistance and professional development for providers. In December 2019, the state was subsequently awarded \$26.8 million over three years to build on efforts made through the first grant award. Coordinated by the Executive Office of Health and Human Services, the funds are being used to expand access to high quality early childhood education and implement findings from the completed assessments. *The Governor recommends funding as requested.*

Supplemental Nutrition Assistance Program - Benefits. The Department requests \$353.4 million from federal funds for direct benefit payments and ongoing pandemic-related enhancements for the Supplemental Nutrition Assistance Program. This includes \$25.4 million for the pandemic electronic benefits transfer card program, which is a special benefit granted by the United States Department of Agriculture's Food and Nutrition Service to further assist eligible families during the public health emergency. Benefits are available through the end of federal FY 2023, with the last official issuance in the summer of 2023.

Total projected payments are \$81.8 million less than enacted and \$122.3 million less than the FY 2022 actual experience. The Department was approved to provide pandemic related benefits for elementary and secondary education students eligible for free and reduced price lunch. During the school year, benefits are only provided if schools close for five or more days. Participating households have been receiving supplemental benefit payments since the start of the pandemic that equal the difference between their current benefit amount and the maximum amount for their household size or \$95, whichever is higher. These extra benefits are only available during the declaration of a public health emergency, which is set to conclude on January 11, 2023. *The Governor recommends funding as requested.*

Supplemental Nutrition Assistance Program - Supportive Programs. The Department requests \$4.5 million from federal funds, \$0.9 million more than enacted, for employment and training and nutrition education programs to support Supplemental Nutrition Assistance Program participants. Consistent with the revised request, the FY 2024 request reflects available carry forward funds. The employment program includes services and supports designed to help recipients gain skills, earn credentials, and establish goals in order to secure work. The nutrition education program aims to prevent and reduce dietary health related disparities among low income groups by improving dietary and physical activity behaviors, addressing food insecurity, and promoting health policies, systems, and environments. *The Governor recommends funding as requested.*

Supplemental Nutrition Assistance Program - Healthy Incentives Pilot. The Department excludes the \$11.5 million from general revenues enacted for the Rhode Island Healthy Incentive Pilot program. Article 13 of 2022-H 7123, Substitute A, as amended, created a retail Supplemental Nutrition Assistance Program pilot program in which eligible households would receive an incentive payment of \$0.50 for every \$1.00 spent on fruits and vegetables on their electronic benefits transfer card, with incentive thresholds to be determined by the Department of Human Services. The Assembly provided \$11.5 million from general

revenues for the program, including information technology upgrades. The legislation calls for the pilot to begin on January 1, 2023 and operate until funds are expended. The Department reports that requirements and design discussions are currently underway for the project, and that meetings have taken place with the electronic benefits transfer processor and the eligibility system vendor to determine requirements. The project is expected to start at the end of January. *The Governor recommends funding as requested. The program has not begun but is now expected to do so in March.*

LIHEAP, Water and Weatherization Assistance Programs. The Department requests \$29.6 million from federal sources for benefits and operating expenses related to the low income home energy assistance, water, and weatherization assistance programs, based on projected expenditures. This is \$6.7 million less than enacted to reflect the expiration of one-time pandemic supplemental funds. The request also excludes the most recent federal supplemental award. The low income home energy assistance program provides funds to assist Rhode Island's low income households meet the increasing costs of home energy and reduce the severity of an energy related crisis. The weatherization assistance program provides cost effective, energy efficient weatherization improvements. It also provides low income individuals, particularly elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. New water assistance funding will assist low income households with water and wastewater bills. *Consistent with his revised recommendation, the Governor adds \$7,199 based on updated cost projections for state fleet.*

Community Services Block Grant. The Department requests \$4.4 million from federal funds for expenses related to the community services block grant. In addition to its annual award, the state received \$5.5 million from one-time funding authorized under the CARES Act. Consistent with the revised request, the FY 2024 request reduces administrative expenses by \$0.4 million based on projected grant award payments to align with the FY 2022 experience. Nearly all funding is used to support local community agencies and programs. *The Governor recommends funding as requested.*

Rhode Island Alliance of Boys and Girls Clubs. The Department removes the additional one-time appropriation of \$750,000 provided by the 2022 Assembly and requests the ongoing amount of \$350,000 from general revenues for the Boys and Girls Club Project Reach program, which provides homework assistance and afterschool activities. The Department's constrained request reduces funding by \$100,000. *The Governor recommends \$450,000.*

Institute for the Practice and Study of Non-Violence. The Department requests the enacted level of \$250,000 from general revenues to support the Institute's Violence Reduction Strategy program. The Department's constrained request reduces funding by \$50,000. *The Governor recommends funding as requested.*

Rhode Island Community Food Bank. The Department requests the enacted level of \$450,000 from general revenues for food collection and distribution through the community food bank. The Department's constrained request reduces funding by \$100,000. *The Governor recommends funding as requested.*

Community Action Agencies. The Department removes the additional one-time appropriation of \$1.4 million provided by the 2022 Assembly and requests the ongoing amount of \$600,000 to support services provided by the state's nine community action agencies. *The Governor recommends funding as requested.*

Crossroads. The Department requests the enacted level of \$860,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues. This includes \$500,000 directly appropriated in Article 1 and \$360,000 for emergency shelters. Crossroads Rhode Island is the largest homeless services organization in the state that provides 24-hour assistance, seven days a week. The Department's constrained request reduces funding by \$360,000. *The Governor recommends funding as enacted.*

Domestic Violence Prevention Activities. The Department requests \$1.8 million from all sources for domestic violence prevention activities, specifically family violence prevention and services. This is \$0.6 million more from federal funds than enacted, which reflects carry forward for the federal Family Violence Prevention and Services Act program. Some of these funds were included in the final FY 2022 appropriation, but were not spent. This program makes immediate crisis intervention and safety planning services available to victims of domestic violence nationwide. The Department contracts with the Sojourner House and RI Coalition Against Domestic Violence to distribute funding to domestic violence shelters in the state. General revenue funding of \$400,000 is provided for the Domestic Violence Prevention Fund established in state statute. The Department's constrained request reduces general revenues by \$100,000. *The Governor recommends funding as requested.*

Day One. The Department requests \$617,000 from all sources, including \$267,000 from general revenues, for outreach programs and supportive services programs at Day One. The American Rescue Plan Act authorized \$200.0 million in one-time funding to the Family Violence Prevention and Services Act program for grants to ensure access and continuity of domestic violence crisis centers, programs, support services, and assistance to survivors during the public health emergency. The request is \$350,000 more than enacted from these federal funds, which reflects a grant received to assist with the transition to remote service provision. The Department reports that it received the grant in June 2021 but did not include a request as part of the FY 2023 budget cycle.

The Department's constrained request reduces funding from general revenues by \$50,000. *The Governor recommends funding as requested.*

Head Start. The Department requests the enacted amount of \$1.2 million from general revenues for the state's Head Start programs. Funding supports 130 seats in programs across the state. *The Governor recommends funding as requested.*

Center for Southeast Asians. The Center for Southeast Asians is a community-based organization that provides education and job development, small business support, translation, and other social services to Rhode Island's Southeast Asian community in the Providence area. This organization received community service grant support several years ago. The Department's request does not include funding. *The Governor recommends a \$25,000 appropriation from general revenues to support the organization.*

Refugee Assistance. The Department requests \$2.3 million from federal funds for grants to refugee assistance programs. The request is \$1.8 million more than enacted, which includes a \$1.0 million grant for Afghan refugee resettlement activities that was awarded in October 2021. The Department spent \$0.1 million from these award funds in FY 2022. The request also includes \$0.7 million for projected award payments and \$0.1 million for cash assistance program benefits based on the FY 2022 experience. The request includes \$100,000 from general revenues for two organizations who provide support services including \$50,000 for Higher Ground International and \$50,000 for the Refugee Dream Center. *The Governor recommends adding \$25,000 more for Higher Ground International and concurs with the remainder of the request.*

Vocational Rehabilitation Services. The Department requests \$16.9 million from all sources for staffing and operational expenses to provide vocational rehabilitation services, including \$3.6 million from general revenues and \$13.4 million from federal funds, which is \$152,393 more than enacted, including \$31,856 less from general revenues. The Office provides resources and services to residents with disabilities through three program areas: vocation rehabilitation services, services for the blind and visually impaired, and disability determination services.

Expenses include \$9.6 million for salaries and benefits for the 79.0 authorized positions that support these services, which is \$0.1 million more than enacted to reflect current service adjustments. The request also

includes \$5.6 million primarily from federal funds for these services and \$0.9 million, including \$0.5 million from general revenues, for consultants who provide medical and counseling services for clients and assist with client eligibility determinations as well as information technology consultants to manage the federal client database program. It also includes \$0.9 million primarily from federal funds for other operating expenses. *The Governor adds \$7,609, primarily from federal funds, to account for updated medical benefit rate projections.*

Medicaid Rehabilitative Services. The Department requests the enacted level of \$1.3 million for three programs managed by the Office of Rehabilitation Services that provide services eligible for federal matching funds under provisions of the global Medicaid waiver. The services include social services for the blind, personal care attendants, and home modifications; these services are aimed at helping an individual maintain independence. The request shifts \$84,623 from general revenues to federal funds for personal care attendants, social services for the blind, and home modification services. *The Governor shifts only \$7,509 from general revenues to federal funds. His total recommendation is consistent with the enacted level.*

Services for the Blind and Visually Impaired. The Department requests \$1.3 million from all sources of funds, including \$1.1 million from general revenues, for services to the blind and visually impaired. The request is \$31,883 less than enacted, which reflects the shifting of salary and benefit expenses from general revenues to federal funds as well as decreased expenses for medical services based on projected program participation and vendor costs. It should be noted that average expenses were \$0.8 million in the last three fiscal years; FY 2022 spending totaled \$0.9 million. *The Governor adds \$908, primarily from general revenues, to account for updated medical benefit rate projections.*

Other Staffing. The Department requests \$11.1 million from all sources, including \$1.1 million from general revenues, for all other remaining staffing costs for central management and individual and family support programs. This is \$0.9 million less than enacted, including \$0.3 million more from general revenues, which reflects the reallocation of staff expenses in accordance with the agency's cost allocation plan. The expenses also reflect additional turnover savings and overtime expenses as well as current service adjustments. *The Governor recommends \$0.1 million less than requested, primarily from general revenues, which assumes additional turnover savings and updated medical benefit rate projections.*

Capital - Blind Vending Facilities. The Department requests the enacted level of \$165,000 from Rhode Island Capital Plan funds for the ongoing construction and renovation of statewide vending facilities consistent with the Department's capital budget request. There are currently 15 facilities that operate under the name COFFEE PLUS. A detailed description of the project is included in the Capital Budget section of this publication. *The Governor recommends funding as requested.*

Capital - Hazard Building Repairs. The Department requests the enacted level of \$0.3 million from indirect cost recovery restricted receipts to renovate and repair the Hazard building located on the Pastore Campus. The Department reports that the project is almost complete; it is currently working with the Division to finalize the remaining costs, which are less than \$0.1 million. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$5.8 million from all sources, including \$0.9 million from general revenues, \$4.7 million from federal funds, and \$0.2 million from restricted receipts, for all other agency expenses. This is \$0.1 million more than enacted from all sources, primarily from general revenues. The total includes \$2.5 million for contracted professional services, which includes \$1.9 million for contracted doctors and other medical staff for the disabilities determinations unit within the Office of Rehabilitation Services. It also includes \$2.0 million primarily from federal grant support for emergency shelters, emergency food assistance program, as well as transportation and dependent care programs. *The*

Governor concurs with the request and adds \$100,000 to support staff training designed to enhance agency productivity and efficiency.

Office of Veterans Services

The Office of Veterans Services comprises three program areas, each serving Rhode Island's veterans and their families in different capacities. The Veterans' Home in Bristol can serve approximately 194 veterans daily as a nursing home and provides supportive services for residents. The Veterans' Memorial Cemetery is located on 280 acres in Exeter, serving as the final resting place for the state's veterans and their eligible spouses or dependents. The Office's administration conducts, hosts educational events, and provides oversight to its other programs.

Federal per Diem. The Veterans' Home is paid a per diem rate by the federal government to assist in the daily costs of care of the residents at the Home. This rate is increased annually on October 1 and the percent increase is tied to the increases in healthcare costs nationally. The request assumes federal reimbursement consistent with federal FY 2023 rates, for a total of \$10.9 million. The per diem reimbursement varies to include: \$520.94 for those with a service connected disability, \$127.17 for those in a nursing home, and \$54.89 for those in the dormitory setting. *The Governor recommends \$0.7 million more than requested from federal per diem funds based on Budget Office revisions to the estimate.*

Restricted Receipts. The Office of Veterans Services collects restricted receipts from residents at the Veterans' Home, located in Bristol. Residents pay a per diem fee based on their net income. Net income is defined as a resident's gross income minus applicable federal and state taxes and minus \$150 per month of residency and 50.0 percent of any sum received due to wounds incurred during battle conditions for which the resident received the purple heart, and minus amounts paid to support their spouse, parents, minor children, or children who are blind or permanently disabled. Fees are paid monthly to the Home and any failure to make payment when due can be cause for dismissal from the facility, though prior to dismissal, the resident is afforded administrative due process. Residents with a 70 percent or greater service related disability do not pay a maintenance fee as the Home receives an enhanced federal per diem for them.

In FY 2022, the Office collected \$0.6 million from Veterans' Home resident restricted receipts and anticipates collecting \$0.6 million in both FY 2023 and FY 2024. The request reflects a significant decline in the Home's census as a result of the coronavirus pandemic. As of December 1, the census is approximately 144 residents. Assuming collections and expenses consistent with the revised request, the Veterans' Home will end FY 2023 with an account balance of \$1.1 million, which could be used to offset general revenue expenses. If collections and expenditures are consistent with the budget submission, the Home will end FY 2024 with a carry forward a balance of \$95,427.

Veterans' Home occupancy and therefore collections have been significantly impacted by the coronavirus public health emergency, which has delayed its ability to admit new residents several times since March 2020 at the direction of the Department of Health. The Home has nearly 200 nursing home beds, but the census dropped as low as 121 residents in January 2022. It should be noted that the Home averages four resident departures per month, which includes deaths or residents moving home or to another facility. Projected maintenance fee collections for FY 2024 assume a census of 144.

Along with general revenues and federal funds, these restricted receipts support maintenance and operational costs for the Veterans' Home. The Office anticipates collecting \$44,000 from donations to the Veterans' Cemetery Memorial Fund each in FY 2023 and FY 2024. *The Governor's recommendation assumes use of \$41,557 more than requested.*

Veterans' Home Fee Reimbursement. In FY 2020, the Office of Veterans Services was notified by the federal Veterans Administration that it was erroneously collecting maintenance fees from residents with a

70 percent or greater service related disability. The Home receives an enhanced federal per diem for those residents in lieu of collecting such fees. The Office entered into a corrective action plan with the federal government to repay 53 current and former residents a total of \$5.0 million collected from February 2013 through June 2020. The FY 2020 closing recognized the total amount of payments. In January 2022, the Office was notified that it would have to reimburse collections dating back to October 2010. It estimated total costs to be \$0.8 million for the October 2010 through January 2013 period, which affects 17 current and former residents and the Assembly added \$770,140 from general revenues for this expense. The Department excludes this one-time funding from its request. The request also includes \$10,000 from restricted receipts for special legal counsel to assist with the fee reimbursements for deceased veteran residents who do not have an executor, power of attorney, guardian, or any living relatives to receive the repayment. As of January 17, 2023, the Office has ten remaining refunds to distribute. *The Governor concurs.*

Veterans' Home Operations Administrator (1.0 FTE). The Office requests \$167,093 from all sources, including \$118,636 from general revenues, and authorization for 1.0 new full-time equivalent position to serve as Operations Administrator for the Veterans' Home. The new position would allow for division of the current administrator's duties, address daily operational issues, and support clinical oversight and long-term planning. The request includes \$118,636 from general revenues and \$48,457 from federal per diem funds. This position was requested for FY 2023, but not approved.

The constrained request excludes this. *The Governor does not recommend the position.*

Veterans' Home to 192 Residents (37.0 FTE). The Office requests \$3.5 million from all sources, including \$2.5 million from general revenues and \$1.0 million from federal per diem funds, and authorization for 37.0 new full-time equivalent positions in order to restore the Veterans' Home census to 192 residents. Current staffing levels at the Home can only support a resident census of 144. This includes 13.0 registered nurses, 18.0 certified nursing assistants, and 6.0 cooks. The request is based on a review of the Home and its operations released in February 2020, An Assessment of the Rhode Island Veterans Community Living Center. This was produced by an interagency Executive Planning Team also called the Tiger Team.

The Team found that the Home faces significant medical and dietary staffing shortages, which causes it to rely heavily on overtime and contracted employees to fill vacancies and maintain minimum staffing levels. It found that personnel levels did not account for full-time positions that were assigned but unavailable, such as recent departures or staff on sick, personal, vacation, or long-term leave. In addition, supervisory roles had to set aside management duties and fill lower-level roles to compensate for the shortages. The report concluded that additional full-time positions would alleviate personnel shortages and overtime as well as reduce reliance on contracted employees, which would help improve work efficiency and the quality and continuation of resident care. The Department's request also identified the ability to support a census of 160 with only a portion of the requested increase; \$0.8 million for eight additional staff.

The constrained request excludes the funding and authorization for the positions. *The Governor does not recommend the positions.*

Veterans' Home Healthcare Staff Recruitment Incentives. The enacted budget includes \$397,240 from general revenues to provide recruitment and retention incentives for staff at the Veterans' Home. Support includes \$128,240 for participation in education pathways training, \$130,500 for clothing allowances, \$18,500 for mentoring bonuses for current staff, and \$120,000 for recruitment incentives. This funding was intended as one time and is excluded from the Budget Office current service calculations. The Office retains the \$120,000 in its FY 2024 request. The constrained request excludes the remaining \$120,000. *The Governor includes the \$120,000 as requested. It appears no funding has been spent as of January.*

Veterans' Home - Other Operations. The Office requests \$35.9 million from all sources, including \$24.4 million from general revenues, for all other expenses at the Veterans' Home and its remaining 248.0 authorized positions. This is \$1.3 million less than enacted, including \$0.1 million more from general revenues, \$2.3 million less from federal funds, and \$0.9 million more from restricted receipts. The request largely reflects the end of one-time federal funds authorized in response to the coronavirus emergency. It reflects current service adjustments and appears to assume no change in the number of residents. As of January 1, 2023, the Home has 199.0 positions filled.

The constrained request proposes savings of \$1.3 million from all sources, including \$0.9 million from general revenues, through a hiring freeze. *The Governor recommends \$1.8 million more than requested, primarily from federal funds, which reflects anticipated increased need for contracted medical staff as the Home continues to sustain full-time nurse vacancies.*

Veterans' Transportation. The Office requests \$25,000 from general revenues to connect veterans with transportation services. Funding would be used to provide WAVE cards through the Rhode Island Public Transit Authority with either monthly or daily passes to veterans in need who do not qualify for other programs. The Office previously provided some of its community service grant funding to the Authority for monthly bus passes and free trips on a fixed-route transit network to veterans in need. Separate funding was requested for this initiative for FY 2023, but it was not approved.

The constrained request excludes the funding. *The Governor recommends funding as requested.*

VetCorps. The Office was selected by AmeriCorps to host the VetCorps program, which launched in February 2021. Program participants help connect military veterans and their families with benefits and services in Rhode Island and receive a stipend for their service, consistent with other AmeriCorps programs. The program was supported by an AmeriCorps federal competitive grant, which was not reissued in FY 2023; the Office plans to reapply for this grant during FY 2023. The request proposes \$72,800 from general revenues to continue the VetCorps seasonal navigator program, which places peer navigators on state college and university campuses to provide support and referrals for veterans and military families enrolled in higher education. Funding would be used to reestablish the program at the Community College of Rhode Island, Rhode Island College, and University of Rhode Island and the Westerly and Woonsocket Education Centers. Total funding is \$29,212 more than enacted, which reflects the removal of the \$43,588 from expired federal funds for the VetCorps pilot program.

The constrained request excludes the general revenues for the proposal. *The Governor does not recommend the general revenues.*

Veterans' Community Service Grants. The Office requests \$400,000 from general revenues for grants to organizations that provide services to veterans. This is double the enacted level of \$200,000. The Office has provided these grants for the last six years, but reports that grant requests have typically exceeded double to triple the award amount. Veterans community service grants provide funding to veteran, active duty military, and family support services such as meal delivery, legal counseling, case management services, and health and wellness classes, among others. This proposal was requested for FY 2023, but the enacted level was approved. The constrained request excludes the increase. *The Governor maintains \$200,000 for the community service grants and adds \$50,000 specifically for Operation Stand Down.*

Digitalization Project. The Office requests \$250,000 from general revenues for a new digitalization project to scan, digitize, and store physical documents of military service records and discharge paperwork in a searchable database. The Office has over 60,000 of these records stored in filing cabinets. This initiative would preserve these documents and facilitate the fulfillment of requests for records by veterans, family members, or other state agencies. The database would be for authorized personnel use only.

The constrained request excludes funding for the project. *The Governor recommends funding as requested.*

Veterans' Cemetery - Seasonal to Staff Conversion. The Office requests \$105,089 from general revenues for the conversion of six of the eight seasonal Veterans' Memorial Cemetery positions to four full-time equivalent gardener positions but the request does not increase the staffing cap. The Cemetery has not been able to fill seasonal staff positions, with only 12.0 percent of seasonal positions consistently occupied over the past year; for the last three years, it has averaged a 37.0 percent occupation of seasonal positions. The Office indicates that without full staffing of seasonal positions, the Cemetery has experienced challenges in performing groundskeeping duties and conducting burial operations. Ensuring that the Cemetery can adequately maintain and perform burials would ensure that the Office performs well on its Veterans Administration National Cemetery Administration inspection, which would allow it to continue to be eligible for federal grant funding.

The constrained request excludes funding for the proposal. *The Governor recommends \$205,660 more than enacted and authorization for the positions.*

Burial Equity for Guards and Reserves. The Office requests \$644,500 from general revenues to implement the Burial Equity for Guards and Reserves Act, which allows qualifying non-resident veterans, national guard members and reservists, and their families and dependents to be eligible to be buried in state veterans' cemeteries, as long as their service was not terminated under dishonorable conditions. Congress passed the Burial Equity for Guards and Reserves Act as part of the federal Omnibus Bill, which was signed by President Biden on March 15, 2022. There is no federal funding, reimbursements from the Veterans Affairs National Cemetery Administration for interment costs, nor any support for ancillary services for the newly eligible groups of service members.

The constrained request excludes funding for the proposal. *The Governor recommends \$344,340.*

Other Operations. The Office requests \$2.8 million from all sources, primarily general revenues, for all other expenses, which is \$0.3 million more than enacted. This largely reflects current service adjustments for the remaining 15.0 full-time equivalent positions that staff the Office and Veterans' Memorial Cemetery. The request includes \$20,000 more than enacted from restricted receipts for signage.

The constrained request proposes \$47,000 in savings by eliminating Saturday burials, which is consistent with federal practice. The Office also proposes new revenues of \$352,000 from collecting a plot allowance for non-veterans buried at the Cemetery; it currently receives a federal plot allowance of up to \$828 for each veteran burial but does not receive an allowance for non-veterans. Legislation would be required to collect it. *The Governor recommends \$3,412 less from general revenues than requested to account for updated cost projections for medical benefit rates, state fleet, and utilities.*

Capital Projects. The Office requests \$1.4 million from all sources for projects at the Rhode Island Veterans' Memorial Cemetery in Exeter and Veterans' Home in Bristol. This is \$0.3 million more than enacted and includes changes to several projects consistent with the capital budget request. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Office of Healthy Aging

The Office of Healthy Aging, formerly known as the Division of Elderly Affairs, is the designated state agency on aging. It is responsible for the development and implementation of a comprehensive, coordinated system of community-based care for Rhode Islanders 60 years of age and older, as well as adults with disabilities. The Office is tasked with developing and implementing a state plan on aging under the federal Older Americans Act and serves as the state's planning and service area on aging under this Act. It operates

services designed to assist seniors to remain independent in the community and administers and funds a wide range of community programs, activities, and services.

Enhanced Staffing (5.0 FTE). The Office requests \$588,497 from general revenues and authorization for five new full-time equivalent positions to enhance staff support of several programs and address potential capacity issues as the state's population becomes older. This includes three positions dedicated to Adult Protective services including one to administer the Volunteer Guardianship, Ombudsman and Legal Development programs and two for investigations, intake, and screening. Another new position would oversee the Aging and Disability Resource program. The final position would be assigned to finance and be responsible for contract management, data analysis and reporting.

The constrained request excludes this initiative. *The Governor does not recommend the positions.*

Home and Community Care Services. The Office requests \$10.3 million from all sources, including \$4.8 million from general revenues and \$5.4 million from federal funds for home care and adult day care services. This is \$0.3 million more than enacted from general revenues to support its Medicaid management information system contract. Based on updated utilization which is not quite as high as the enacted budget assumes, the request is \$5.8 million more than FY 2022 spending, which was depressed by the pandemic.

The constrained request proposes savings of \$1.3 million from all sources, including \$0.6 million from general revenues, for adult day care services as participation rates and expenditures have been decreasing in recent years. *The Governor concurs with total funding as requested, but shifts \$192,909 from general revenue expenses to federal funds.*

Paratransit Services for the Elderly. The Office requests \$8.5 million from all sources, including \$3.0 million from general revenues, \$0.6 million from federal funds, and \$4.9 million from intermodal surface transportation funds. Consistent with the revised request, this is \$0.3 million more than enacted from intermodal surface transportation funds, which reflects a balance of unspent gas tax proceeds. The Executive Office of Health and Human Services holds the transportation contract with Medical Transportation Management, Inc., and allocates expenses for eligible participants without Medicaid to the Office. *The Governor recommends \$0.6 million more than requested based on projected gas tax yields to the Rhode Island Public Transit Authority.*

Supportive Services. The Office requests \$3.9 million from federal funds for supportive services for older and disabled individuals. This is \$78,453 more than enacted, which reflects an increase in Title III-B funding by \$182,453 for projected award payments. It also reduces American Rescue Plan Act funds authorized in response to the coronavirus emergency by \$104,000 to align spending with the FY 2022 experience. Funds can be used for activities outlined in Title III-B of the Older Americans Act, such as health education, counseling, housing services, transportation, elder abuse prevention and response activities, and in-home services, among others. Funding includes \$0.8 million for staff who administer these services, consistent with the enacted assumptions. *The Governor adds \$448 to account for updated medical benefit rate projections.*

Elder Abuse Prevention. The Office requests \$686,099 from federal funds for adult protective services. This is \$436,085 more than enacted, which largely represents carry forward of supplemental grants authorized in response to the public health emergency. *The Governor recommends funding as requested.*

Elderly Nutrition Programs. The Office requests \$4.7 million from federal funds for elderly nutrition programs, including home delivered and congregate meals. This is \$1.4 million less than enacted from federal funds authorized in response to the public health emergency, reflecting actual availability of funds. Total funding includes the enacted level of \$580,000 from general revenues of which \$530,000 is for a grant to Meals on Wheels as identified in Article 1 of the FY 2023 enacted budget. *The Governor*

recommends adding \$100,000 to increase the state appropriation for Meals on Wheels to \$630,000. He includes federal funds essentially as requested.

Family Caregiver Support. The Office requests \$1.4 million from federal funds authorized in response to the coronavirus public health emergency for family caregiver support. This is \$0.4 million more than enacted, which represents the remaining balance of the grant authorized under the American Rescue Plan Act. Funds may be used to provide information to caregivers on available support, assist caregivers in accessing that support, individual counseling and caregiver training, respite care, and, on a limited basis, services that supplement the care provided by caregivers. Total requested caregiver support includes the enacted amount of \$325,000 from general revenues for the Diocese of Providence to support the respite care program. *The Governor recommends funding as requested.*

Preventative Health and Vaccines. The Office requests \$230,053 from federal funds for preventative health services and access to vaccines for elderly residents. This is \$35,000 more than enacted, which reflects carry forward of one-time funding authorized in response to the public health emergency. Vaccine access funding can be used for advocacy and outreach. Funding for preventative health supports programs that deliver evidence-based health promotion and disease prevention, including the risk of falls, chronic diseases, mental health, and medication management. *The Governor recommends funding as requested.*

Senior Center Communities. The Office requests \$883,101 from general revenues to supplement the \$1.0 million in the enacted budget to standardize the annual allocation of state designated grants to senior services supports to \$10 per person over the age of 65. Funding would be used to help senior center communities improve their delivery of services, particularly food distribution, transportation, and caregiver support, among others. This proposal is intended to fund community senior services grants based on a municipality's population of seniors age 65 and older. The funding formula is at \$10 per older adult resident; this would replace the current method of distribution of grants and provide financial assistance and incentives to local governments and other nonprofit agencies that help older residents age in their communities.

The constrained request excludes the funding for the proposal. *The Governor recommends adding \$200,000 to increase grants to senior centers; he does not appear to recommend the methodology proposed.*

Aging and Disability Resource Center. The Office requests \$500,000 from general revenues to assist the Aging and Disability Resource Center with counseling, applications, and transition support services for all persons applying for Long-Term Services and Supports. Currently, the center is federally funded; the Office indicates that this limits the scope of services the center can provide. Funding would also allow the center to expand its service provision to the intellectual and developmental disabilities population as well as create a system of services comprising a central center and up to four satellite offices. The constrained request excludes the funding for the proposal. *The Governor does not recommend funding as requested.*

Elderly Housing Security. The Office requests the enacted level of \$85,000 from general revenues to implement security measures in elderly housing complexes. Responsibility for the program is contained in Rhode Island General Law, Section 42-66.1-3 and the Office annually issues a Request for Proposals to award the funds, which support new lighting, doors, and alarms. The funds can be used for a variety of purposes to make elders feel safe in their homes. *The Governor recommends funding as requested.*

Long Term Care Ombudsman. The Office requests \$255,519 from all sources, including the enacted amount of \$126,750 from general revenues, for the Long Term Care Ombudsman. The request includes \$98,919 from federal Title VII funds, which is \$41,433 more than enacted from federal funds authorized in response to the coronavirus public health emergency for projected award payments. The Long Term Care Ombudsman, 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 and it fills the state's responsibility contained in Rhode Island General Law, Chapter 42-66.7. The Ombudsman

program identifies, investigates, and resolves complaints raised by the aforementioned parties. *The Governor recommends funding as requested.*

Volunteer Guardianship Program. The Office requests the enacted level of \$40,000 from general revenues to support the volunteer program which provides guardianship services to low-income, older, at-risk persons residing throughout the state who have been identified by a referral source as being in need of these advocacy services; guardianships under this program do not involve decision-making regarding the property or finances of the person.

The constrained request eliminates the program. *The Governor recommends funding as requested.*

Alzheimer's Disease Prevention Initiative. The Office removes the enacted level of \$300,000 from federal funds to support home and community-based services for individuals living with dementia and Alzheimer's as the award expired in FY 2023. Funding was used to train direct service professions, including home health aides, first responders, and referral specialists, among others. Funds were also used to offer two evidence-informed programs meant to support caregivers and those individuals living with dementia and Alzheimer's. *The Governor recommends funding as requested.*

Behavioral Health Liaison. The Office removes the enacted level of \$90,000 from federal mental health block grant funds to support the Healthy Aging Behavioral Health Liaison; the contract has ended. *The Governor recommends funding as requested.*

Other Staffing. The Office requests \$3.4 million for the remaining other staffing expenses, including \$2.1 million from general revenues. The request is \$176,904 more than enacted from general revenues and a \$58,438 reduction to federal funds. The funding supports the 31.0 authorized positions not allocated to other federal grants noted above and appears to shift more expenses to general revenues. *The Governor recommends \$1,621 more than requested to account for medical benefit adjustments.*

Other Operations. The Office requests \$2.9 million for remaining grants and expenditures, including \$0.7 million from general revenues, \$2.2 million from federal funds, and \$0.1 million from indirect costs restricted receipts collected on federal grants. The request is \$343,079 more than enacted, primarily from federal funds. This includes \$259,641 from new grant awards from the "Internet for All" initiative authorized under the Digital Equity Act and the expanding and strengthening the public health workforce initiative authorized under the American Rescue Plan Act. The constrained request reduces mileage expenses by \$10,000.

The Governor recommends \$278,079 less than requested, including \$119,384 less from general revenues. Most of this change relates to moving case management expenses to the Executive Office of Health and Human Services as part of the implementation of the conflict free case management initiative. The value of that shift is \$294,559 of which \$132,522 is from general revenues. There are also minor adjustments for state fleet expenses.

Dept. of Behavioral Healthcare, Developmental Disabilities and Hospitals

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Services for the Dev. Disabled	\$ 383,437,625	\$ 377,308,175	\$ 430,070,196	\$ 417,399,708
Hospital & Comm. Rehab. Services	118,865,057	111,727,731	107,767,993	113,375,926
Rhode Island Psychiatric Hospital	30,662,874	31,250,652	34,660,541	34,948,359
Behavioral Healthcare Services	54,737,109	60,641,899	44,279,751	48,918,546
Central Management	5,509,747	3,809,383	2,832,500	3,179,538
Hosp. & Comm. System Support	3,849,621	2,489,740	1,741,618	1,774,606
Total	\$ 597,062,033	\$ 587,227,580	\$ 621,352,599	\$ 619,596,683
Expenditures by Category				
Salaries and Benefits	\$ 147,627,793	\$ 140,810,069	\$ 138,831,018	\$ 135,190,982
Contracted Services	11,728,548	6,452,282	15,430,937	10,057,006
Subtotal	\$ 159,356,341	\$ 147,262,351	\$ 154,261,955	\$ 145,247,988
Other State Operations	36,205,929	47,351,250	33,651,354	43,784,711
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	400,512,805	391,214,545	432,464,259	428,766,517
Capital	986,958	1,399,434	975,031	1,797,467
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 597,062,033	\$ 587,227,580	\$ 621,352,599	\$ 619,596,683
Sources of Funds				
General Revenue	\$ 303,000,232	\$ 280,980,818	\$ 296,009,749	\$ 291,906,484
Federal Aid	288,459,956	290,640,281	321,126,025	314,961,402
Restricted Receipts	5,201,845	14,792,481	3,816,825	12,328,797
Other	400,000	814,000	400,000	400,000
Total	\$ 597,062,033	\$ 587,227,580	\$ 621,352,599	\$ 619,596,683
FTE Authorization	1,200.4	1,200.4	1,199.2	1,202.4

Summary. The Department requests \$621.4 million from all sources, including \$296.0 million from general revenues, \$321.1 million from federal funds, \$3.8 million from restricted receipts, and \$0.4 million from Rhode Island Capital Plan funds for FY 2024. The request is \$24.3 million more than the FY 2023 enacted budget and includes \$7.0 million less from general revenues, \$32.7 million more from federal funds, and \$1.4 million less from restricted receipts.

The request includes 1,199.2 full-time equivalent positions, 1.2 fewer than enacted; this is consistent with the revised request. *The Governor recommends \$619.6 million from all sources, including \$291.9 million from general revenues. The recommendation is \$22.5 million more than enacted and \$1.8 million less than requested. General revenues are \$11.1 million more than enacted, and \$4.1 million more than requested. The Governor recommends 1,202.4 full-time equivalent positions, 2.0 more than enacted for the Division of Developmental Disabilities related to the consent decree.*

Budget Submission Issues. In October, the Department submitted its budget request but rescinded it shortly after that to address content issues that were identified by recipients. A second version was submitted in November. However, that version also had quality and technical issues similar to the first one. Staff analysis of this request is hampered by lack of explanations for changes proposed and limited responsiveness to questions for further detail. This analysis describes the proposed changes and notes where there are issues with discerning reasons or intent. *The Governor’s recommendation does not correct all the errors and has introduced new ones. This aggregate funding level appears to match the intent.*

Target Issues. The Budget Office provided the Department with a general revenue target of \$288.0 million. This includes \$9.9 million less for current service adjustments and a 5.0 percent target reduction of \$5.0 million. The constrained request is \$0.6 million above the target level. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor’s recommendation is \$3.9 million above the target.*

FY 2024 Budget	Budget Office	Dept. of BHDDH	Difference
FY 2023 Enacted	\$ 303,000,232	\$ 303,000,232	\$ -
Current Service Adjustments	(9,944,359)	(9,944,359)	-
New Initiatives	-	2,953,876	2,953,876
Change to FY 2023 Enacted	\$ (9,944,359)	\$ (6,990,483)	\$ 2,953,876
FY 2024 Current Service/Unconstrained Request	\$ 293,055,873	\$ 296,009,749	\$ 2,953,876
Target Reduction/Initiatives	(5,043,660)	(7,376,354)	(2,332,694)
FY 2024 Constrained Target/Request	\$ 288,012,213	\$ 288,633,395	\$ 621,182
<i>Change to FY 2023 Enacted</i>	\$ (14,988,019)	\$ (14,366,837)	\$ 621,182

Departmentwide

Staffing. The Department requests 1,199.2 full-time equivalent positions for FY 2024 which is 1.2 positions below than the enacted authorization. It eliminates the new adult use marijuana position provided by the 2022 Assembly without explanation. It further lowers the position cap by 0.2 positions, also unexplained. The enacted budget assumes turnover savings of \$5.3 million, including \$3.0 million from general revenues, which equates to keeping approximately 77 positions vacant. The Department’s request restores all but \$0.2 million of these savings in Eleanor Slater Hospital’s budget despite having over 200 vacancies departmentwide.

Consistent with the revised request, the Department increases the full-time equivalent positions in the Division of Hospital and Community Support and adds 15 administrative ones, which is offset by decreases in the other divisions.

The FY 2024 request includes \$138.8 million, of which \$78.3 million is from general revenues, \$60.2 million is from federal funds and \$0.4 million is from restricted receipts for salary and benefits expenses. This is \$8.8 million less than enacted, including \$24.6 million less from general revenues. The general revenue shift is mostly related to the annualized value of expanded Medicaid claiming for state hospital operations.

The Governor’s recommendation is \$135.2 million, including \$78.3 million from general revenues. This is \$12.4 million less than enacted and \$3.6 million less than requested. He corrects for some known cost allocation errors and includes turnover savings of \$6.1 million, of which \$5.6 million is from general revenues. The Governor also recommends 1,202.4 positions, 2.0 more than enacted. He adds two new positions and repurposes eight vacant ones in the Division of Developmental Disabilities for consent decree activities. Consistent with the revised recommendation, he increases the staffing authorization for the hospital community and system support division by 20.0 and eliminates positions in other divisions.

The following table shows the enacted budget, the FY 2024 request and Governor’s recommendation for staffing by divisions along with detail on filled positions as of the end of the second quarter of FY 2023.

Division	FY 2023 Enacted	FY 2024 Request	12/31 Filled FTE report	FY 2024 Governor	Gov. Rec. to Enacted
Central Management	44.0	41.0	35.0	42.0	(2.0)
Hospital Community & System Support	45.0	60.0	51.0	65.0	20.0
Developmental Disabilities	316.0	318.6	256.0	308.0	(8.0)
Behavioral Healthcare Services	45.0	42.0	38.0	43.6	(1.4)
Eleanor Slater Hospital	667.4	661.8	599.7	661.0	(6.4)
State Psychiatric Hospital	83.0	75.8	-	82.8	(0.2)
Total	1,200.4	1,199.2	979.7	1,202.4	2.0

Cost Allocation Plan. The Department uses AlloCap, a cost allocation plan developed by Public Consulting Group, to spread staffing expenses across divisions and their fund sources. This is mostly applicable to administrative staff responsibilities spread departmentwide. The enacted budget includes \$0.2 million from general revenues to pay for the cost allocation plan; the expense appears in the Central Management function. The Department’s revised request triples that total to \$0.6 million without explanation requiring \$0.2 million more from general revenues, and spreads the costs further to include the developmental disabilities, and Eleanor Slater Hospital programs. Its request for FY 2024 totals only \$0.3 million, the reason for which is also unexplained. The constrained request reduces expenses by \$11,665 from general revenues.

The Department reports that its FY 2024 budget assumes a finance office staffed with 53.0 positions, one of which is the Chief Financial Officer, which is part of the Executive Office of Health and Human Services’ staffing authorization and budget. This includes several new administrative positions apparently from repurposed vacancies. Part of the finance staff’s responsibility is to submit its salary and benefit expenses on a quarterly basis, to the contractor to spread across programs. The Department’s administrative staff then verifies the information to use throughout the budget process. This process can often take six to eight weeks to complete each quarter. Because it was prepared early in FY 2023, the revised and FY 2024 requests reflect adjustments to staffing based on cost allocations from the last quarter of FY 2022. The FY 2023 enacted budget was based on the second quarter of FY 2021. The changes to staffing are noted in the separate sections that follow but the process used makes more specific analyses difficult.

Additionally, the personnel information submitted with the budget does not appear to correspond to separate details provided regarding the cost allocation plan assumptions. In several instances, staffing specifically assigned to one division appears as expenses in another. Expenses at both hospitals include individuals assigned entirely to other divisions, and in one case an employee assigned to the Division of Developmental Disabilities, double counting that cost. There are also other administrative expenses mixed in with direct service expenses for the state-run system for adults with developmental disabilities, which distorts the annual cost per resident that is often used as a comparison to the annual cost paid for an individual receiving services in the privately-operated system.

The Governor’s recommendation to pay for the cost allocation plan includes \$0.3 million, of which \$0.2 million is from federal funds and \$0.1 million is from general revenues. This is \$0.1 million more than enacted and \$6,207 more than requested.

Retention Bonuses. The enacted budget includes \$3.1 million for the second \$1,500 retention bonus payment made in July 2022. Since the payments were made in FY 2022 and FY 2023, there are no payments for FY 2024. However, the request inexplicably retains \$0.8 million.

The constrained request reduces the funds by \$10,000, also unexplained. *The Governor’s recommendation retains the payments essentially as requested. While these bonuses are not being paid, it is possible the funding is miscategorized as other items are.*

Capital Projects. The Department requests \$0.4 million from Rhode Island Capital Plan funds for two projects, consistent with the enacted budget. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Security Services. The Department requests \$5.1 million, including \$4.4 million from general revenues, for security services across all divisions. This is \$1.7 million more than enacted, of which \$1.1 million is from general revenues. This is also \$0.4 million less than the revised request and \$1.9 million more than expenses for FY 2022. Nearly all final expenses for FY 2022 appear in Eleanor Slater Hospital’s budget. The FY 2023 enacted budget allocated expenses between Eleanor Slater and the new state psychiatric facility. Although the revised request for Eleanor Slater appears to be based on FY 2022 expenses without regard for the enacted assumptions about the psychiatric facility, the FY 2024 request reverts to an amount closer to the enacted budget for Eleanor Slater but more than doubles funding for the psychiatric hospital. Repeated requests to explain these assumptions have gone unanswered. The requested expenses for each division are noted in the relevant sections of the analysis. *The Governor recommends \$3.8 million, including \$3.0 million from general revenues, which is \$0.5 million more than enacted, primarily at the state psychiatric hospital to account for a full year of operations. He retains funding essentially consistent with the enacted level for other divisions.*

Security Services						
Division	FY 2022 Preliminary	FY 2023 Enacted	FY 2023 Gov. Rev.	FY 2024 Request	FY 2024 Governor	Gov. Rec. to Enacted
Eleanor Slater Hospital	\$ 3,185,983	\$ 1,715,240	\$ 859,466	\$ 1,743,070	\$ 1,776,246	\$ 61,006
State Psychiatric Facility	-	1,637,310	1,637,310	3,299,885	1,993,505	356,195
Hospital and Community System Support	6,566	-	26,134	26,538	26,538	26,538
Developmental Disabilities	840	-	-	-	-	-
Central Management	(2,844)	-	16,843	16,843	16,843	16,843
Total - All Funds	\$ 3,190,545	\$ 3,352,550	\$ 2,539,753	\$ 5,086,336	\$ 3,813,132	\$ 460,582
<i>General Revenues</i>	<i>\$ 3,190,545</i>	<i>\$ 3,352,550</i>	<i>\$ 3,144,117</i>	<i>\$ 4,445,261</i>	<i>\$ 3,043,915</i>	<i>\$ (308,635)</i>

Centralized Services. The Department’s request includes \$18.6 million, of which \$13.9 million is from general revenues, for centralized services provided by the Department of Administration. This is \$4.1 million more from federal Medicaid funds at Eleanor Slater Hospital and the state-run system for adults with developmental disabilities. Details by division are shown in the following table. The Department has been asked to provide the information to explain this request but has not done so.

Centralized Services by Division						
Division	FY 2022 Preliminary	FY 2023 Enacted	FY 2023 Gov. Rev.	FY 2024 Request	FY 2024 Governor	Gov. Rec. to Enacted
Eleanor Slater Hospital	\$ 11,498,292	\$ 10,352,555	\$ 15,861,174	\$ 11,286,045	\$ 19,040,863	\$ 8,688,308
State Psychiatric Facility	-	2,443,679	2,443,679	3,165,021	3,319,168	875,489
Developmental Disabilities	1,731,014	2,394,216	1,987,674	2,588,575	2,565,857	171,641
Behavioral Healthcare Services	532,880	502,761	1,800,029	543,932	830,141	327,380
Hospital and Community System Support	23,311	354,755	1,209,077	383,630	635,197	280,442
Central Management	1,105,497	543,901	1,699,953	588,222	1,355,721	811,820
Total - All Funds	\$ 14,890,994	\$ 16,591,867	\$ 25,001,586	\$ 18,555,425	\$ 27,746,947	\$ 11,155,080
<i>General Revenues</i>	<i>\$ 12,729,490</i>	<i>\$ 16,081,673</i>	<i>\$ 20,192,223</i>	<i>\$ 13,930,617</i>	<i>\$ 21,571,002</i>	<i>\$ 5,489,329</i>

The following table shows expenses by type of service and includes \$12.0 million for facilities management, more than half the request. The Department’s billings for all charges through the first quarter of FY 2023 total \$4.4 million, of which \$2.1 million is from general revenues. Annualized, the total would be \$17.6 million from all sources.

Centralized Services by Service						
Service	FY 2022 Preliminary	FY 2023 Enacted	FY 2023 Gov. Rev.	FY 2024 Request	FY 2024 Governor	Gov. Rec. to Enacted
Facilities Management	\$ 9,723,524	\$ 10,677,952	\$ 18,139,302	\$ 11,965,553	\$ 20,468,357	\$ 9,790,405
Human Resources	1,688,194	2,075,128	2,521,272	2,306,747	2,182,704	107,576
Information Technology	3,479,276	3,838,787	4,340,712	4,283,125	5,095,886	1,257,099
Total - All Funds	\$ 14,890,994	\$ 16,591,867	\$ 25,001,286	\$ 18,555,425	\$ 27,746,947	\$ 11,155,080
<i>General Revenues</i>	<i>\$ 12,729,490</i>	<i>\$ 16,081,673</i>	<i>\$ 20,192,223</i>	<i>\$ 13,930,617</i>	<i>\$ 21,571,002</i>	<i>\$ 5,489,329</i>

The Governor recommends \$27.7 million, including \$21.6 million from general revenues. This is \$11.2 million more than enacted and includes \$5.5 million more from general revenues. The increase to enacted assumptions includes \$9.8 million more for facilities management services mostly from updates to utility cost projections. Other adjustments are based on updated billings.

Division of Developmental Disabilities

Developmental Disabilities Programs. The state provides residential, day programming, family supports or medical services to support adults with developmental disabilities. As of November 2022, there are 4,340 individuals receiving services through either the state-run system or through community-based providers. This includes 3,956 individuals receiving direct residential, employment and community-based services, as well as family supports, including respite.

The Department requests \$430.1 million, of which \$194.3 million is from general revenues, for programs to support adults with developmental disabilities. It includes \$0.1 million from Rhode Island Capital Plan funds and centralized services. The request is \$46.6 million more from all sources, including \$21.0 million from general revenues, \$25.6 million from Medicaid funds, and \$0.1 million from restricted receipts. This reflects the proposal to increase the hourly reimbursement for the direct support professional wage to \$20 to meet the requirements of the consent decree Action Plan. It does not include any increases resulting from the rate review being finalized in FY 2023. The request includes \$393.6 million for the community-based system and \$36.5 million for the state-run one. The budget request was submitted prior to the November Caseload estimate and contains earlier estimates of current service adjustments.

The Governor recommends \$417.4 million, including \$188.3 million from general revenues. This is \$34.0 million more than enacted, including \$15.0 million from general revenues. The recommendation includes \$30.8 million, including \$13.9 million from general revenues, for the hourly rate reimbursement increase for direct support professionals to \$20 an hour. It does not include any changes related to the recently completed system rate review.

The Governor’s recommendation identifies 10 full-time equivalent positions dedicated to consent decree activities. This recommendation includes \$1.0 million from general revenues to repurpose eight vacant community living aide positions in the state-run system and adds \$0.3 million, including \$0.2 million from general revenues, for two new positions. The cost for the existing positions is offset by savings of \$1.1 million, of which \$0.7 million is from general revenues, in the state-run system.

Medical Benefits. Individuals receiving residential and other community-based services receive medical benefits through the Executive Office of Health and Human Services’. Individuals who are not eligible for Medicare are enrolled in Rhody Health Partners, the state’s managed care plan for disabled individuals and those receiving services through Medicaid expansion. Those who are eligible for both Medicare and Medicaid, referred to as “dual eligibles”, have the opportunity to enroll in Rhody Health Options, the state’s integrated care initiative to provide services through a managed care plan and potentially lower medical costs for the more expensive dual eligible population. Those who opt to not enroll in managed care continue to receive direct medical benefits through a fee-for-service reimbursement system.

Of the 3,800 program participants, the November caseload estimate assumes that approximately 1,500 individuals are enrolled in Rhody Health Options at a cost of \$19.8 million, another 990 in Rhody Health Partners at a cost of \$22.4 million and the remaining 1,310 in fee-for-service. *The Governor recommends funding consistent with the caseload estimate for this population.*

Privately Operated System. The Caseload Estimating Conference met on November 4, 2022 and based on current law, set the FY 2024 expenditures for private community developmentally disabled services at \$338.6 million, including \$153.5 million from general revenues. This is \$6.2 million more than enacted from all funds and \$6.1 million more from general revenues. The Department’s request was submitted prior to the caseload estimate, and therefore does not reflect the adopted estimate.

The Caseload Estimating Conference projections are based on current law. As a result, the FY 2023 enacted budget includes an increase to support raising direct support professional’s hourly wages to at least an average of \$18.00, so the FY 2023 projection contains this rate increase. However, the state’s agreement to an “Action Plan” related to an ongoing federal consent decree has elements that require action through the state budget process and are not yet current law. As a result, the FY 2024 estimates represent a baseline projection and exclude the rate increase for the direct support professional’s hourly wage to at least an average of \$20. Although the costs of these items are not within the scope of the Conference, the conferees assume that the state intends to maintain good faith compliance with all elements of the Action Plan.

The following table itemizes private community-based expenditures included in the FY 2022 preliminary closing, the enacted budget, adopted by the caseload estimators in November 2022, and recommended by the Governor. Each category is discussed separately.

Private Community Developmentally Disabled Services	FY 2022 Spent	FY 2023 Enacted	FY 2023 Gov. Rec.	FY 2024 Nov. CEC	FY 2024 Gov. Rec.
Residential Rehabilitation	\$ 169.2	\$ 195.8	\$ 192.2	\$ 204.3	\$ 204.3
Day Program					
Day Program	\$ 64.9	\$ 82.0	\$ 76.3	\$ 81.0	\$ 81.0
Shared Living Item	4.1	4.3	5.1	5.1	5.1
Total	\$ 69.0	\$ 86.3	\$ 81.4	\$ 86.1	\$ 86.1
Employment	\$ 4.3	\$ 8.2	\$ 7.3	\$ 7.3	\$ 7.3
Transportation	\$ 6.3	\$ 12.4	\$ 7.6	\$ 8.3	\$ 8.3
Case Management and Other Support Services	\$ 12.1	\$ 12.4	\$ 12.3	\$ 12.3	\$ 12.3
L9 Supplemental Funding	\$ 20.4	\$ 17.0	\$ 22.8	\$ 20.0	\$ 20.0
Non Medicaid Funded					
DD State Subsidies	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Out-of-state placements	0.3	0.3	0.3	0.3	0.3
PSCEPP Program	1.3	-	-	-	-
Contract Transportation	0.6	-	-	-	-
Total	\$ 2.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
Federal Funds	\$ 172.8	\$ 185.0	\$ 190.3	\$ 185.2	\$ 185.2
General Revenues	110.7	147.4	133.6	153.5	153.5
Total	\$ 283.5	\$ 332.4	\$ 323.9	\$ 338.6	\$ 338.6

\$ in millions

The enacted budget assumed an extension only through the first quarter of FY 2023 and the revised estimate assumes the continuation of the public health emergency through January 11, 2023 and includes general revenue savings from a more favorable federal cost sharing through the third quarter of FY 2023. The estimate assumed no enhanced rate for FY 2024; however, on December 29, 2022, Congress passed the Consolidated Appropriations Act, 2023 which decoupled the requirement for continued eligibility for Medicaid enrollees and related rate enhancement for the Medicaid match from the public health emergency declaration. The enhanced Medicaid rate will be phased down through the second quarter of FY 2024. For

FY 2023, the 6.2 percent enhanced rate will remain in effect for the third quarter as assumed in the November estimate, but will be phased down to 5.0 percent in the fourth quarter. For FY 2024, the enhanced rate will be 2.5 percent in the first quarter and 1.5 percent in the second quarter, which will mark the end of the rate enhancement. In order for states to receive the enhanced Medicaid rate, it must meet certain standards for its eligibility redetermination process.

The Governor recommends funding consistent with the caseload estimate. As noted, he also adds \$30.8 million, including \$13.9 million from general revenues, to bring the average hourly rate to \$20 for direct support professionals. His recommendation does not assume any additional changes from the recently completed rate review.

Residential Rehabilitation. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$204.3 million, including \$92.4 million from general revenues for the residential rehabilitation program. The estimate is \$12.1 million more than the revised estimate, including \$13.3 million from general revenues, assuming a higher usage of services through the annual authorizations. Services are provided in a variety of community-based settings, including 24-hour group homes, individual living situations such as an apartment or home, shared living arrangements or with a relative and account for approximately 60 percent of total program costs. *The Governor recommends funding consistent with the caseload estimate.*

Day Program. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$86.1 million, including \$39.0 million from general revenues for day program services, which is approximately 25 percent of program expenses. This is \$4.7 million more than the revised estimate, including \$6.5 million from general revenues, to reflect the anticipated increase in use of authorizations.

Day Program expenses capture services offered at a center-based day program, a community-based day program or home-based day program, including the provision of education, training, and opportunities to acquire the skills and experience needed to participate in the community. Expenses are estimated to be \$81.0 million in FY 2024, which is a \$5.1 million increase compared to the revised estimate.

This category also includes an estimate for a “shared living item” of \$5.1 million for FY 2024, which supports shared living arrangement contractors who are providing increased support during the pandemic for individuals who remain at home during the day instead of attending a community-based day program. This is consistent with the revised estimate. *The Governor recommends funding consistent with the caseload estimate.*

Employment. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$7.3 million, including \$3.3 million from general revenues, for employment services. This is consistent with the revised estimate that are 2.2 percent of program expenses. Employment captures activities such as job assessment and development, job coaching, job retention, and prevocational training for adults with developmental disabilities. *The Governor recommends funding consistent with the caseload estimate.*

Transportation. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$8.3 million, including \$3.8 million from general revenues, for transportation expenses. This is \$1.0 million more than the revised estimate, including \$0.6 million from general revenues, and is 2.5 percent of program expenses. An individual is provided transportation from, or in the immediate vicinity to, his/her residence in order to participate in employment/day activities. *The Governor recommends funding consistent with the caseload estimate.*

Case Management and Other Support. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$12.3 million, including \$5.5 million from general revenues, for case management and other support services. This is \$0.8 million more than the revised estimate, including \$0.4

million more from general revenues, for services that are 3.6 percent of program expenses. An individual can receive these assorted services including, but not limited to, attendant care, home modifications, assistive technology, and support facilitation.

It should be noted that the Executive Office's FY 2024 request includes a proposal to provide federally required conflict-free case management services to individuals receiving home and community-based services by January 1, 2024. This includes individuals with intellectual and developmental disabilities who are receiving services through the state-run and community-based systems. At a recent consent decree status hearing, it was determined that for this population, the conflict-free case management services must be provided by July 1, 2023, or six months earlier than planned by the Executive Office in its proposal. The Department's FY 2024 request does not include any funding for a new system to provide these services.

The Governor recommends funding consistent with the caseload estimate. He also includes Section 3 of Article 9 and adds \$14.4 million, including \$6.5 million from general revenues, in the Executive Office of Health and Human Services' budget. It appears that this adjustment should have been offset by savings of \$5.5 million, including \$2.5 million from general revenues, in the Department's budget, but was not.

L9 Supplemental Funding. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$20.0 million, including \$9.1 million from general revenues, for L9 supplemental funding provided in addition to the annual authorizations. This is \$2.8 million less than the revised estimate assuming increased utilization of the funding through the authorizations results in a decreased need for the supplemental funds. *The Governor recommends funding consistent with the caseload estimate.*

Non-Medicaid Funded. The November Caseload Estimating Conference estimate includes FY 2024 general revenue expenditures of \$0.3 million for an individual in an out-of-state placement and \$40,000 for monthly payments to caregivers of individuals who formerly resided at the Ladd Center. This is consistent with the enacted budget. *The Governor recommends funding consistent with the caseload estimate.*

Transformation and Technology Fund. The enacted budget includes \$9.0 million for transformation and technology funds to support technology purchases and related technical assistance to individuals with developmental disabilities. The funding totaled \$12.0 million between FY 2022 and FY 2023, to meet requirements of the October 2021 Action Plan related to the federal consent decree. The Department's request retains \$0.2 million from federal funds, which appears to be an error. *The Governor recommends funding as requested, retaining the error.*

Staffing and Other Operations. The Department requests \$13.6 million, including \$6.7 million from general revenues, for staffing and all other administrative expenses. This is \$2.4 million more than enacted, of which \$1.8 million is from federal funds and \$0.6 million is from general revenues. The request includes \$10.1 million, of which \$4.9 million is from general revenues, to fully fund 72.0 positions. The request restores the enacted amount of \$0.2 million in turnover saving despite consistent vacancies. The request excludes the one-time expense of \$0.9 million, of which \$0.5 million is from general revenues, for workforce development and technical assistance to meet the obligations of the consent decree.

The total also includes \$2.8 million or \$0.1 million more than enacted, for all other operating expenses. This includes \$1.4 million for centralized services, \$1.1 million for the Therap case management system and \$0.3 million for mileage allowance, staff training and office expenses.

The Governor recommends \$3.7 million more than enacted. This is \$1.3 million more than requested, including \$0.7 million more from general revenues primarily for ten new positions dedicated to the consent decree, eight of which are repurposed from vacant community living aide positions to support consent decree activities. This includes: an administrator, an associate administrator for community services, a rate analyst, three coordinator community planning and development positions, two community liaison

officers, a chief of staff development, and an assistant administrator. The rate analyst and administrator are the only positions not included in the Governor's FY 2023 revised budget.

The recommendation also adjusts for centralized billings for facilities management, human resources and information technology charges as noted previously.

Rhode Island Community Living and Supports Program (RICLAS). There are 21 state-run group homes and apartments that provide overnight care that have the capacity to provide residential services to 115 clients. As of October 2022, there were 107 clients in the state-run facilities. The Department's current services request includes \$36.1 million for these clients, including \$16.7 million from general revenues, \$18.1 million from federal funds and \$1.4 million from restricted receipts. The request is \$5.9 million more than enacted, including \$2.4 million more from general revenues, \$3.4 million more from Medicaid funds and \$0.1 million more from restricted receipts.

The request includes \$32.8 million to operate the 24-hour facilities, which is \$5.7 million more than enacted and \$6.9 million more than FY 2022 actuals. The request includes \$7.1 million, or \$2.4 million more than enacted, for overtime expenses and restores \$3.2 million in savings from keeping 46 positions vacant. The Department's request restores all of these savings despite having dozens of vacancies.

Other expenses totaling \$3.3 million are \$0.2 million more than enacted and include \$0.1 million more for centralized services, \$0.1 million more for temporary contracted services, and \$0.1 million less for food and office expenses. The request is also \$9.8 million more than spent in FY 2022 which also included some non-recurring employee expenses.

As noted in the following table, the request effectively increases the assumed annual cost per person from the FY 2023 enacted budget by \$55,144, or 19.3 percent.

The Governor recommends \$32.4 million, including \$14.4 million from general revenues, which is \$1.8 million more than enacted, including \$1.4 million less from general revenues. Among the changes is the conversion of eight vacant community living aides to consent decree-related positions, noted earlier. This brings the annual per person expenses to \$302,609, or \$16,781 more than enacted and 12.0 percent above his revised recommendation. His recommendation also includes a negative appropriation of \$2.0 million for miscellaneous expenses which makes it difficult to provide a more detailed analysis of the recommendation. This aggregate funding level appears to match the intent.

RICLAS	FY 2023 Enacted	FY 2023 Gov. Rev.	FY 2024 Request	Request to Enacted	FY 2024 Governor	Gov. Rec. to Enacted
Expenses	\$ 30,583,582	\$ 28,838,576	\$ 36,483,975	\$ 5,900,393	\$ 32,379,149	\$ 1,795,567
Average # of Persons*	107	107	107	-	107	-
Annual cost per person	\$ 285,828	\$ 269,519	\$ 340,972	\$ 55,144	\$ 302,609	\$ 16,781

*FY 2023 enacted, revised, and request are based on October 2022 census

Division of Behavioral Healthcare Services

The state provides behavioral health services, including Medicaid funded mental health and substance abuse services to individuals through the Executive Office of Health and Human Services and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, including additional services through federal resources primarily the Substance Abuse, Mental Health and Social Services block grants.

The 2014 Assembly transferred Medicaid funded behavioral healthcare services from the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to the Executive Office of Health and Human Services to align direct medical benefits with mental health and substance abuse services for disabled individuals. The Medicaid expansion opportunity through the Affordable Care Act that the state

accepted allowed the Department’s behavioral healthcare clients who received a limited benefit to have full access to Medicaid through the Executive Office of Health and Human Services’ budget. With the transfer of the Medicaid funds to the Executive Office of Health and Human Services, the state now pays for the Medicaid services and provides direct care and behavioral healthcare benefits through one agency with coordination through the managed care plans.

The November 2022 caseload estimate includes \$811.3 million to provide Medicaid coverage to adults between ages 19 and 64, without dependent children, with incomes at or below 138 percent of poverty in the Executive Office of Health and Human Services. This reflects updated enrollment of approximately 100,000 enrollees. *The Governor recommended funding consistent with the November caseload estimate for this population.*

Substance Use and Mental Health Treatment Services Grants. The Department requests \$17.7 million, or \$9.7 million less than enacted, from federal mental health and substance abuse block grant funds, as well as enhanced federal resources through recent legislation. This is based on a revised spending plan that spreads funding over multiple years.

The following table shows the separate federal grants included in the enacted budget, FY 2024 request, and Governor’s recommendation. The revised request includes \$22.1 million from these grants.

FY 2024					
Block Grant	FY 2023 Enacted	Request	Change to Enacted	Governor	Change to Request
Substance Abuse	\$ 7.1	\$ 7.5	\$ 0.5	\$ 7.5	\$ -
ARP: Substance Abuse	5.3	2.7	(2.6)	2.7	-
CAA: Substance Abuse	3.8	1.8	(1.9)	1.8	-
Mental Health	5.5	2.7	(2.9)	2.7	-
ARP: Mental Health	4.1	2.3	(1.8)	2.3	-
CAA: Mental Health	1.6	0.6	(1.0)	0.6	-
Total	\$ 27.4	\$ 17.7	\$ (9.7)	\$ 17.7	\$ -

\$ in millions

The Department has identified near term uses of the funds including its regular annual support for Regional Task Forces, Student Assistance and BH Link along with enhanced funding to existing programs from time-limited grants.

The constrained request includes general revenue saving of \$40,000 from shifting staffing expenses to the mental health and substance abuse block grants though it does not alter uses of the grants. *The Governor assumes the general revenue savings elsewhere and retains the unaltered grant request.*

Social Services Block Grant - Mental Health Treatment Services. The Department requests the enacted level of \$1.1 million from federal social services block grant funds made available to the state’s grant recipient, the Department of Human Services. The FY 2023 revised request includes \$0.9 million for behavioral healthcare services through the community mental health centers.

The revised request includes \$250,000 from these funds for The Providence Center to support services through the Oasis Wellness and Recovery Center, which is consistent with language in Article 1 of 2022-H 7123, Substitute A, as amended, for FY 2023. The Department’s request does not identify this award in its planned use of the funds for FY 2024. *The Governor recommends funding as requested.*

Opioid Funds. The Department requests \$1.6 million to support recovery housing and medication assistance treatment from non-federal sources. This is \$2.0 million less than enacted, including general

revenue savings of \$0.2 million from shifting recovery housing expenses to Opioid Stewardship and McKinsey Opioid Settlement funds. The planned use of the funds includes investments in school and community based mental health services, recovery housing, and contracted medical and administrative services. *The Governor recommends \$7.0 million, or \$5.6 million more than requested, to reflect greater use of funds in FY 2024, consistent with changes made to the revised budget. Opioid funds are included in four agency budgets and those are shown in the following table for both FY 2023 and FY 2024.*

Governor's Recommendation			
Agency	FY 2023	FY 2024	2-Year Total
EOHHS	\$ 10,905,608	\$ 4,187,739	\$ 15,093,347
BHDDH	10,132,500	7,045,000	17,177,500
Health	5,567,074	3,610,222	9,177,296
Corrections	2,868,614	1,331,585	4,200,199
Total	\$ 29,473,796	\$ 16,174,546	\$ 45,648,342

ARPA - Crisis Intervention Trainings. The Department requests the enacted amount of \$550,000 from State Fiscal Recovery funds to provide training for law enforcement and continuing education opportunities, and for strategies and protocols to respond to increased mental health related calls to local police departments. The Assembly authorized \$550,000 annually, over four years, for this program. *The Governor recommends \$1.7 million from State Fiscal Recovery funds for FY 2024. His recommendation advances payments intended for FY 2025 and FY 2026 to FY 2024 to ensure timely obligation of the funds.*

ARPA - 988 Hotline. The enacted budget includes \$1.9 million from State Fiscal Recovery funds for the 988 hotline to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission rules and regulations for funding in FY 2023 only. The Department requests \$1.9 million from these funds for FY 2024, which may be an error because it also adds \$2.3 million from general revenues to support the hotline, likely to replace federal support.

The constrained request does not include the general revenues. *The Governor includes \$1.6 million from State Fiscal Recovery funds for FY 2024. He notes this is pending a permanent funding source.*

State Opioid Response Grant. The Department requests \$8.0 million from federal State Opioid Response Grant funds, which is \$1.8 million more than enacted, to reflect a new grant award. The Department has not provided requested further details on its plan beyond the stated allocation of \$2.4 million for community support activities and Narcan purchases.

The constrained request includes general revenues savings of \$39,000 from shifting expenses to this grant though it does not alter uses of the grant. *The Governor assumes the general revenue savings elsewhere and retains the unaltered grant request.*

Partnership for Success Grant. The Department requests \$0.5 million from federal strategic prevention framework state incentive grant funds to support activities that deliver and sustain effective substance abuse and/or mental health services. This includes preventing the onset of and reducing the progression of substance abuse, including childhood and underage drinking and reducing substance abuse-related problems in communities and building prevention capacity and infrastructure at the state and community levels. The request is \$1.7 million less than enacted primarily for evaluation activities. *The Governor recommends funding as requested.*

Primary and Behavioral Healthcare Grant. The Department requests \$1.3 million from the federal Promoting Integration of Primary and Behavioral Healthcare Grant, which is \$1.4 million less than enacted. Funding is available from January 1, 2019 to December 31, 2023. The grant promotes integration and

collaboration in clinical practice between primary and behavioral healthcare and supports the integrated care models for primary care and behavioral healthcare. Funding is awarded to Community Care Alliance and Gateway Healthcare. *The Governor recommends funding as requested.*

Healthy Transitions Grant. The Department requests \$0.5 million from the federal Healthy Transitions grant, which \$0.2 million less than enacted to reflect updated expenses. The grant offers access to clinicians, a case manager, nurse, psychiatrist, substance abuse specialist, and employment education specialist to assist individuals with meeting goals for improving mental health and making successful transitions to adulthood. Participants receive help with housing, employment, education, care and support for an average of two years, medication treatment and interviews are conducted every six months to monitor progress. The program is operated by the following community mental health centers: The Providence Center, Newport Mental Health Center, Thrive Behavioral Health and Community Care Alliance. *The Governor concurs.*

Other Federal Grants. The Department requests \$1.0 million less than enacted from federal funds to reflect the expiration of the following federal grants: Youth Treatment Implementation Grant, Screening, Brief Intervention and Referral to Treatment Grant, and Rhode Island Early Diversion Program grant. *The Governor recommends funding as requested.*

Substance Abuse Prevention/Student Assistance. The Department requests \$60,000 for student prevention programs from available asset forfeiture funds and eliminates the enacted amount of \$65,000 from general revenues. This is \$6,600 less than enacted and \$101,000 less than the revised request. The Department has not provided an explanation for the reduction to general revenues which were added to the base budget in FY 2019. That appears to be the only year any funding was spent. *The Governor recommends funding as requested.*

Substance Use Residential Capacity Expansion. The Department requests \$75,000 from available asset forfeiture funds to expand access to substance abuse residential treatment services by increasing capacity through MAP Behavioral Health Services and Galilee Mission. This is \$25,000 more than the enacted budget for treatment services. The plan has been to increase capacity from 16 beds to 28 beds at MAP and construct 10 new beds by converting office space at Galilee Mission. The revised request adds \$275,740; it is unclear what the cost difference represents. *The Governor recommends funding as requested.*

Adult Use Marijuana (1.0 FTE). The Department's request eliminates the 1.0 full-time equivalent position and \$143,516 from restricted receipts included in the enacted budget to support the adult use marijuana program. The Department has not responded to requests to explain this reduction. *The Governor does not recommend the requested reduction and funds the position.*

Thresholds Program. Consistent with the enacted budget, the Department requests \$30,000 from general revenues for a contract with Rhode Island Housing to administer the Thresholds residential development program.

The constrained request eliminates the funding. *The Governor excludes the funding.*

Other Staffing and Operations. The Department requests \$9.2 million, including \$3.8 million from general revenues, for all other staffing and operations. This is \$1.6 million more than enacted and \$1.1 million more from general revenues. Salaries and benefits are \$7.2 million, including \$3.0 million from general revenues, which is \$1.3 million more than enacted, including \$0.9 million more from general revenues, which appears to be based on the updated cost allocation plan. Other operations are \$2.0 million from all sources, including \$0.8 million from general revenues, or \$0.2 million more than enacted, primarily from general revenues. The request includes \$0.5 million for centralized services charged to the division,

primarily from general revenues, \$0.6 million from all sources for various administrative expenses, \$0.7 million for contracted administrative services, and \$0.2 million for other federal grants.

The constrained request includes savings of \$79,000 from shifting staffing expenses to federal grants.

The Governor recommends \$1.9 million more than enacted, including \$1.7 million more from general revenues. This is \$0.4 million more than requested including \$0.6 million from general revenues. The increase to the request includes statewide adjustments to centralized technology and facilities management services and corrects for known inaccuracies in the submission related to the cost allocation plan. The recommendation also includes the \$79,000 of general revenue savings identified in the constrained request but does not increase federal funds to account for the shift proposed.

State Hospitals

The FY 2023 enacted budget includes \$149.2 million for both Eleanor Slater Hospital and the Rhode Island Psychiatric Hospital, newly licensed on October 25, 2022. The request reduces expenses by \$6.8 million from all funds, including \$26.6 million from general revenues. The enacted budget also includes 750.4 full-time equivalent positions; the revised and FY 2024 requests lower that to 737.6 positions.

The Governor recommends \$148.3 million, which includes \$95.6 million from general revenues. This is \$1.2 million less than enacted and lowers the staffing authorization by 12.8 positions. This is primarily related to adjustments that recognize lower staffing expenses at both hospitals offset by an increase in centralized services, mostly utilities.

Hospitals	FY 2022 Preliminary	FY 2023 Enacted	FY 2024 Request	Request to Enacted	FY 2024 Governor	Gov. Rec. to Enacted
Eleanor Slater Hospital	\$ 122,811,291	\$ 118,865,057	\$ 107,767,993	\$ (11,097,064)	\$ 113,375,926	\$ (5,489,131)
State Psychiatric Facility	-	30,662,874	34,660,541	3,997,667	34,948,359	4,285,485
Total - All Funds	\$ 122,811,291	\$ 149,527,931	\$ 142,428,534	\$ (7,099,397)	\$ 148,324,285	\$ (1,203,646)
<i>General Revenues</i>	<i>\$ 108,761,551</i>	<i>\$ 118,969,943</i>	<i>\$ 92,371,351</i>	<i>\$ (26,598,592)</i>	<i>\$ 95,605,870</i>	<i>\$ (23,364,073)</i>
FTE	597.3	750.4	737.6	(12.8)	737.6	\$ (12.8)

Eleanor Slater Hospital

Hospital Operations. The Department requests \$116.1 million from all sources, including \$57.5 million from general revenues, \$49.4 million from federal funds and \$0.3 million from restricted receipts for hospital expenses at both the Cranston campus and Zambarano unit in Burrillville. The enacted budget assumes the Rhode Island State Psychiatric Facility would be newly licensed as a separate facility on September 1, 2022 and includes two months of funding in the Eleanor Slater Hospital budget for FY 2023. The request is \$11.1 million less than enacted and \$30.6 million less from general revenues.

The enacted budget also assumes that Eleanor Slater Hospital comes into compliance with the requirement to have fewer psychiatric patients than medical ones, also known as the IMD mix, during its November 2022 review and the state can begin billing Medicaid again for eligible patient as of January 1, 2023.

The Governor recommends \$113.4 million which is \$5.5 million less than enacted and \$5.1 million less than requested. The recommendation adjusts for errors in the request but miscategorizes some expenses; the total appears to match intent.

The following table shows the assumed billings for the FY 2023 enacted budget, revised and FY 2024 requests. The Department has not provided its own assumptions for FY 2023 and FY 2024 despite repeated requests. The values shown as fiscal staff assumptions are based on Medicaid totals.

Medicaid Billings	FY 2022 Preliminary *	FY 2023 Enacted*	FY 2023 Gov. Rev.	FY 2024 Request	FY 2024 Governor
# patients	50	116	100	94	143
Daily Rate	\$ 1,601	1,714	\$ 1,705	\$ 1,701	\$ 1,705
Total	\$ 29,217,382	\$ 51,479,291	\$ 44,154,890	\$ 86,950,310	\$ 88,725,200
Medicaid	\$ 17,334,673	\$ 27,896,628	\$ 25,980,737	\$ 48,561,748	48,577,047

**Fiscal staff assumptions based on Medicaid funding included in the enacted budget; FY 2022 actuals unavailable*

Staffing and Other Medical Services. The Department requests \$83.3 million for staffing and other medical services, including \$40.2 million from general revenues and \$43.1 million from federal funds. This is \$4.9 million less than enacted, including \$19.7 million less from general revenues. The request includes \$66.8 million, or \$8.9 million less than enacted, for direct staffing which reflects the cost allocation plan and the opening of the newly licensed, separate hospital, formerly included in the Eleanor Slater Hospital budget. The requested staffing authorization of 661.8 positions is 5.6 fewer than enacted; however, as noted previously the budget assumes only \$0.2 million in turnover savings despite numerous vacancies. To offset the decrease in direct staffing expenses, the Department requests \$6.7 million in new contracted medical services. The Department has not provided an updated staffing plan that corresponds to the request. The constrained request includes \$1.3 million less from general revenues from additional turnover savings.

The Governor recommends \$60.1 million, or \$11.5 million less than enacted, which includes \$14.8 million less for salaries and benefits and \$3.2 million more for other medical services. While this mostly relates to the annualized impact of the newly separate hospital operations, it also reflects sustained vacancies for direct care staff, including nurses and certified nursing assistants.

Security Services. As described earlier in this analysis, the Department requests \$1.7 million for security services, which is \$27,830 more than enacted and \$1.4 million less than the revised request of \$3.2 million. The Department has not provided an explanation. *The Governor recommends \$2.0 million, or \$60,006 more than enacted; this may include some expenses that belong elsewhere.*

Staffing Incentives. The enacted budget includes \$1.5 million from general revenues to provide recruitment and retention incentives for staff at the state hospital. One-time support includes \$0.6 million for participation in education pathways training, \$0.5 million for recruitment incentives, and \$0.4 million for clothing allowances. The FY 2024 request excludes this funding. *The Governor concurs.*

Compliance Contractor. The enacted budget includes \$0.6 million, including \$0.3 million from general revenues, to extend the contract with Courtemanche and Associates to assist the Department with complying with Centers for Medicare and Medicaid requirements at Eleanor Slater Hospital. The FY 2024 request excludes this funding. *The Governor concurs.*

Hospital Compliance Projects. The FY 2023 enacted budget includes \$1.1 million from general revenues for additional capital projects performed through the Department of Administration that exceeded available resources in FY 2023. The Department's FY 2024 request excludes this funding. *The Governor concurs. He also adds \$25.0 million from Rhode Island Capital Plan funds to address accreditation and program operational issues in the Department of Administration's capital budget under the Hospital Reorganization project bringing the cost to \$47.2 million. The Governor also recommends \$10.0 million more as part of the Pastore Center Hospital Buildings project to address any potential issues that may emerge.*

Hospital License Fee. The Department requests \$0.1 million less enacted, including \$1.1 million less from general revenues for its hospital license fee payment. It is unclear why this change is being made since the FY 2023 license fee of 5.42 percent is set in statute based on 2021 revenues. Unless there has been an update to hospital revenues or the Assembly changes the rate, the fee of \$2.8 million for Eleanor Slater Hospital should remain at the enacted level. The Department has not been able to explain this request.

The Governor includes Section 1 of Article 9 of 2023-H 5200 for a 5.42 percent license fee for the state hospital based on 2022 revenues. His budget assumes revenue from the updated license fee for all other hospitals but only includes \$2.8 million consistent with the enacted budget, which is based on 2021 revenue. It is unclear what the correct amount should be.

Medicare Part D. The enacted budget does not assume any pharmacy expenses that can be paid for through Medicare's Part D program for eligible patients at Eleanor Slater Hospital. FY 2019 was the last year that the state was able to bill Medicare for pharmacy expenses for its patients before it identified and addressed its billing issues with the Centers for Medicare and Medicaid Services. Final expenses in that year were \$2.4 million from restricted receipts.

The constrained budget includes general revenue savings of \$1.8 million from shifting pharmacy expenses to the Part D restricted receipts. Since the state is once again allowed to bill Medicaid and Medicare for its eligible patients, it is not clear why these receipts are not included in the revised and current service budget request. *The Governor's recommendation assumes \$1.8 million in general revenue savings offset by restricted receipts from these billings in FY 2024.*

Non-Medicaid Reimbursements. The enacted budget does not assume any hospital expenses that can be paid for through Medicare or other commercial payers for eligible patients at Eleanor Slater Hospital. FY 2019 collections totaled \$2.3 million and expenses were \$2.2 million. For FY 2020, revenue collections totaled \$0.8 million but no expenses were incurred. For FY 2021, \$1.2 million was collected and expensed and for FY 2022, \$1.4 million was collected but not expended.

The constrained budget includes general revenue savings of \$1.1 million from shifting expenses to other sources. Since the state is once again allowed to bill Medicaid and Medicare for its eligible patients, it is unclear why these receipts are not included in the revised and current service budget requests. *The Governor's recommendation assumes \$1.1 million in general revenue savings offset by restricted receipts from these billings in FY 2024.*

Other Expenses. The Department requests \$20.5 million from all sources, including \$18.7 million from general revenues, \$1.5 million from federal Medicaid funds, and \$0.3 million from restricted receipts for all other expenses. This is \$0.9 million less than enacted and \$2.4 million more from general revenues. This includes \$11.5 million for centralized services explained previously in this analysis, \$5.4 million for food and medical supplies, \$1.0 million for maintenance expenses, \$2.0 million for computers, furniture and office supplies, and \$0.6 million for other expenses. It should be noted that the request also includes an unidentified reduction of \$7.8 million from Medicaid fund expenses, for which the Department has not provided an explanation.

The request adds \$0.5 million for temporary services through Guidesoft and \$0.1 million for Pinnacle Health for management services. It also includes \$250,000 from restricted receipts for expenses that have not been explained.

The constrained request includes savings of \$200,000 from no longer renting hospital beds. *The Governor recommends \$10.2 million more than enacted, of which \$2.4 million is from general revenues. This includes \$8.0 million more for centralized services, as noted previously related mostly to utility increases. He also adds funding for medical and pharmaceutical expenses offset by negative miscellaneous expenses. The Governor includes the savings from no longer renting hospital beds.*

Rhode Island State Psychiatric Facility

Hospital Operations. The Rhode Island State Psychiatric Facility, a 52-bed facility, formerly known as the Benton Facility, received approval to operate separately from Eleanor Slater Hospital on October 1,

2022. The Department requests \$34.7 million, which is \$4.0 million more than the enacted budget which did not assume a full year of operations. The request, consistent with the revised request, reduces the staffing authorization from 83.0 to 75.8 full-time equivalent positions. The Department has not provided the information on the savings attributable to the reduced staffing authorization. *The Governor recommends \$34.9 million, or \$4.3 million more than enacted and assumes 82.8 positions.*

Staffing and Other Medical Services. The Department requests \$22.0 million from general revenues for salaries and benefits and additional contracted medical services. This is \$2.0 million less than enacted for staffing and \$1.7 million more for medical services. The staffing request should reflect the cost allocation plan and a full year of funding for the newly licensed, separate hospital. The requested staffing authorization is for 75.8 positions, which is 7.2 fewer than enacted. As previously noted, there are individuals assigned to other divisions whose expenses are included in the hospital's budget as result of the updated cost allocation plan.

The constrained request includes general revenue savings of \$66,341 from repurposing the chief financial officer position, whose responsibilities will be assigned to existing staff, for another position. *The Governor recommends \$23.9 million, or \$1.6 million more than enacted, including \$0.9 million more for salaries and benefits and \$0.7 million more for medical services.*

Out-of-State Facility. The Department requests the enacted amount of \$1.5 million from general revenues for a contract with a South Carolina facility to provide residential treatment services for up to five forensic patients on an as-needed basis. The state's accounting system shows no expenses through mid-January 2023. *The Governor concurs.*

Security Services. As described earlier in this analysis, the Department requests \$3.3 million from general revenues for security services, which is \$1.7 million more than enacted and \$1.0 million more than the revised request. The Department has not been able to explain its request which appears to far exceed need. *The Governor recommends \$0.4 million more than enacted which is consistent with his revised recommendation adjusted for a full year of operations.*

Other Expenses. The Department requests \$8.2 million, or \$2.6 million more than enacted from general revenues for all other expenses. This includes \$0.4 million for pharmaceuticals and medical supplies, \$0.3 million for food, \$0.2 million for janitorial and laundry supplies, and \$0.1 million for centralized services and other temporary services. Some of the increases relate to the full year of operations. *The Governor recommends \$2.4 million more than enacted which includes \$0.9 million for centralized services, \$0.8 million for pharmaceutical and medical supplies, and \$0.7 million for food. It is also \$0.3 million less than requested.*

Hospital and Community System Support

Staffing and Other Operations. The Department requests \$1.6 million from all sources, including \$1.1 million from general revenues, \$0.1 million from federal funds and \$0.4 million from restricted receipts for operations in the hospital and community system support program. The request is \$2.1 million less than enacted, which is \$0.2 million less than FY 2022 spending; expenses are impacted by the cost allocation plan. The request also includes \$0.4 million, primarily from general revenues, which is \$12,986 less than enacted, most of which appears to be for contracted services, including temporary and clerical. It also includes increases for security services and centralized services, previously explained. The enacted budget includes authorization for 45.0 full-time equivalent positions and the Department includes 60.0 positions in its revised request. As of the December 31, 2022 payroll report, there are 51 individuals assigned to the program.

The constrained request includes savings of \$0.2 million from keeping approximately two positions vacant and operating savings of \$4,304 from reducing computer and software purchases.

The Governor recommends \$2.1 million less than enacted, including \$1.5 million less from general revenues. He includes \$0.3 million more than enacted for information technology and facilities management centralized services as noted earlier. He recommends the savings included in the constrained request and corrects for the inadvertent inaccuracies in the submission related to the cost allocation plan. Also noted previously, the recommendation appears to assign 20 more positions to the division; the funding for which does not appear to be added.

Central Management

Legal Services. The Department requests \$208,958 from general revenues for legal services. The enacted budget includes \$20,000 for the second year of a \$100,000 contract with Partridge Snow and Hahn to provide legal advice related to any current or former employees at Eleanor Slater Hospital that might result in litigation. The revised and FY 2024 requests include \$158,379 more than the contract and the Department has not provided the requested explanation for the increase in either year. Final payments totaled \$237,002 in FY 2022. The request also includes \$50,579 for other services, of which \$35,404 has not been identified. *The Governor recommends funding as requested.*

Staffing and Other Operations. The Department requests \$2.6 million from all sources, including \$1.4 million from general revenues for other central management expenses. This is \$2.9 million less from all sources, including \$3.0 million less from general revenues and \$0.2 million more from federal funds. The change is nearly all salaries and benefits which are requested at \$2.0 million less than spent in FY 2022. The changes appear to be related to the updated cost allocation plan and a reduced number of full-time equivalent positions directly assigned to this program.

The constrained request includes \$0.3 million in turnover savings and \$33,000 in operating savings. *The Governor recommends \$2.5 million less than enacted, primarily from general revenues and \$0.4 million more than requested. This includes \$0.8 million more than enacted for centralized services, primarily for facilities management, already noted. He also recommends savings proposed in the constrained request and corrects for the identified inaccuracies in the submission related to the cost allocation plan.*

Office of the Child Advocate

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,355,859	\$ 1,320,597.00	\$ 1,478,784	\$ 1,460,168
Contracted Services	2,700	2,700	2,700	2,700
Subtotal	\$ 1,358,559	\$ 1,323,297	\$ 1,481,484	\$ 1,462,868
Other State Operations	133,506	147,085	137,807	165,875
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	2,000	14,678	11,664	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,494,065	\$ 1,485,060	\$ 1,630,955	\$ 1,630,743
Sources of Funds				
General Revenue	\$ 1,494,065	\$ 1,485,060	\$ 1,630,955	\$ 1,630,743
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,494,065	\$ 1,485,060	\$ 1,630,955	\$ 1,630,743
FTE Authorization	10.0	10.0	10.0	10.0
FTE Average				

Summary. The Office of the Child Advocate requests \$1.6 million from general revenues which is \$0.1 million more than enacted. The request includes 10.0 full-time equivalent positions, consistent with the enacted budget. *The Governor recommends \$1.6 million, which is \$136,678 less than enacted and \$212 less than requested.*

Target Issues. The Budget Office provided the Office with a general revenue target of \$1.5 million. The amount includes current service adjustments of \$53,651 and a 5.0 percent target reduction, adjusted for certain exclusions of \$72,365. The constrained budget submitted by the agency is \$0.2 million above the target, or \$0.1 million when adjusted to correct an inadvertent error. The proposals to achieve the reduction are noted below where appropriate. *The Governor's recommendation is \$0.2 million above the target.*

FY 2024 Budget	Budget Office	Child Advocate	Difference
FY 2023 Enacted	\$ 1,494,065	\$ 1,494,065	\$ -
Current Service Adjustments	53,651	49,250	(4,401)
New Initiatives	-	87,640	87,640
Change to FY 2023 Enacted	\$ 53,651	\$ 136,890	\$ 83,239
FY 2024 Current Service / Unconstrained Request	\$ 1,547,716	\$ 1,630,955	\$ 83,239
Target Reduction/Initiatives	(72,365)	43,800	116,165
FY 2024 Constrained Target/Request	\$ 1,475,351	\$ 1,674,755	\$ 199,404
<i>Change to FY 2023 Enacted</i>	<i>\$(18,714)</i>	<i>\$ 180,690</i>	<i>\$ 199,404</i>

Education Advocate. The Office requests to convert its vacant Case Management Coordinator position into a Public Education and Information Coordinator and includes \$115,519 from general revenues, or \$19,171 more than enacted, to effectuate the change. This position is fully funded for FY 2024. The Coordinator would have expertise in education policy and would provide the Office with the ability to provide additional support in focusing on educational outcomes for children in state care and regarding the Children's Rights Settlement. Access to education continues to be the most common reason for court appointments referred to the Office, including placements in hospital settings, untimely school enrollment, schools being unable to meet needs, or conflict about which districts are responsible for funding.

The Educational Advocate Program was a component of the Office of the Child Advocate before its transfer to Rhode Island College in 2004. Advocates are responsible for making education decisions for youth in the care of the state and whose parents are not available to act on their behalf. The Office requested that the responsibilities be transferred back to it during a House Finance Subcommittee hearing in March 2022. The Office reported that the graduation rate of foster children in Rhode Island is significantly lower than students who remain in their homes. It attributes this to Department youth requiring a different approach to education due to their background, trauma, and complex needs. In the final quarter of FY 2022, an extension to the contract with Rhode Island College was approved through June 30, 2023. The constrained request excludes this position reclassification. *The Governor's recommendation maintains the authorized Case Management Coordinator position at \$19,171 less than requested which fully funds the position.*

Staff Attorney. The revised request reclassifies a vacant grants manager position to a staff attorney position to assist with the legal work of the Office and includes \$141,220 from general revenues, or \$32,376 more than the enacted budget assumes for the grants manager, to effectuate this change. The grants manager position has been vacant since FY 2020. The staff attorney would represent the children in the care of the Department of Children, Youth and Families as a guardian ad litem. It would also assist with research and preparation of required reports and data tracking. In its FY 2022 request, the Office indicated that it was considering this reclassification to address its need for additional assistance with its legal caseload, but made no formal budget request to do so. The FY 2024 request fully funds this position. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Office requests \$1.2 million from general revenues to fully fund its remaining 8.0 authorized full-time equivalent positions. The request is \$71,378 more than enacted, largely reflecting current service adjustments. The enacted budget includes \$144,600 to upgrade all of the Office's positions in FY 2023, and the hearing on these upgrades was held in August 2022. Adjusting to correct an inadvertent error, the Office includes turnover savings of \$72,635 in its constrained request from maintaining a vacant position for approximately half of FY 2024. *The Governor recommends \$555 more than requested from general revenues based on revised benefit cost expectations.*

Technology. The Office requests \$18,225 from general revenues for technology expenses which is \$13,465 more than enacted. The Division of Information Technology requested that the Office replace its eight laptops and docking stations, for a total of \$9,664, and its copier, paid over four years at an annual cost of \$3,801. The Division of Information Technology informed the Office that these machines are at their end of life and pose a cybersecurity threat. The constrained request excludes funding for the replacements. *The Governor includes funding of \$12,678 to purchase laptops in his revised budget recommendation.*

Other Expenses. The Office requests \$133,946 from general revenues for all other expenses which is \$500 more than enacted. Consistent with the enacted budget, this includes \$92,954 for centralized service expenses, including \$58,078 for facilities maintenance and \$34,876 for information technology charges. The \$500 increase is for traveling expenses as the Office transitions back to in-person meetings with the Department of Children, Youth and Families' youth. *The Governor does not recommend the increase; however, he does include \$32,369 more from general revenues for centralized services based on updated projections.*

Commission on the Deaf and Hard of Hearing

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 524,300	\$ 467,902	\$ 636,783	\$ 537,179
Contracted Services	197,864	254,421	237,864	201,200
Subtotal	\$ 722,164	\$ 722,323	\$ 874,647	\$ 738,379
Other State Operations	94,712	124,521	115,412	130,296
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 816,876	\$ 846,844	\$ 990,059	\$ 868,675
Sources of Funds				
General Revenue	\$ 716,876	\$ 741,245	\$ 890,059	\$ 764,208
Federal Aid	-	-	-	-
Restricted Receipts	100,000	105,599	100,000	104,467
Other	-	-	-	-
Total	\$ 816,876	\$ 846,844	\$ 990,059	\$ 868,675
FTE Authorization	4.0	4.0	5.0	4.0

Summary. The Commission on the Deaf and Hard of Hearing requests FY 2024 expenditures of \$990,059 from all sources and staffing of 5.0 full-time equivalent positions. This is \$173,183 more from general revenues than enacted and one new position. *The Governor recommends \$868,675 from all sources, which is \$121,384 less than requested primarily from general revenues. His recommendation includes staffing consistent with the enacted level.*

Target Issues. The Budget Office provided the Commission with a general revenue target of \$709,399. This amount includes \$25,770 for current service adjustments and a 5.0 percent target reduction of \$33,247, adjusted for certain exclusions. The constrained budget submitted by the agency is \$47,372 more than the target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor recommends \$54,809 above the target.*

FY 2024 Budget	Budget Office	Deaf and Hard of Hearing	Difference
FY 2023 Enacted	\$ 716,876	\$ 716,876	\$ -
Current Service Adjustments	25,770	73,142	47,372
New Initiatives	-	100,041	100,041
Change to FY 2023 Enacted	\$ 25,770	\$ 173,183	\$ 147,413
FY 2024 Current Service/ Unconstrained Request	\$ 742,646	\$ 890,059	\$ 147,413
Target Reduction/Initiatives	(33,247)	(133,288)	(100,041)
FY 2024 Constrained Target/Request	\$ 709,399	\$ 756,771	\$ 47,372
Change to FY 2023 Enacted	\$ (7,477)	\$ 39,895	\$ 47,372

Administrative Officer (1.0 FTE). The Commission requests \$100,041 from general revenues for a new administrative officer position to provide interpreter referral services. The Commission currently has one staff who coordinates requests for services. It has experienced an increase in requests for services as pandemic related restrictions have eased. The Commission was paying a contractor to assist with the increased demand, but this contractor has departed the role. The Commission reports that the current nature of interpreter referral services has become more complicated, particularly service requests for medical offices and medical insurance. In addition, it has had difficulty attracting candidates for a contracted position.

The constrained request excludes the position. *The Governor does not recommend the new position.*

Other Salaries and Benefits. The Commission requests \$536,742 from general revenues for salary and benefit expenses for the authorized 4.0 full-time equivalent positions. This is \$12,442 more than enacted to reflect current service adjustments and additional turnover savings, consistent with the revised request. As of the pay period ending October 8, 2022, the executive director position is vacant but is expected to be filled during FY 2023. *The Governor adds \$437 to account for updated medical benefit rate projections.*

Computer Aided Real Time Translation and Interpreter Services. The Commission requests \$124,912 from all sources, including \$76,664 from general revenues and \$48,248 from restricted receipts, for computer aided real time translation and interpreter services. This is \$40,000 more from general revenues than enacted. The Commission reports that this increase is in error as it intended to request a total of \$40,000 for interpreters and translators, or \$3,336 more than enacted. The restricted receipts are derived from an annual transfer of \$100,000 from the Dual Party Phone Relay surcharge of \$0.09 on all landlines. The Commission obtains interpreter services in order to provide full communication accessibility to both the Commission staff and the public. It has experienced an increase in requests for both in person and remote interpreter and translator services as pandemic related restrictions have eased, and the request reflects anticipated need. *The Governor recommends \$3,336 more than enacted consistent with the Commission's intended request.*

Other Expenses. The Commission requests \$228,364 from all sources, including \$176,612 from general revenues and \$51,752 from restricted receipts, for all other expenses. This is \$20,700 more from general revenues than enacted for centralized services, office equipment and supplies, and community outreach materials. The request also includes additional funds for staff training and travel expenses to support the expansion of the agency's mission to provide interpreter and translator services to deafblind individuals, ongoing advocacy and outreach efforts, and one employee attending a conference. The request inadvertently adds \$10,000 for staff training instead of the intended total of \$10,000, or \$2,000 more than enacted. The Commission's website is currently being relaunched to accommodate the updated mission, and it plans to hire a contracted web master position to integrate its social media content with the revamped website.

The constrained request proposes general revenue savings of \$33,247 by reducing contracted interpreter referral services. *The Governor recommends \$35,584 more than enacted and \$14,884 more than requested. This includes the addition of \$33,484, primarily from general revenues, for projected centralized information technology charges, similar to his revised recommendation, for total funding of \$105,162. He also excludes most of the other requested increases.*

Governor’s Commission on Disabilities

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 566,950	\$ 481,839	\$ 564,266	\$ 564,470
Contracted Services	230,757	126,826	129,792	129,792
Subtotal	\$ 797,707	\$ 608,665	\$ 694,058	\$ 694,262
Other State Operations	83,793	100,114	102,226	116,543
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,333,994	1,542,502	992,703	922,915
Capital	-	18,562	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,215,494	\$ 2,269,843	\$ 1,788,987	\$ 1,733,720
Sources of Funds				
General Revenue	\$ 1,752,601	\$ 1,835,632	\$ 1,347,328	\$ 1,292,951
Federal Aid	378,658	378,638	378,638	378,638
Restricted Receipts	84,235	55,573	63,021	62,131
Other	-	-	-	-
Total	\$ 2,215,494	\$ 2,269,843	\$ 1,788,987	\$ 1,733,720
FTE Authorization	5.0	5.0	5.0	5.0

Summary. The Governor’s Commission on Disabilities requests expenditures of \$1.8 million from all sources. This is \$426,507 less than enacted, including \$405,273 from general revenues primarily to reflect the removal of the one-time expense for the Livable Home Modification Grant Program. It also requests staffing of 5.0 full-time equivalent positions, consistent with the authorized level. *The Governor recommends \$1.7 million from all sources, including \$1.3 million from general revenues. This is \$55,267 less than requested.*

Target Issues. The Budget Office provided the Commission with a general revenue target of \$1.2 million. This includes \$475,061 less for current service adjustments and a 5.0 percent target reduction of \$61,247, adjusted for certain exclusions.

FY 2024 Budget	Budget Office	Commission on Disabilities	Difference
FY 2023 Enacted	\$ 1,752,601	\$ 1,752,601	\$ -
Current Service Adjustments	(475,061)	(447,391)	27,670
New Initiatives	-	42,118	42,118
Change to FY 2023 Enacted	\$ (475,061)	\$ (405,273)	\$ 69,788
FY 2024 Current Service/Unconstrained Request	\$ 1,277,540	\$ 1,347,328	\$ 69,788
Target Reduction/Initiatives	(61,247)	(131,035)	(69,788)
FY 2024 Constrained Target/Request	\$ 1,216,293	\$ 1,216,293	\$ -
<i>Change to FY 2023 Enacted</i>	<i>\$ (536,308)</i>	<i>\$ (536,308)</i>	<i>\$ -</i>

The constrained request met the target level. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommended budget is \$76,658 more than the target.*

Salaries and Benefits. The Commission requests \$564,266 from general revenues to support its authorized 5.0 full-time equivalent positions. The request is \$2,684 less from all sources than enacted, including \$215 less from general revenues, and is \$23,712 less than the current service estimate reflecting employee medical benefit selections and savings from filling a position at the entry level. The request includes benefit rates consistent with FY 2024 planning values. *The Governor concurs, and includes \$204 based on medical benefit rates.*

Outreach Services. In lieu of obtaining outreach services from a contracted position, the Commission is proposing to award grants to community-based organizations that are located in underserved communities to publicize services and programs that are available to individuals who are having accessibility issues. The Commission is working on the request for proposals with the Division of Purchases and the Division of Diversity, Equity and Inclusion; the grant amount has not yet been determined. The request includes \$95,756 from all sources to fund the grants. This is partially offset by the enacted amount of \$54,941 for a contracted public education aide coordinator position, for a net increase of \$40,815, including \$42,118 from general revenues.

The constrained request reduces these expenses by \$69,788 from general revenues. The Commission notes that the constrained level would hinder it from meeting its statutory obligation. *The Governor concurs with the constrained request.*

Livable Home Modification Grant Program. Excluding expenditures for items previously discussed, the request includes \$504,036 from general revenues for the Livable Home Modification Grant Program, which is administered in consultation with the Executive Office of Health and Human Services. The request is \$472,809 less than enacted, reflecting the removal of \$500,000 for one-time funding that the 2022 Assembly provided to address a surge in applications. 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 request includes \$459,038 to provide direct funding for home accessibility enhancements and \$49,426 for program expenses, of which \$39,095 is for a contracted employee who processes grant applications to determine eligibility and to respond to inquiries.

The constrained request reduces direct funding for home accessibility enhancements by \$61,247, which would support 15 fewer projects at the current \$4,000 maximum award. *The Governor concurs with the requested amount.*

School Construction Design Plans Review. The Commission requests \$50,978 from all sources, including \$28,063 from general revenues for reviewing school construction design plans to ensure compliance with Americans with Disabilities Act requirements. This is \$22,966 less than enacted, including \$4,495 less from general revenue. The Commission notes that some of the duties of the contractor will now be performed by the Americans with Disabilities Act coordinator position that the 2022 Assembly authorized. *The Governor recommends funding as requested.*

Statewide Independent Living Program. Excluding salaries and benefits, the request includes \$408,667 for the Statewide Independent Living Program, including \$30,029 from general revenues and \$378,638 from federal funds. This is \$7,265 more than enacted, including \$7,285 more from general revenues and a slight reduction from federal funds. All but \$198 of the request is for habilitative services. This reflects the Statewide Independent Living Council's plan to shift \$30,424 of operating expenses to grants; operating expenses in FY 2022 were minimal. The State Plan for Independent Living Services is developed by the Statewide Independent Living Council in conjunction with the Ocean State Center for Independent Living.

The adopted plan covers federal FY 2021 through FY 2023. The plan further outlines the scope of services to be provided by the Centers for Independent Living as well as the goals for expanding independent living. *The Governor concurs.*

Centralized Services. The request includes \$55,099 from all sources, all but \$890 is from general revenues for the Commission's share of centralized information technology services and human resources support. This is \$6,485 more than enacted. Expenditures through the first quarter of FY 2023 total \$12,659, and are projected to be \$51,206. *The Governor recommends \$14,317 more than requested, reflecting anticipated billing increases. This includes increases of \$1,497 for human resources and \$12,820 for information technology support.*

Other Expenses. The Commission's request includes \$80,745 for all other expenses. This is \$17,387 more than enacted, all but \$139 is from general revenues. It includes \$3,725 for advertising to increase awareness of available services and \$3,234 for lease payment for a new copy machine. It also includes adjustments for travel, reflecting expenses prior to the pandemic for mileage reimbursement, bridge tolls and parking. Other expenses such as stenographic services and postage were increased, reflecting the Commission's plan to resume public forums. The Commission is the prime coordinator for an annual series of public forums throughout the state to hear from individuals with disabilities about their concerns and interests. *The Governor recommends funding as requested.*

Office of the Mental Health Advocate

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 841,034	\$ 756,967	\$ 864,252	\$ 863,170
Contracted Services	2,700	2,700	2,700	2,700
Subtotal	\$ 843,734	\$ 759,667	\$ 866,952	\$ 865,870
Other State Operations	128,595	139,827	136,606	109,208
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	1,000	1,000	1,000	1,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 973,329	\$ 900,494	\$ 1,004,558	\$ 976,078
Sources of Funds				
General Revenue	\$ 973,329	\$ 900,494	\$ 1,004,558	\$ 976,078
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 973,329	\$ 900,494	\$ 1,004,558	\$ 976,078
FTE Authorization	6.0	6.0	6.0	6.0

Summary. The Office of the Mental Health Advocate requests \$1.0 million from general revenues, \$31,229 more than enacted, to support its operations and the 6.0 positions authorized in the enacted budget. *The Governor includes \$1.0 million from general revenues, or \$2,749 more than enacted.*

Target Issues. The Budget Office provided the Office with a general revenue target of \$967,614. The amount includes current service adjustments that increase expenses by \$38,982 and a 5.0 percent target reduction of \$44,697. The constrained budget submitted by the agency is \$7,753 below the target. The proposals to achieve the reduction are noted below where appropriate. *The Governor's budget is \$8,464 above the target.*

	Budget Office	Mental Health Advocate	Difference
FY 2024 Budget			
FY 2023 Enacted	\$ 973,329	\$ 973,329	\$ -
Current Service Adjustments	38,982	31,229	(7,753)
Change to FY 2023 Enacted	\$ 38,982	\$ 31,229	\$ (7,753)
FY 2024 Current Service/Unconstrained Request	\$ 1,012,311	\$ 1,004,558	\$ (7,753)
Target Reduction/Initiatives	(44,697)	(44,697)	-
FY 2024 Constrained Target/Request	\$ 967,614	\$ 959,861	\$ (7,753)
<i>Change to FY 2023 Enacted</i>	<i>\$ (5,715)</i>	<i>\$ (13,468)</i>	<i>\$ (7,753)</i>

Mental Health Treatment Court. The Office requests \$235,263 for an attorney and social worker for staff and related expenses for the Treatment Court. This is \$816 more than enacted for staffing, and is consistent with the revised request, which inadvertently underfunds the positions by approximately \$4,900.

The request also includes \$5,000 for operating expenses, consistent with the enacted budget. *The Governor includes \$4,697 more than enacted to fully fund the positions.*

Other Salaries and Benefits. The Office requests \$628,989 for salary and benefit expenses, \$22,402 more than enacted for its 4.0 remaining positions to reflect benefit rates consistent with FY 2024 planning values. The Office's request inadvertently includes \$1,575 for the retention bonuses for FY 2024. The second, and final payment, for one individual was made in July 2022.

The constrained request reduces 2.0 full-time positions to 0.9 full-time equivalent positions for savings of \$44,697. *The Governor includes \$17,439 more than enacted to fully fund the positions.*

Other Operations. The Office requests \$134,726 for all other operations, including \$118,367 for centralized services and \$16,359 for all other expenses. This is \$8,011 more than enacted, which includes \$8,661 more for centralized services consistent with Budget Office planning values for anticipated billings for facilities management and information technology services, and \$650 less than enacted to rent a copier. The request includes \$3,000 for the copier, \$2,000 for psychiatric consultations, \$1,000 for transcription services, \$3,250 for mileage expenses, \$5,200 for office supplies, telephone expenses and computers, and \$1,109 for all other expenses. *The Governor recommends \$27,398 less than requested for anticipated billings for centralized information technology services.*

Department of Elementary and Secondary Education

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
State Aid	\$ 1,300,499,236	\$ 1,361,269,603	\$ 1,421,855,814	\$ 1,401,623,443
School Housing Aid	138,536,507	138,536,507	103,476,513	103,462,946
Teachers' Retirement	130,855,471	130,855,471	132,744,129	132,744,129
RI School for the Deaf	9,124,556	9,413,854	9,552,474	9,662,426
Central Falls School District	69,806,667	58,961,338	61,032,015	61,032,015
Davies Career & Technical School	29,322,796	30,630,960	23,944,257	25,459,998
Met. Career & Tech. School	14,715,874	12,515,092	14,718,027	15,868,602
Administration	325,591,279	370,814,289	321,124,972	323,345,734
Total	\$ 2,018,452,386	\$ 2,112,997,114	\$ 2,088,448,201	\$ 2,073,199,293
Expenditures by Category				
Salaries and Benefits	\$ 49,003,207	\$ 48,579,328	\$ 51,971,990	\$ 51,232,993
Contracted Services	99,440,350	99,377,046	89,379,545	85,408,756
Subtotal	\$ 148,443,557	\$ 147,956,374	\$ 141,351,535	\$ 136,641,749
Other State Operations	13,362,553	13,424,478	12,448,772	10,938,775
Aid to Local Units of Government	1,798,120,844	1,890,506,985	1,881,445,155	1,862,535,030
Assistance, Grants, and Benefits	48,447,423	50,502,411	50,079,155	56,379,155
Capital	9,182,590	9,330,292	1,908,635	5,489,635
Capital Debt Service	-	-	-	-
Operating Transfers	895,419	1,276,574	1,214,949	1,214,949
Total	\$ 2,018,452,386	\$ 2,112,997,114	\$ 2,088,448,201	\$ 2,073,199,293
Sources of Funds				
General Revenue	\$ 1,440,698,219	\$ 1,442,343,813	\$ 1,499,994,953	\$ 1,476,681,977
Federal Aid	520,724,004	614,368,376	538,686,772	543,431,771
Restricted Receipts	47,621,163	46,769,925	47,607,476	47,345,545
Other	9,409,000	9,515,000	2,159,000	5,740,000
Total	\$ 2,018,452,386	\$ 2,112,997,114	\$ 2,088,448,201	\$ 2,073,199,293
FTE Authorization				
Administration	143.1	143.1	150.1	147.1
Davies	123.0	123.0	123.0	123.0
School for the Deaf	60.0	60.0	61.0	60.0
Total Authorized Positions	326.1	326.1	334.1	330.1

Summary. The Council on Elementary and Secondary Education requests \$2,088.4 million from all sources of funds, including \$1,500.0 million from general revenues. The request is \$70.0 million more than enacted from all sources, including \$59.3 million more from general revenues. The staffing request includes 334.1 full-time equivalent positions, 8.0 more positions than enacted. The Department also submitted a constrained request that totals \$1,419.3 million from general revenues, which is \$80.7 million less than the unconstrained request. As of the pay period ending December 3, 2022, the Department has 13.1 positions vacant, including 8.0 at Davies and 2.0 at the School for the Deaf. The Department indicates

that more than a dozen positions in its administrative program are currently limited to federal grants, many of which will expire in 2023.

The Governor recommends \$2,073.2 million from all sources, which is \$54.7 million more than enacted and \$15.2 million less than requested. General revenues total \$1,476.7 million, which is \$36.0 million more than enacted and \$23.3 million less than requested. He recommends 330.1 full-time equivalent positions, 4.0 more than enacted for the Department’s administration.

The Governor recommends several proposals to amend the current law funding formula calculation. He also proposes language in Article 1 to provide \$8.5 million for a one-time supplemental transition fund to assist districts with aid declines from enrollment losses or other demographic changes, equal to half of the adjusted aid loss.

Target Issues. The Budget Office provided the Department with a general revenue target of \$1,417.2 million. The amount includes a reduction for current service adjustments of \$21.8 million and a 5.0 percent target reduction, adjusted for certain exclusions, of \$1.7 million.

The constrained budget submitted by the agency is \$2.1 million more than the target, which largely reflects less growth in school housing aid than anticipated by the Budget Office. The Department does not include proposals for specific reductions in its constrained budget request. Rather, it excludes new initiatives and proposes a 5.0 percent across-the-board reduction and no prioritization of specific program adjustments.

The Governor’s recommendation is \$59.5 million above the target.

FY 2024 Budget	Budget Office	Elementary and Secondary Ed.	Difference
FY 2023 Enacted	\$ 1,440,698,219	\$ 1,440,698,219	\$ -
Current Service Adjustments	(21,823,003)	(10,845,563)	10,977,440
New Initiatives	-	70,142,297	70,142,297
Change to FY 2023 Enacted	\$ (21,823,003)	\$ 59,296,734	\$ 81,119,737
FY 2024 Current Service/ Unconstrained Request	\$ 1,418,875,216	\$ 1,499,994,953	\$ 81,119,737
Target Reduction/Initiatives	(1,674,064)	(80,710,749)	(79,036,685)
FY 2024 Constrained Target/Request	\$ 1,417,201,152	\$ 1,419,284,204	\$ 2,083,052
<i>Change to FY 2023 Enacted</i>	<i>\$ (23,497,067)</i>	<i>\$ (21,414,015)</i>	<i>\$ 2,083,052</i>

Education Stabilization Funds

In response to the coronavirus emergency, Congress authorized a total of \$190.3 billion for emergency relief to elementary and secondary schools through three separate acts. All funds were awarded to states in proportion to the distribution of Title I-A formula grants, of which at least 90 percent must be distributed to local education agencies, including charter and state schools. The state first received \$46.4 million through the CARES Act, of which \$41.7 million was distributed through the funding formula in FY 2020. The state was subsequently awarded \$184.8 million and \$415.1 million through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act, respectively.

The following table shows education stabilization funding spent in FY 2022, the enacted budget, and revised and FY 2024 requests. It should be noted that the request inadvertently overstates the availability of actual resources by \$78.7 million; if FY 2023 expenses are consistent with the revised request, actual funding available for FY 2024 would be less than requested. Funding for Central Falls and the state schools are included in the following table, but discussed separately in this analysis.

Elementary & Secondary School Emergency Relief Funds					
	FY 2022	FY 2022	FY 2023	FY 2023	FY 2024
	Final	Spent	Enacted	Revised	Request/Gov.*
Aid to Districts	\$ 45.6	\$ 88.5	\$ 225.8	\$ 275.8	\$ 254.8
<i>State Schools</i>	1.2	0.1	5.5	4.2	5.3
<i>Central Falls</i>	1.0	0.0	20.8	10.0	10.9
<i>All Other Districts</i>	43.5	88.4	199.5	261.6	238.6
Discretionary Funds	5.0	6.2	38.6	33.6	21.2
Total	\$ 50.7	\$ 94.7	\$ 264.5	\$ 309.4	\$ 276.0

*\$ in millions; excludes CARES Act funding, *overstated by \$78.7 million*

Education Stabilization - District Funds. The Council requests authorization to spend \$238.6 million from federal Elementary and Secondary School Emergency Relief funds for direct aid to districts, excluding Central Falls and the state schools, discussed separately. Combined with the revised request of \$261.6 million and actual FY 2022 expenses of \$88.4 million, the request inadvertently overstates available resources by \$78.7 million. If FY 2023 expenses are consistent with the revised request, actual funding available for FY 2024 would be less than requested. *The Governor recommends funding as requested.*

Education Stabilization - Discretionary Funds. The Council requests authorization to spend \$21.2 million from Elementary and Secondary School Emergency Relief funds set aside to be used and/or distributed by the Department. The request is \$17.7 million less than enacted and reflects use of remaining federal funds for FY 2024. Of the state’s total awards, 1.0 percent may be set aside by the Department, of which only 0.5 percent may be used for administrative expenses. Of the Department’s share, at least 20.0 percent of funds must be used to address learning loss. The following table shows the planned use of discretionary funds. *The Governor recommends funding as requested.*

Initiative	Amount
Supporting Low Performing Schools	\$ 23.9
Strengthen Core Instruction	6.9
Personalized Student Supports	2.5
Community Engagement & Supports	1.1
Expand Learning Time	9.4
Educator Pipeline & Supports	1.4
Early Childhood	0.1
Secondary Schools	0.8
Department Administration & IT	4.2
Total	\$ 50.2

\$ in millions

Education Aid. The Council requests \$1,078.0 million for state aid to local school districts, excluding the Central Falls School District and the state schools. The formula requires that the core instruction amount be updated annually. Using the next year of available National Center for Education Statistics data, the core instruction amount increases from \$11,050 to \$11,876 per pupil, an \$826 or 7.5 percent increase per pupil. The request is \$56.9 million more than the enacted level and \$55.3 million more than Budget Office current service estimates; it uses March 2022 enrollment data and includes several proposals to amend the calculation of education aid.

The 2022 Assembly enacted legislation requiring the Department to develop measures for the collection of student poverty data that do not rely on school nutrition program participation. The new measurement would be implemented beginning with the calculation of FY 2024 funding formula aid. Under current law, “poverty status” for the purpose of calculating funding formula aid is defined as students whose family

income is at or below 185.0 percent of the federal poverty level. The Council’s request assumes use of direct certifications, or students categorically eligible for free and reduced-price lunch because they receive a means tested benefit, multiplied by a factor of 1.6. This data would also be used in the annual calculation of state share ratios.

The new poverty measure impacts local education agencies differently, with some getting more funding than in FY 2023 and others receiving less because it is a relative measure. To help offset this impact, the Council proposes a new factor for homeless students, equivalent to 25.0 percent of the per pupil core instruction amount, as well as to increase the student success factor amount from 40.0 percent of the core instruction amount to 42.0 percent. It also proposes a data stabilization fund to hold local education agencies harmless from receiving less funding as a result of the poverty identifier change, and a one-time supplemental transition fund to hold remaining losses harmless compared to the prior year.

Funding Formula	Amount
FY 2023 Enacted	\$ 1,021,101,056
Current Law Update	12,261,712
Poverty Factor of 1.6 times Direct Certifications	(7,019,393)
Poverty Factor Impact to State Share Ratio	10,018,428
New Homeless Student Factor	2,329,340
Data Stabilization Fund	4,384,627
Supplemental Transition Fund	25,703,399
Increase Student Success Factor from 40% to 42%	9,173,351
FY 2024 Request	\$ 1,077,952,521

The Department’s constrained request is \$55.3 million less than the unconstrained request, which funds education formula aid at the current service level.

The Governor’s recommendation is \$41.5 million more than enacted. It includes several proposals to amend the current law calculation of funding formula aid including use of direct certifications multiplied by a factor of 1.6 as a new measure for student poverty data, a new factor for homeless students, and an increase in the student success factor amount to 42.0 percent as proposed by the Department. He also recommends a one-time supplemental transition fund to assist districts with aid declines from enrollment losses or other demographic changes and a new public schools of choice transition fund that would provide two years of funding to districts experiencing enrollment losses from students moving to charter schools.

Group Home Aid. The Council requests \$2.3 million to fund beds for communities hosting group homes, consistent with the enacted budget. The request deducts the impact of group home beds from the education funding data which results in a decrease in funding. The reduction is shown in the group home aid total rather than the formula aid total. The 2007 Assembly made statutory changes to align the payment of communities’ group home aid to reflect more closely the actual number of group home beds open at the time of the budget. The legislation uses the count of beds that are open as of December 31 for the budget year’s aid. The request assumes a bed count of 238, consistent with the enacted budget. *The Governor recommends \$0.4 million less than enacted based on a December 31 bed count of 212.*

Central Falls School District. The Council requests \$61.0 million from all sources to support the Central Falls School District for FY 2024, including \$50.2 million from general revenues and \$10.9 million from federal education stabilization funds. From general revenues, the request is \$1.2 million more than enacted including funding formula aid and an allocation of stabilization funds. The formula includes a stabilization fund to provide additional support to the Central Falls School District until the city can begin paying its local share. The state has borne the full cost of the school district since FY 1993; the stabilization fund essentially reflects the local share of education expenses, including local tuition payments to schools of choice. The

request includes \$11.0 million of stabilization funding, which is \$0.9 million more than enacted for FY 2023. The additional funding reflects rising personnel expenditures and tuition to charter schools.

The 2022 Assembly enacted legislation requiring the Department to develop measures for the collection of student poverty data that do not rely on school nutrition program participation. The new measurement would be implemented beginning with the calculation of FY 2024 funding formula aid. Under current law, “poverty status” for the purpose of calculating funding formula aid is defined as students whose family income is at or below 185.0 percent of the federal poverty level. For Central Falls, the Council’s request uses a poverty factor tied to the American Community Survey and represents the percentage of students living in neighborhoods with family income below 185.0 percent of poverty; for the most recent year of data, this is 91.0 percent. This data would also be used in the calculation of state share ratios.

The new poverty measure impacts local education agencies differently, with some getting more funding than in FY 2023 and others receiving less. To offset this impact, the Council proposes a new factor for homeless students, equivalent to 25.0 percent of the per pupil core instruction amount, as well as to increase the student success factor amount from 40.0 percent of the core instruction amount to 42.0 percent. It also proposes a data stabilization fund to hold local education agencies harmless that would receive less funding as a result of the poverty identifier change, and a one-time supplemental transition fund to hold remaining losses harmless compared to the prior year. *The Governor recommends funding as requested, including a separate calculation of poverty from other districts.*

Metropolitan Career and Technical School. The Council requests \$13.9 million from all sources for the Metropolitan Career and Technical School. This is \$2,153 more than enacted from all sources, including \$1.4 million more from general revenues offset by a similar amount of federal funds. From general revenues, the request reflects the impact of several funding formula proposals and \$1.1 million for stabilization funds. Adjustments include a new data source for the poverty measure based on direct certifications for free and reduced-price lunch, a new factor for homeless students equivalent to 25.0 percent of the per pupil core instruction amount, as well as an increase in the student success factor amount from 40.0 percent of the core instruction amount to 42.0 percent. The Met School is funded pursuant to the funding formula with the state paying its share for each student and the sending districts contributing a local share. The 2016 Assembly enacted a stabilization fund for state schools in order to mitigate some of the losses from the implementation of the funding formula.

The request also includes \$2.7 million from federal education stabilization funds for FY 2024, \$1.4 million less than enacted. This reflects remaining education stabilization funds authorized under the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act.

The constrained request would provide the current service level of general revenue support, or \$1.0 million less than requested. *The Governor recommends \$49,425 less than requested, which appears to be the value of additional funding the Met will receive from English language learner categorical funds.*

Career and Technical Education Categorical Funding. The Council requests \$6.0 million for career and technical education categorical funding for FY 2024, \$1.5 million more than enacted. The funding formula allows for additional resources from the state to districts for high-cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. Funding is used to help transform existing programs or create new programs and to help offset costs associated with facilities, equipment maintenance and repairs and supplies. The Department developed criteria for the purpose of allocating funds provided by the Assembly each year and prorates the funds available for distribution among those eligible school districts if the total approved costs for which districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year. For FY 2022, 33 schools and districts received career and technical categorical funding.

Funds are distributed in two priority areas: offset funding to diminish the financial costs incurred by districts that offer career and technical education, and support to schools starting up new career and technical education programming. Funding for this category was intended to grow over the course of the ten-year formula phase-in period; however, it has been level funded at \$4.5 million since FY 2017.

The constrained request excludes the additional funding. *The Governor recommends funding at the enacted level.*

Early Childhood Categorical Funding. The Council requests \$21.6 million from general revenues for early childhood categorical funding as part of the education funding formula. The funding formula allows for additional resources from the state to districts for high-cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. Funding is used to increase access to voluntary, free, high-quality prekindergarten programs. Consistent with current service estimates, the request is \$6.7 million more than enacted to replace expiring federal funds that have supported the program since FY 2021.

Beginning in FY 2020, the Department piloted a new “braided” formula model, whereby new classrooms were opened with some seats funded by federal Head Start grants and others by state funds. By leveraging Head Start funds, the program expanded to a total of 78 classrooms and 1,420 students in FY 2020. This is an increase of 340 seats over FY 2019, 223 of which were funded completely from general revenues and the remainder were funded from both state and federal sources. With the addition of new preschool development federal funds and federal funds authorized in response to the public health emergency, the program expanded to 2,364 students across 127 classrooms beginning in FY 2022. This is an increase of 516 seats and 27 classrooms over FY 2021.

The Governor recommends \$8.3 million more than enacted and \$1.6 million more than requested. This includes \$6.7 million to replace expiring federal funds to maintain 800 seats and \$1.3 million to prepare an additional 35 classrooms in FY 2025. The out-year estimates included with the Governor’s recommended budget include \$31.5 million for FY 2025 and beyond, which includes \$6.7 million to maintain the backfill of federal funds and \$10.0 million for the expansion of classrooms. It assumes no growth past that. The recommendation also includes \$0.3 million in the Department’s administrative budget to develop a new lottery system application platform.

High Cost Special Education. The Council requests \$12.3 million for high-cost special education students as part of the education funding formula, which is \$7.8 million more than enacted and would fully fund this category of aid based on expenses used for the distribution of FY 2023 aid. The formula allows for additional resources for specific purposes. The state assumes the costs related to 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 Department prorates the funds available for distribution among those eligible school districts if the total approved costs for which districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year.

The constrained request excludes the additional funding. *The Governor recommends \$5.3 million more than enacted to fully fund this category.*

Non-Public School Transportation Categorical Funding. The Council requests \$6.1 million for non-public school transportation categorical funding, \$2.6 million more than enacted and would fully fund this category of aid based on expenses used for the distribution of FY 2023 aid. The funding formula allows for additional resources from the state for specific purposes. The state assumes the costs of non-public out-of-district transportation for those districts participating in the statewide transportation system. The Department prorates the funds available for distribution among those eligible school districts if the total

approved costs for which districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year.

The constrained request excludes the additional funding. *The Governor recommends funding at the enacted level.*

Regional School District Transportation Categorical Funding. The Council requests the enacted amount of \$5.8 million from general revenues to fully fund the regional school district transportation category of education aid. This is based on expenses used for the distribution of FY 2023 aid; updated data will be available in December and the cost to fully fund this category may change. The funding formula allows for additional resources from the state for specific purposes. The state provides funding to mitigate the excess costs associated with transporting students within regional school districts. The state and regional school districts share equally the student transportation costs net any federal sources of revenue for these expenditures. The Department prorates the funds available for distribution among those eligible school districts if the total approved costs for which districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year. *The Governor recommends \$1.4 million more than enacted to fully fund this aid.*

English Language Learners Categorical Funding. The Council requests \$12.8 million for English language learner categorical funding, which is \$7.8 million more than enacted to fully fund this category of education aid. Funding supports English language learners that are in the most intensive programs. The calculation is ten percent of the core instruction amount, adjusted for the state share ratio, for students based on criteria determined by the Commissioner, prorated to the funds available for distribution.

The constrained request excludes the additional funding. *The Governor recommends funding as requested to fully fund this aid.*

Density Aid. The Council requests the enacted level of \$520,500 from general revenues for school of choice density aid. The 2021 Assembly enacted legislation to provide aid to traditional school districts with at least 5.0 percent of resident students enrolled in schools of choice, including charter schools, Davies and the Met. Eligible districts receive \$500 per pupil for any new students enrolling in new and expanding charter schools. The Department estimates 1,038 new charter seats will be open in FY 2024, though distribution by community will be available with the March 2023 funding formula data update. Based on this estimate, funding for school of choice density aid would be \$479,500 for FY 2024.

The Governor recommends discontinuing this category of aid, and in its place, he recommends a new public schools of choice transition fund and includes \$7.9 million. This component of the formula calculation would provide funding to districts equal to 60.0 percent of the per-pupil funding lost in the first year and 30.0 percent in the second year. This would not include students moving to Davies or the Met.

School Housing Aid. The Council requests \$103.5 million from general revenues for school housing aid. This is \$35.1 million less than the enacted budget, which excludes a one-time \$50.0 million appropriation for the School Building Authority Capital fund offset by \$14.9 million more for traditional housing aid. This is consistent with Budget Office current service estimates; however, out-year estimates submitted with the Governor's FY 2023 budget recommendation assumed total housing aid expenditures of \$97.7 million for FY 2024.

On the November 2018 ballot, voters approved \$250.0 million from general obligation bonds to be used to support the traditional housing aid program. By approving the ballot measure, voters also approved several temporary incentives that can increase the state's share of local districts' new construction and renovation projects. Districts may be eligible for share ratio increases of up to 20.0 percent for projects that address health and safety deficiencies, specific subject areas, replacing facilities, and consolidating facilities. A

second \$250.0 million general obligation bond approved by the voters on the November 2022 ballot will be distributed as upfront funding for new approved projects.

Future expenses for the traditional program are expected to continue increasing beyond the annual appropriation of \$80.0 million and the FY 2024 request as more districts pursue school housing projects and are temporarily eligible for state share ratio increases. As shown in the table below, approvals averaged \$121.7 million annually prior to FY 2018. Approvals have grown dramatically since, reaching \$864.0 million approved in FY 2022. As of December 16, 2022, the School Building Authority projects a total of \$954.0 million of traditional school housing aid approvals for FY 2023, including \$332.0 million to be put before the Council in December and \$622.0 million projected for May. The Authority’s out-year estimates for school housing aid assume annual project approvals of \$325.0 million beginning in FY 2024, adjusted for inflation. *The Governor recommends funding essentially as requested.*

SBA Approvals	
Approval Period	Amount
FY 1999 to FY 2017 (Avg.)	\$ 121.7
FY 2018	\$ 283.4
FY 2019	\$ 383.0
FY 2020	\$ 629.5
FY 2021	\$ 143.5
FY 2022	\$ 864.0
FY 2023 Projected	\$ 706.0
FY 2024 Projected	\$ 1,145.0

\$ in millions

Teacher Retirement. The Council requests \$132.7 million to fund the state’s share of the employer contribution for teacher retirement costs. This is \$1.9 million more than enacted based on FY 2022 actual wages and 2.5 percent growth in teacher payroll. The request is \$150,588 more than current service estimates. Teachers contribute 8.75 percent of their salary, which is set in the General Laws. Employers pay the difference between the teacher’s share and the amount needed to support the system as determined annually by the State Employees’ Retirement System. The state pays 40.0 percent of the employer’s share. *The Governor recommends funding as requested.*

Education Telecommunication Access Fund. The Council requests \$1.4 million, including \$0.4 million from general revenues and \$0.9 million from restricted receipts, to fund the education telecommunications access fund and related salaries and benefits for FY 2024. This is \$2,765 more than enacted from restricted receipts based on projected contract expenses, and includes the enacted amount from general revenues. The Department estimates it will collect \$0.8 million from the monthly surcharge levied upon each residence and business telephone access line, consistent with the revised request.

The telecommunications education access fund is designed to provide financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the internet. This fund is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line, supported by general revenues when surcharge revenues are insufficient. The federal allocation varies based on the result of the local education agencies’ technology surveys and applications and the number of students eligible for free and reduced-price lunches. *The Governor recommends funding as requested.*

School Breakfast. The Council requests the enacted level of \$270,000 from general revenues for the administrative cost reimbursement to districts for the school breakfast program. State law mandates that all public schools provide a breakfast program and costs, other than transportation, associated with this

program in excess of federal money for the meals shall be borne exclusively by the state, subject to appropriation. *The Governor recommends funding as requested.*

Textbook Reimbursement. The Council requests the enacted level of \$240,000 from general revenues for the textbook loan program. The state currently reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade. In FY 2022, final program expenditures were \$25,571. *The Governor recommends funding as requested.*

Statewide Student Transportation. The Council requests \$35.5 million from restricted receipts for the statewide transportation system, which is \$0.3 million less than enacted. Restricted receipts are collected from districts for transportation expenditures, less aid provided through the transportation categorical fund. The request reflects anticipated utilization by local education agencies for out-of-district transportation for students attending charter schools, vocational schools, and special education programs. Total projected expenditures are similar to pre-pandemic levels, but local transportation could be impacted by ongoing staffing shortages among transportation providers.

The 2009 Assembly adopted legislation mandating the use of a statewide transportation system for special needs students and the eventual implementation of the transportation system for all students; this has been implemented for special needs students and for out-of-district transportation. Districts reimburse the state for its share of the cost, offsetting this expenditure. All transportation services fees from the statewide system are paid into a restricted receipt account, created by the 2010 Assembly. The legislation allows the Commissioner of Elementary and Secondary Education to grant a variance to the requirement for the purchase of transportation services through the statewide transportation system for non-public and non-shared routes if an alternative system is more cost effective. The Department indicated that some districts are able to transport their non-public students at a cheaper cost than through the statewide system. *The Governor recommends funding as requested.*

Providence Public Schools Oversight. The Council's request does not include funding for assistance with oversight of the Providence Public School District. In May 2019, the Commissioner of Elementary and Secondary Education first announced the state's intent to temporarily invoke its authority over the school district under the Paul W. Crowley Rhode Island Student Investment Initiative, also referred to as the Crowley Act. This was finalized in October 2019. While the city remains financially responsible for the school district, the Department will review and improve teaching and operating practices, including teacher professional development, curriculum, hiring, and janitorial contracts, among others.

It should be noted that the Council's original FY 2021 budget request included \$75,000 from general revenues for contracted legal services related to its oversight of the school district; however, the Governor did not recommend the funding. While the Department is supporting the implementation of the district's Turnaround Action Plan, it reported that no staff are assigned specifically to this effort, and it has not incurred related expenses. Rather, leadership and staff from various program areas support the district when needed, such as with English language instruction support or realigning its capital plan. *The Governor recommends funding as requested.*

Recovery High Schools. The Council requests the enacted amount of \$0.5 million from general revenues to continue to support the state's recovery high school. Recovery high schools are specifically designed for students recovering from a substance abuse disorder. *The Governor recommends funding as requested.*

Advanced Placement Tests. The Council requests \$0.4 million from general revenues to provide advanced placement tests to low-income students for free. The 2021 Assembly enacted legislation establishing the fee waiver program. While consistent with the enacted budget, the request is \$0.3 million more than actual FY 2022 expenses. Based on the current cost of \$97 per standard advanced placement test and fee waiver

of \$33, the request would support nearly 6,250 tests. The Department signed a memorandum of agreement with the College Board to pay for all low-income student test waivers in June 2022 and is working to increase awareness about advanced placement test offerings. *The Governor recommends funding as requested.*

All Course Network (1.0 FTE). The Council requests \$3.5 million from all sources to support the all course network, formerly called the advanced coursework network, \$0.9 million more than enacted. This includes the enacted level of \$0.3 million from permanent school funds and \$0.7 million from general revenues, which is \$0.6 million more than enacted. It also includes \$2.4 million from federal Rethink K-12 Education grant funds, \$0.3 million more than enacted. From general revenues the request includes funding and authorization for a new position to coordinate and manage the program and \$0.3 million to backfill federal funds expiring in FY 2024. The request also includes \$0.2 million to support ongoing expenses of the EnrollRI online platform, which supports the network as well as charter public school applications and school finder. The platform was also launched and supported by expiring federal funds.

All Rhode Island schools participate in the all course network, with courses offered by 24 provider organizations in FY 2023. Provider organizations include other school districts, non-profits, and postsecondary institutions. Courses include advanced science and mathematics courses as well as Advanced Placement, world language, career-focused, and other Prepare RI courses that offer high school and postsecondary credit (i.e., dual or concurrent enrollment). The network covers costs associated with student tuition, fees, exams, textbooks, and other costs that students may incur while participating in the network. It should be noted that the enacted budget includes \$2.3 million for the dual and concurrent enrollment program through the Office of Postsecondary Commissioner.

The constrained request excludes the additional general revenues and position. *The Governor recommends the funding and position.*

Multilingual Learner Support (1.0 FTE). The Council requests \$0.1 million from general revenues and authorization for a new full-time equivalent position to support multilingual learner education. The administrative position would help improve educational outcomes by providing training for educators. The Council's constrained request excludes the requested funding and authorization.

In a supplemental budget request submitted November 21, 2022, the Council requests an additional \$2.0 million from general revenues for grants to local education agencies to support the implementation of research-based teaching models for multilingual learners. The funding would be used to target high need areas in high need districts, specifically to certify more English as a Second Language, bi-lingual, and dual lingual teachers, train general education teachers to support multilingual learners in integrated instructional classrooms, and train school administrators to administer high quality programs. Combined with the English language learner category of education aid, the Council's amended request includes a total of \$14.8 million from general revenues for local education agencies to support multilingual learners specifically.

The constrained request excludes the funding and position. *The Governor recommends the funding and position.*

Transformation Specialist (1.0 FTE). The Council requests \$155,909 from general revenues and authorization for a new full-time equivalent transformation specialist. This position would support the transformation of the states' persistently lowest-achieving schools through direct interaction, engagement, strategic planning, and collaboration with districts to address the specific causes of the academic underperformance of these schools. It would also investigate and recommend service providers and consultants and work with districts to support academic achievement.

The Council's constrained request excludes the requested funding and authorization. *The Governor recommends the funding and position.*

Assessment Specialist and Support (1.0 FTE). The Council requests \$0.5 million from general revenues for data analysis and support specifically for state assessments, including English language arts for grades three through eight and high school grades, the alternative assessment, and state science exams. The request includes \$0.1 million and authorization for a new full-time equivalent data analysis position and \$0.4 million for professional development. The position would assist with cleaning data files and analysis of state assessment data, as well as coordinating professional development activities. A vendor would be contracted to provide professional development for local education agencies on how to understand and use assessment data for strategic planning and improving student achievement.

The Council's constrained request excludes the requested funding and authorization. *The Governor recommends the funding and position.*

Curriculum Specialist and Support (1.0 FTE). The Council requests \$0.5 million from general revenues to support selection and implementation of high-quality curriculum in kindergarten through grade 12. The request includes \$0.1 million and authorization for a new full-time equivalent curriculum specialist and \$0.4 million for professional development. The position would support coordination and direct supports to local education agencies, as well as partnerships with specific curriculum providers. Meanwhile, curriculum specific professional learning would be provided through traditional workshops and coaching for implementation.

The Council's constrained request excludes the requested funding and authorization. *The Governor does not recommend the funding or position.*

Network Systems Administrator (1.0 FTE). The Council requests \$133,907 from general revenues and authorization for a new full-time equivalent network systems administrator. The position would support the installation and maintenance of new technologies and systems while supporting staff and administrators who rely on their use. It would also support the configuration and maintenance of the Microsoft cloud based platform. The Department currently has one staff member who can configure and maintain its information technology infrastructure and contracts with Knowledge Services for additional support. If the position were approved, that contract would no longer be needed.

The Council's constrained request excludes the requested funding and authorization. *The Governor does not recommend the funding or position.*

Finance Specialist (1.0 FTE). The Council requests \$155,909 from restricted receipts and authorization for a new full-time equivalent finance specialist. The position would provide additional support to the Department's ongoing fiscal functions. In doing so, existing finance staff could support functions related to the state funding formula and allocating federal funds. The funding formula and federal funds allocation are each currently managed by one employee. Without additional staff to support these functions, the Department believes it would be at risk if either employee left the agency.

The constrained request excludes the funding and authorization. *The Governor does not recommend the funding or position.*

Teacher Development Grants. The Council requests \$500,000 from general revenues to pilot a Grow Your Own teacher program to recruit and prepare new teachers. Funding would be distributed as grants to local education agencies to identify or create curriculum, establish schedules, and work with local higher education partners to establish pathways into teacher preparation programs. The pilot program would be specifically targeted to address middle and high school teacher needs. The Department expects to issue

between five and ten grants to establish programs, which could grow into full apprenticeship models in the future.

The constrained request excludes the funding. *The Governor does not recommend funding.*

Teacher Workforce Incentive Program. The Council requests \$500,000 from general revenues to establish a teacher workforce incentive program. Funding would be used for initiatives to encourage individuals to be a teacher in Rhode Island, including financial incentives, loan forgiveness programs, and housing incentives, among other supports. While the Department still needs to establish criteria and parameters around participation, the program will provide direct financial support to qualified individuals.

The constrained request excludes the funding. *The Governor does not recommend funding.*

Administrative Support Staff (2.0 FTE). In a supplemental FY 2024 request submitted on November 21, the Council requests \$0.2 million from general revenues and authorization for two new full-time equivalent administrative assistants. As the Department has reorganized and redesigned its functions to provide more services to local agencies, it reports that changes have resulted in staffing shortages. The request does not identify which programs the new staff would support; the Department has not responded to multiple requests for additional information. *The Governor does not recommend funding.*

Child Opportunity Zones. The Council requests the enacted level of \$395,000 from general revenues to support child opportunity zones (COZ). Funding is used to strengthen education, health, and social services for students and their families as a strategy to accelerate student achievements. *The Governor recommends funding as requested.*

Hasbro Children’s Hospital School. The Council requests the enacted amount of \$90,000 from general revenues to support the hospital school at Hasbro Children’s Hospital. *The Governor recommends funding as requested.*

COVID Relief - Aid to Non-Public Schools. The Council requests \$4.2 million from federal funds awarded in response to the coronavirus emergency for non-public schools. The state received a total of \$13.4 million for non-public schools from the 2021 Consolidated Appropriations and American Rescue Plan acts. The FY 2022 final budget assumed use of all available funding, though actual expenses were only \$3.4 million. The revised request also includes \$3.5 million from this aid. *The Governor recommends funding as requested.*

Homeless Youth. The Council requests authorization to spend \$1.4 million from federal funds to support students experiencing homelessness, \$1.1 million more than enacted. The American Rescue Plan Act includes \$800.0 million to identify homeless children, provide wraparound services, and provide assistance enabling them to attend school and participate fully in school activities. Rhode Island was awarded a total of \$2.7 million; this is in addition to the state’s annual award of \$0.3 million for homeless youth. The FY 2022 final budget assumed nearly the entire \$2.7 million award, of which \$0.2 million was spent. The Council’s request carries forward \$1.1 million for each FY 2023 and FY 2024. *The Governor recommends funding as requested.*

Early Childhood Education Grants. The Council requests authorization to spend \$0.9 million from federal funds for investments in early childhood education, which is \$5.3 million less than enacted. This includes \$0.8 million from Preschool Development Grant – Birth to 5 funds which will expire in September and \$0.1 million from the Department’s annual early childhood education award. The request reflects the end of funds that were being used to support the state’s prekindergarten program. Including one-time Governor’s Emergency Education Relief and Child Care Development Block Grant funds, discussed separately, the program opened 27 new classrooms with 516 seats in September 2021. Consistent with FY

2022, a total of 127 classrooms is serving 2,364 prekindergarten students in FY 2023. The Council's FY 2024 request includes additional general revenues to maintain the current level of classrooms in lieu of federal funds, discussed separately. *The Governor recommends funding as requested.*

Literacy Development Grant. The Council requests authorization to spend \$2.5 million from federal funds to strengthen literacy programs, \$1.8 million less than enacted. In October 2019, the Department received a five-year, \$20.0 million Comprehensive Literacy State Development grant. Funding primarily supports communities and local education agencies in strengthening literacy development and instruction for children from birth through grade 12. Most funding is being distributed as grants for districts to develop and implement comprehensive literacy instruction, including professional development. *The Governor recommends funding as requested.*

Nutrition Grants. The Council requests authorization to spend \$70.4 million, or \$4.4 million more than enacted, from federal nutrition program funds, reflecting anticipated program participation and federal reimbursement. This includes \$0.8 million from school lunch program supply chain assistance grants, \$0.3 million from a new grant to purchase local food for schools, \$4.5 million more for school breakfast and lunch programs, and \$1.0 million less for the child and adult care food program, among other changes. The request is \$15.6 million less than its revised FY 2023 request, reflecting the end of pandemic-related programs and waivers that expired in September 2022. *The Governor recommends funding as requested.*

Vision Services. The Council requests the enacted level of \$0.7 million from federal special education funds for the RI Vision Services provided through the Paul V. Sherlock Center on Disabilities at Rhode Island College. The program provides teaching and consultation services to children who are blind or visually impaired, their families and educational staff within the school environment.

The most recent contract extension was set to expire on June 30, 2021; in anticipation of this, the Department published a solicitation for vendors to apply to a Master Price Agreement to provide the services. This departure from a sole provider contract meant that districts could choose to use other vendors to provide vision services to students, potentially impacting continuity of services as well as Sherlock Center staffing. Two vendors responded to the request for proposals: the Sherlock Center and the Perkins School for the Blind. However, the Assembly subsequently included proviso language in the appropriations act requiring that funds be used to support the Sherlock Center program.

On August 11, 2021, the Speaker of the House and Senate President announced the formation of the House and Senate Vision Services Task Force. The group is charged with providing recommendations for the long-term viability of the state's services for blind and visually impaired students. The task force began meeting in September 2021. *The Governor recommends funding as requested.*

Special Education Grants. The Council requests authorization to spend \$54.8 million, or \$0.3 million less than enacted, from federal special education funds to reflect the availability of carry-forward funds from prior years, including one-time funds authorized under the American Rescue Plan Act. The funds are distributed to school districts and provide administrative support. Most of the funds must be distributed to local education agencies serving children directly. Federal funds are combined with state and local funds to provide children with disabilities free, appropriate public education, including special education and related services. *The Governor recommends funding as requested.*

Title I Grants. The Council requests authorization to spend \$61.1 million from federal Title I funds. This is \$3.5 million more than enacted and \$0.5 million less than the revised request, reflecting updated anticipated awards and available carry-forward. Title I funds are passed through to local schools, where they are used to provide extra help to low-achieving students. Title I fund distributions to states are calculated through four distinct formulas based upon different levels of poverty; however, funds are allocated to districts as one amount. *The Governor recommends funding as requested.*

Vocational Education Grants. The Council requests authorization to spend \$9.5 million from federal vocational education grants, \$2.0 million more than enacted. Vocational education funds are used to improve vocational education programs statewide. The request also excludes \$40,525 from a grant to specifically support science, technology, engineering and mathematics apprenticeships for high school students, which is expiring. *The Governor recommends funding as requested.*

School Mental Health. The Council requests authorization to spend \$6.5 million from all sources to address adolescent and mental health, including \$5.9 million from federal funds and \$590,000 from general revenues. This is \$0.1 million less than enacted from federal funds. The general revenue request is consistent with the enacted level and supports mental and behavioral health training, curricula, and other materials for educators.

The request includes \$2.2 million from funding specifically for adolescent mental health and school-based services and \$0.2 million from school climate transformation funds, which are being used to expand student social, emotional and behavioral programs. FY 2019 was the first year of funding from these programs. In September 2021, the Department was awarded a \$9.0 million grant from Project AWARE, a program sponsored by the Substance Abuse and Mental Health Services Administration; this is the second grant it has received from that program. The request includes \$1.6 million from the new funding to expand a youth mental health services pilot program to Cranston and West Warwick school districts. The program pilot was first launched in 2018 in Pawtucket, Providence and Westerly; the new funding would expand services to 24,330 students in those districts. The request also includes \$1.8 million to increase awareness of mental health issues among students, provide training for school personnel to detect and respond to mental health issues, and connect service providers with students who may have behavioral health issues. *The Governor recommends funding as requested.*

ServeRI. The Council requests \$4.1 million from federal funds for the ServeRI program based on awards for program sites. In 2018, the Rhode Island Service Alliance transferred the program to the Department. The program was established by the 1994 Assembly to administer the federally funded AmeriCorps program, including AmeriCorps Vista and City Year. The enacted budget includes funding for staffing and operating costs, as well as grants to participating member sites. The request is \$0.8 million more than enacted reflecting award payment schedules. *The Governor recommends funding as requested.*

Adult Education Providers. The Council requests the \$2.0 million provided in the enacted budget from State Fiscal Recovery funds to support adult education providers. Grants are used to fund local adult education programs and literacy services, including workplace literacy services, family literacy services, English literacy, and civics education programs. The enacted budget programmed \$2.0 million for FY 2023 and \$1.5 million each for FY 2024 and FY 2025. As of January 2023, the project is going through final approval. *The Governor's recommendation includes the enacted level of \$5.0 million from State Fiscal Recovery funds for grants to adult education providers. It advances \$1.5 million from FY 2025 to FY 2024 to ensure timely obligation of funds.*

Out of School Time Education Providers. The goals of the Office of Student, Community and Academic Supports ensure that children with diverse learning needs and children receiving special education services are provided equal access to a public education and that schools develop effective strategies for meeting the needs of these unique learners.

The Governor recommends a new commitment of \$4.0 million from State Fiscal Recovery funds for FY 2024 be distributed to community organizations to expand access to out of school educational programs. The Office of Student, Community, and Academic Supports would be responsible for distributing the funding.

Adult Education Grants. The Council requests \$11.1 million for adult education grants from multiple sources, \$0.1 million more than enacted from federal funds. The request includes the enacted level of \$3.3

million from the Governor's Workforce Board and \$2.4 million from general revenues. It also includes the enacted level of \$2.0 million from federal State Fiscal Recovery funds; however, the enacted budget assumes use of \$1.5 million for adult education in each FY 2024 and FY 2025. The Department indicates that it intended to request funding consistent with the enacted budget.

The Department administers adult education grants that are used to fund local adult education programs and literacy services, including workplace literacy services, family literacy services, and English literacy and civics education programs. Participation in these programs is limited to adults and high school drop outs aged 16 and older. Approximately 6,000 students participate in these programs with about 25 percent of the program attendees for GED preparation services, half for English as a second language services, and 25 percent for low level literacy services. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Council's request includes \$24.9 million for the Department's other 143.1 administrative positions. This is \$0.7 million more than enacted, including \$0.5 million more from general revenues and \$0.2 million more from federal funds to reflect current service adjustments. As of the pay period ending December 3, 2022, the Department has two vacancies. *The Governor recommends \$0.1 million more than requested, almost entirely from general revenues.*

Shepard Building. The Council requests \$1.3 million from general revenues for expenses related to relocating the Department of Elementary and Secondary Education from the Shepard Building to another, unidentified space. The request reflects projected costs for leasing a new space and moving expenses. This reflects the Division of Asset Maintenance and Management's plan to sell the building. The Department did not have any additional details on the plan, but it appears that new office space has not yet been identified.

It should be noted that the FY 2020 enacted budget assumed general revenue savings of \$0.1 million from moving the Department from the Shepard Building into the Powers Building based on eliminating contracts for staff parking. The move did not occur, and the plan was put on hold, with no estimate of when staff would move to the Powers building. Then, in FY 2022, back office staff from the Department of Human Services relocated from its Providence field office on Elmwood Avenue to the Powers Building, specifically into the space that had previously been identified for the Department of Elementary and Secondary Education. *The Governor does not recommend funding, but does seek Assembly approval for a long term lease agreement for an unspecified location in Providence. It is silent on the timing of the move.*

Other Grants and Programming. The Council requests \$37.4 million from all sources for all other grants and programming, including \$4.6 million from general revenues. From federal funds, the request includes \$10.1 million from Title II teacher quality funds, \$7.5 million from the Every Student Succeeds Act, and \$6.2 million from 21st Century Community learning funds, all of which are passed through to local education agencies. The request is \$0.9 million less than enacted from all sources, including \$57,435 more from general revenues and \$0.1 million more from restricted receipts, offset by \$1.1 million less from federal funds. The general revenue request includes \$12,435 more for centralized information technology services consistent with Budget Office current service adjustments. The remaining \$45,000 reflects additional program and office supplies for the school improvement office. *The Governor recommends \$0.1 million less than requested, including \$0.2 million less from general revenues. The majority of this represents updated cost projections for centralized information technology services.*

Met School Capital. The Council requests \$800,000 from Rhode Island Capital Plan funds for asset protection projects at the Metropolitan Career and Technical School, consistent with the enacted budget. This is \$9.3 million less than the capital budget request, which includes \$2.0 million for asset protection projects, \$550,000 to begin replacing the roofs of the Providence campus buildings, and \$7.5 million to begin construction of a new middle school. *The Governor recommends \$1.2 million more than enacted. A detailed description of the projects is included in the Capital Budget section of this publication.*

Davies Career and Technical School

Funding Formula. The Council requests \$16.1 million from general revenues to fund the Davies Career and Technical School for FY 2024. The request is \$1.3 million more than enacted, including \$0.4 million more from funding formula aid based on several proposed changes to the calculation of aid. Adjustments include a new data source for the poverty measure based on direct certifications for free and reduced-price lunch, a new factor for homeless students equivalent to 25.0 percent of the per pupil core instruction amount, as well as an increase in the student success factor amount from 40.0 percent of the core instruction amount to 42.0 percent.

Since FY 2012, Davies has been subject to the education funding formula and its state aid is determined by the funding formula calculation just as any other local education agency would. The 2016 Assembly enacted a stabilization fund for state schools in order to mitigate some of the losses from the implementation of the funding formula. The request includes \$0.9 million more from stabilization funds reflecting increased personnel costs based on its most recent employee contract agreement and shift of personnel costs from restricted receipts to general revenues to offset the request for increased transportation costs funded from non-general revenue sources. The school previously shared the cost of transporting students from Pawtucket with the school district. That contract has since ended and Davies now bears the full cost of transporting those students and it is currently utilizing the statewide transportation system to do so.

Consistent with his revised recommendation he adds \$130,000 for updated insurance costs and \$150,000 for transportation. The \$150,000 reflects an acknowledgement of the need to either secure a different contract or renegotiate terms of the current agreement. He also adds \$35,343 for updated cost projections for state fleet costs. These increases are offset by \$0.5 million less for salaries and benefits.

Other Programming. The Council requests \$7.0 million from all sources of funding outside of the funding formula, \$0.6 million more than the enacted level. This primarily reflects \$0.5 million more from federal education stabilization funds authorized in response to the public health emergency and \$0.1 million more from annual federal awards, including Perkins and Title I funds. From restricted receipts, the request is \$30,793 more than enacted, primarily from school meal reimbursements. The request includes \$750,000 for increased transportation expenses offset by a similar reduction to salaries and benefits. *The Governor recommends \$0.4 million less than requested. He does not recommend the \$750,000 for increased transportation expenses be funded through restricted receipts and restores \$0.4 million of the reduction requested to salaries and benefits.*

Capital. The Council requests \$0.9 million from Rhode Island Capital Plan funds for capital projects at the Davies Career and Technical School. This is \$7.3 million less than funding enacted for FY 2023 primarily from the expected completion of the health career classrooms renovation project. However, the request is \$6.0 million less than the capital budget request as it excludes funding for two new projects. *The Governor recommends \$2.2 million more than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Rhode Island School for the Deaf

Restricted Receipts. The Council requests \$0.6 million from restricted receipts for the School for the Deaf, including \$0.1 million collected from school meal programs and \$0.5 million from tuition collected for some students. The request is \$14,020 more than enacted from school meal collections. The School collects tuition for all out-of-state students and those in-state students receiving services beyond the first of four levels of service. As of November, enrollment totaled 79 students, of which one is from out-of-state. Of the 78 in-state students, 48.1 percent receive services at a Level 1 for which no tuition is collected. *The Governor recommends funding as requested.*

Speech Language Pathologist (1.0 FTE). The Council requests \$0.1 million from general revenues and authorization for a new, full-time equivalent speech pathologist for the School for the Deaf, which currently employs two speech pathologists and contracts with a temporary services provider for another. The School reports that rising student enrollment has exhausted current staff's caseload capacity. Between the fall of 2015 and the winter of 2022, enrollment has increased 27.5 percent, from 62 in 2015 to 79 as of November 2022. Each student at the School has an Individualized Education Plan, and within each student's plan is a requirement for speech pathology, though the level of required services vary. The additional position would also ensure students receive all services required by their education plans. The School has annually requested this position since FY 2020, but it has not been funded. It did repurpose a vacant teacher position in FY 2022 to temporarily hire a speech language pathologist; however, this position was filled for FY 2022 only as it needed to restore the teaching position.

The constrained request excludes funding and authorization for the new position. *The Governor does not recommend the funding or position.*

Other Operations. The Council requests \$9.4 million from all sources for all other expenditures for the School for the Deaf, including \$7.7 million from general revenues. The request is \$0.3 more than enacted, including \$0.4 million more from general revenues, and shifts expenditures among funding sources. Across all funding sources, the request includes \$0.3 million more for staffing expenses reflecting current service estimates and additional funding for temporary staff based on historical spending. The request also reduces operating expenses to offset increased vendor expenses; the School utilizes vendor contracts to provide physical and occupational therapy, as well as speech language pathology services to students. The request would also fully fund approximately 59 full-time equivalent positions. As of the pay period ending November 19, the School has 58.0 positions filled. *The Governor recommends \$6,525 less than requested, almost entirely from general revenues, based on updated cost estimates for state fleet and utilities.*

Capital. The Council requests \$100,000 from Rhode Island Capital Plan funds for asset protection projects at the Rhode Island School for the Deaf, consistent with funding enacted for FY 2023. This is \$350,000 less than the enacted capital plan and the school's capital budget submission. The School subsequently indicated that it intended to request \$0.3 million for planned repairs. *The Governor recommends \$0.2 million more than enacted. A detailed description of the projects is included in the Capital Budget section of this publication.*

Public Higher Education

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Office of Postsecondary Comm.	\$ 44,366,666	\$ 44,119,892	\$ 53,019,953	\$ 56,478,323
University of Rhode Island	881,914,597	898,029,021	986,390,459	962,589,391
Rhode Island College	195,401,161	193,019,636	188,313,043	201,102,911
Community College of RI	196,274,396	186,755,035	181,608,217	179,195,602
Total	\$ 1,317,956,820	\$ 1,321,923,584	\$ 1,409,331,672	\$ 1,399,366,227
Expenditures by Category				
Salaries and Benefits	\$ 583,840,765	\$ 593,650,338	\$ 617,887,470	\$ 607,765,051
Contracted Services	34,844,851	38,512,980	44,936,477	48,359,577
Subtotal	\$ 618,685,616	\$ 632,163,318	\$ 662,823,947	\$ 656,124,628
Other State Operations	231,130,890	234,475,025	249,922,519	241,976,299
Aid to Local Units of Government	13,558,251	5,899,208	2,512,000	12,000
Assistance, Grants, and Benefits	325,784,516	315,097,927	320,632,957	325,965,451
Capital	57,399,594	52,986,656	103,668,849	88,447,649
Capital Debt Service	70,683,195	71,905,659	69,771,400	75,187,076
Operating Transfers	714,758	9,395,791	-	11,653,124
Total	\$ 1,317,956,820	\$ 1,321,923,584	\$ 1,409,331,672	\$ 1,399,366,227
Sources of Funds				
General Revenue	\$ 265,876,018	\$ 265,364,972	\$ 331,164,111	\$ 294,567,164
Federal Aid	9,823,257	11,308,746	4,015,788	16,381,833
Restricted Receipts	4,850,193	4,882,600	6,696,143	6,732,644
Other	1,037,407,352	1,040,367,266	1,067,455,630	1,081,684,586
Total	\$ 1,317,956,820	\$ 1,321,923,584	\$ 1,409,331,672	\$ 1,399,366,227
Uses of Funds				
Unrestricted Use Funds	\$ 792,713,326	\$ 800,587,641	\$ 872,603,290	\$ 850,971,581
Restricted Use Funds	525,243,494	521,335,943	536,728,382	548,394,646
Total	\$ 1,317,956,820	\$ 1,321,923,584	\$ 1,409,331,672	\$ 1,399,366,227
FTE Authorization	3,863.5	3,863.5	3,929.8	3,874.5
<i>Limited to Third Party Funds</i>	<i>523.8</i>	<i>523.8</i>	<i>523.8</i>	<i>519.8</i>
Total Authorized Positions	4,387.3	4,387.3	4,453.6	4,394.3

Summary. The 2019 Assembly created a 17-member Board of Trustees for the University of Rhode Island effective February 1, 2020. Authority for a variety of functions transferred from the Council on Postsecondary Education to the new Board, and the University was removed from the authority of the Commissioner of Postsecondary Education. All of the General Assembly's authority over the University was preserved. The University's budget is still presented with the other entities.

The governing bodies request \$1,409.3 million from all sources, including \$331.2 million from general revenues. This is \$91.4 million more than enacted from all sources, including \$65.3 million more in general revenue support, \$14.0 million more from tuition and fee revenues, \$0.6 million more from other

unrestricted sources, and \$11.6 million more from restricted sources. The request includes \$872.6 million from unrestricted use funds and \$536.8 million from restricted use funds. The unrestricted request represents 10.3 percent growth over FY 2023 revised expenditure projections; the restricted request represents 4.5 percent growth.

The Governor recommends \$1,399.4 million from all sources, which is \$81.4 million more than enacted and \$10.0 million less than requested. General revenues are \$294.6 million, which is \$28.7 million more than enacted and \$36.6 million less than requested. Excluding debt service, general revenues are \$23.8 million more than enacted and \$41.9 million less than requested.

Staffing. The FY 2024 request includes authorization for 4,453.6 full-time equivalent positions, provided that 523.8 of those positions would be limited to third-party sources. This is 66.3 more than the enacted level, including 62.3 more positions at the University and 4.0 more at the Office of Postsecondary Commissioner. The 2004 Assembly changed its treatment of research-funded positions to provide the institutions' estimates of staffing needs associated with additional research grants and other third-party funds. Article 1 separately lists the authorization for each institution and the Office of Postsecondary Commissioner and indicates how many positions are reserved for third-party funded activities. *The Governor recommends authorization for 4,394.3 full-time equivalent positions, provided that 519.8 would be limited to third-party sources. This adds 7.0 positions for the Office and includes 3.0 for the new Rhode Island Reconnect initiative, 3.0 for the Rhode Island Longitudinal System, and 1.0 new readiness and transition position. His recommendation also transfers 4.0 positions from the University to the Office for the Rhode Island Longitudinal System.*

Current Year Revisions. Historically, the analyses have begun with an adjustment for the current year. Until FY 2005, the Board had statutory authority, which did not require legislative approval, to reallocate the enacted budget based on information available to it, including changes to revenues and needs. The 2004 Assembly rescinded that authority and established separate appropriation lines for the four operations. The Assembly did not change the budget request and submission process; the law continues to require the Board of Education to review, develop and submit the higher education budget that it receives and approves from the Council on Postsecondary Education. Also, the institutions retained their authority to use additional resources they received above appropriated amounts, such as research grants and additional tuition and fees. The governing bodies continue to review and approve each institution's allocation of all current year resources and describes its requested budget year items in terms of changes to those current year allocations. So that the analysis can be in terms of the items the entities specify as requested, staff analysis starts from the allocations. *The Governor recommends \$4.0 million more than enacted from all sources, which is \$5.0 million more than requested. General revenues are \$0.5 million less than enacted and \$0.6 million less than requested, largely reflecting the reduction of Promise Scholarship funding based on the November Promise Report and updated debt service costs.*

Higher Education Funding. Expenditures in Public Higher Education increased 24.2 percent during the period FY 2014 through FY 2023, which is an average annual rate of 2.7 percent. They would grow 33.8 percent if the FY 2024 request were funded, an average annual rate of 3.3 percent. It should be noted that debt service expenditures, which had been shown in the budget of the Department of Administration from FY 2000 through FY 2006, have been shown in Higher Education's budget since FY 2007. In Rhode Island, as in many other states, expenditures and sources for public higher education are generally broken into two categories: (1) *unrestricted* budget and (2) *restricted* budget. The distinction is extremely important to the understanding of public higher education funding. *The Governor's recommendation represents 31.9 percent growth during the FY 2014 through FY 2024 period, with an average annual rate of 3.2 percent.*

Unrestricted Budget. The unrestricted budget consists of those funds that can be used for any legitimate purpose. Those purposes fall within the education and general operations of the institutions. They include

state general revenue appropriations, tuition and general fees, auxiliary indirect costs, a portion of research indirect costs, and miscellaneous revenue. The latter are the indirect costs added to research grants to reimburse the college or university for the items that must exist for research to occur, such as an accounting system, facilities, utilities, and so forth. The unrestricted budget is similar to the general revenue budget of other agencies and departments. The governing bodies' unrestricted budget includes \$872.6 million, of which \$331.2 million is from general revenues. The general revenue portion is \$65.3 million more than the FY 2023 enacted budget; other unrestricted sources, including tuition and fee revenue, increase \$14.6 million. Compared to the revised allocation, the request is \$81.1 million more including \$65.2 million more from general revenues and \$15.9 million from other unrestricted sources.

The Governor recommends \$851.0 million from unrestricted sources, which is \$58.3 million more than enacted and \$21.6 million less than requested. General revenues are \$28.7 million more than enacted and \$36.6 million less than requested. Excluding debt service, general revenues are \$23.8 million more than enacted and \$41.9 million less than requested. Other unrestricted sources, including tuition and fees, are \$15.0 million more than requested suggesting that the schools will generate more revenue than current projections or constrain spending from the request in order not to exceed available resources.

Restricted Budget. The restricted budget is comprised of what are generally thought of as restricted receipt funds or enterprise funds. They include the residence hall funds, dining funds, parking funds where they occur, and any other funds whose sources are limited to use for certain purposes. Federal funds, including sponsored research overhead, are considered restricted use; the traditional display in the Governor's budget presentation breaks them out separately. The restricted budget includes \$536.7 million for FY 2024. This is an increase of \$11.5 million to the enacted FY 2023 level. Compared to the revised allocation, the request is \$23.2 million more. The College's request unintentionally reduces restricted funds for student aid and Rhode Island Capital Plan funds, as is noted below along with the intended request. *The Governor recommends \$548.4 million from restricted sources, which is \$23.2 million more than enacted and \$11.7 million more than requested, primarily to reflect additional Rhode Island Capital Plan funds.*

Salaries and Benefits. The governing bodies request \$617.9 million for salary and benefit expenditures, of which \$493.0 million is from unrestricted sources and \$124.9 million is from restricted sources. The request represents a \$32.4 million or 7.0 percent increase from the FY 2023 enacted level from unrestricted funding, and a \$1.7 million or 1.3 percent increase from restricted funding. Compared to the institutions' FY 2023 revised projections, the unrestricted increase is \$22.0 million or 4.7 percent more and restricted funding increases by \$1.3 million or 1.1 percent. The request includes funding for 4.0 new positions, as well as additional funding to provide raises to staff members and create a new position within the current authorization for the Office. It also includes funding settled contracts and planning values for contract negotiations at all three institutions, and 62.3 new positions at the University.

The Governor recommends \$10.1 million less than requested primarily exclusive of the new positions at the University. His recommendation is \$23.9 million, or 4.1 percent more than enacted, which includes \$1.7 million for 7.0 additional positions in the Office, 4.0 of which are transferred from the University, and current service adjustments for settled contracts and pending contracts at all three institutions.

Contracted Services. The governing bodies request \$44.9 million for contracted services for FY 2024, of which \$29.3 million is from unrestricted sources and \$150.7 million is from restricted sources. This is \$10.1 million more than the enacted budget and \$6.5 million more than the FY 2023 revised allocation. Compared to the revised allocation, unrestricted sources increase \$6.2 million or 26.9 percent and restricted sources increase \$0.3 million or 2.1 percent. Of the total increase, \$4.9 million is for the Higher Education Academies proposal in the Office's request. *The Governor recommends \$3.4 million more than requested, reflecting the inclusion of State Fiscal Recovery funds for the Rhode Island Reconnect initiative.*

Operating Expenses. The governing bodies request \$249.9 million for operating expenditures for FY 2024, of which \$120.9 million is from unrestricted sources and \$129.0 million is from restricted sources. This is \$18.8 million more than the enacted budget and \$16.4 million more than the FY 2023 revised allocation. Compared to the revised allocation, unrestricted sources increase \$19.9 million or 19.7 percent, largely reflecting the University's request for its strategic initiative and inflationary increases. Restricted sources decrease \$3.5 million or 2.6 percent. *The Governor recommends \$7.9 million less than requested, which reflects the exclusion of some of the University's requested initiatives.*

Grants and Scholarships. The governing bodies request \$323.1 million for total grants and scholarships for FY 2024, a decrease of \$16.2 million or 4.8 percent to the enacted FY 2023 budget and \$2.1 million or 0.7 percent more to the revised allocation. The unrestricted budget accounts for \$179.3 million, an increase of \$19.7 million or 12.3 percent to the revised allocation. The restricted budget includes \$143.8 million, a 10.9 percent decrease of \$17.5 million from the revised allocation. Adjusting for the College's inadvertent reduction, the restricted budget would be \$149.1 million, a 10.0 percent decrease of \$16.6 million from the revised allocation.

The FY 2024 budget includes \$7.9 million for the seventh year of funding for the Rhode Island Promise Scholarship program at the Community College. The 2017 Assembly established the program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is intended to be a "last dollar scholarship," meaning that after a student exhausts all other sources of student aid, the program covers the remainder of their tuition bill. Other non-mandatory fees are not covered by this program. Recipients are required to maintain a 2.5 grade point average and must commit to remaining in Rhode Island after graduation. The program was initially authorized for four cohorts of students beginning in FY 2018 with the last cohort entering in the fall of 2020. The Assembly extended the program one year in 2020 and removed the sunset in 2021.

Total scholarships, grants, waivers, and other aid from the three institutions would provide aid equal to 29.7 percent of the tuition and mandatory fees based on the current service budget. Revised FY 2023 estimates are 30.2 percent. External student aid also includes the Ford Direct Student Loan and Parent Loan programs at the University. *The Governor recommends \$5.3 million more than requested reflecting the inclusion of \$2.5 million for the Fresh Start Scholarships in the Office and the accompanying \$2.5 million in institutional funding at the Community College, which appears to double count funding. It is unclear why the Fresh Start Scholarship program is being treated differently than the Promise Scholarship program, where funding only appears in the Office's budget. His recommendation also includes \$0.7 million more for the Promise Scholarship program based on the November report.*

Capital. The governing bodies request \$103.7 million in total expenditures for capital outlays and improvements for FY 2024. Adjusting for the College's inadvertent reduction, the restricted budget would be \$113.7 million for capital outlays and improvements, including \$112.1 million from Rhode Island Capital Plan funds, of which \$23.9 million is for asset protection. *The Governor recommends \$30.8 million more than enacted and \$15.2 million less than requested, which reflects the Governor recommending Rhode Island Capital Plan funds as an operating transfer for the Community College's asset protection, Renovation and Modernization Phase I, and Knight Campus Laboratory Renovation projects. It is not clear why this funding is being treated differently from past years. A detailed description of the projects is included in the Capital Budget section of this publication.*

Debt Service. The governing bodies request \$69.8 million for total debt service expenses for FY 2024. Of this total, \$49.1 million is unrestricted and is \$1.2 million more than the revised allocation and \$2.1 million more than enacted. General revenues are used to support general obligation bond debt service. *The Governor recommends \$4.5 million more than enacted, including \$4.9 million more from general revenues, for general obligation bond debt service based on updated estimates.*

Operating Transfers. Operating Transfers are transfers between different funds and to component units of state government. They also represent transfers within state agencies from funds distinct from the General Fund. An example is transfers from the Department of Labor and Training to the three Rhode Island institutions of higher education. These transfers double count expenditures that appear elsewhere in this budget or in other state agencies. There are typically no expenditures from this category in this budget. *The Governor's budget shows \$11.7 million from Rhode Island Capital Plan funds for capital projects at the Community College as operating transfers. It is not clear why this funding is being treated differently from past years.*

Enrollment. FY 2024 enrollment would be 27,202 full-time equivalent students, which is 1.8 percent more than the enacted FY 2023 level and 359 or 1.3 percent fewer than the revised estimates. Compared to FY 2023 revised estimates, the FY 2024 estimates for the University are 8 or 0.1 percent less and 76 or 0.5 percent more than the enacted assumptions. The estimates for the College are 239 or 4.8 percent less than the enacted assumption and 351 or 6.9 percent less than the revised estimate. The estimates for the Community College are 639 or 8.9 percent more than the enacted estimate and are consistent with the revised estimates. *The Governor's recommendation appears to reflect the governing bodies' projections.*

Tuition and Fees. The FY 2024 request includes \$506.1 million from tuition and fees. This represents a \$14.0 million increase in revenues compared to the FY 2023 enacted level, and is \$16.5 million or 3.4 percent more than the revised allocation. The Council approved tuition rates for FY 2024 for the College and Community College at its November 2022 meeting. These include mandatory fee increases of \$20 for the College and holding tuition at the enacted rate. For the Community College, tuition and fee increases of 4.6 percent for in-state students and 4.9 percent for out-of-state students compared to rates actually charged during FY 2023.

The Board of Trustees approved tuition rates for the University for FY 2024 at its November 2022 meeting. These include tuition and mandatory fee increases of 3.3 percent for in-state and 4.2 percent for out-of-state undergraduates. The University, College, and Community College indicated that tuition rate increases would be required to offset the general revenue reduction contained in the constrained budget instead of making expenditure reductions. The governing bodies would have to approve new rates consistent with the constrained request. *The Governor's budget assumes tuition and mandatory fee increases consistent with the governing bodies approved rates but also includes \$15.0 million more than requested from tuition and fees or other unrestricted sources, suggesting that the schools will generate more revenue than current projections or constrain spending from the request in order not to exceed available resources.*

Office of Postsecondary Commissioner

Office of Postsecondary Commissioner	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 3,837,641	\$ 3,776,547	\$ 4,531,030	\$ 5,535,152
Contracted Services	2,003,790	2,100,182	8,236,002	11,659,352
Subtotal	\$ 5,841,431	\$ 5,876,729	\$ 12,767,032	\$ 17,194,504
Other State Operating	10,373,092	10,309,378	12,195,628	10,646,325
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	23,960,643	22,978,629	23,775,543	26,928,744
Capital	3,023,500	3,787,156	3,114,500	541,500
Capital Debt Service	1,168,000	1,168,000	1,167,250	1,167,250
Operating Transfers	-	-	-	-
Total	\$ 44,366,666	\$ 44,119,892	\$ 53,019,953	\$ 56,478,323
Sources of Funds				
General Revenue	\$ 18,597,940	\$ 17,580,694	\$ 37,751,703	\$ 28,102,355
Tuition and Fees	2,891,398	2,857,406	2,894,691	2,894,863
Other Unrestricted	-	-	-	-
Total Unrestricted	\$ 21,489,338	\$ 20,438,100	\$ 40,646,394	\$ 30,997,218
Restricted	22,877,328	23,681,792	12,373,559	25,481,105
All Sources	\$ 44,366,666	\$ 44,119,892	\$ 53,019,953	\$ 56,478,323
FTE Authorizations	33.0	33.0	37.0	44.0
<i>Third-Party Funded Positions</i>	1.0	1.0	1.0	1.0
Total Positions	34.0	34.0	38.0	45.0

Summary. The Council requests \$53.0 million from all sources and 38.0 full-time equivalent positions for the Office of Postsecondary Commissioner for FY 2024 including \$37.8 million from general revenues, \$4.0 million from federal funds, and \$8.4 million from other restricted sources. This is \$8.7 million more than enacted, including \$19.2 million more from general revenues. The staffing request reflects 3.0 new positions for the Commissioner’s Office and 1.0 new position for the Westerly Education Center. *The Governor recommends \$56.5 million, which is \$12.1 million more than enacted and \$3.5 million more than requested. General revenues are \$9.5 million more than enacted and \$9.7 million less than requested. The Governor recommends 45.0 full-time equivalent positions, 11.0 more than enacted of which 4 are transferred from the University.*

Staffing. The Office requests authorization for 38.0 full-time equivalent positions, 4.0 more than the authorized level. This includes \$0.3 million for 3.0 new positions for the Commissioner’s Office for the requested new Higher Education Academies initiative. The remaining position is for the Woonsocket Education Center, which includes \$0.1 million for 1.0 new facilities coordinator. The 2022 Assembly increased the Council’s staffing authorization by 1.0 position for the Northern Rhode Island Higher Education Center. Since FY 2019, the appropriations act has included language ensuring positions added for the Nursing Education Center and other education centers be limited to those uses. As of December 6, 2022, the Council had 23.0 filled positions, including 13.0 in the Office, 7.0 at the education centers, and 3.0 at the Nursing Education Center. *The Governor recommends 45.0 full-time equivalent positions, 11.0 more than enacted and 7.0 more than requested for the Office. This includes 7.0 for the Rhode Island Longitudinal Data System, 3.0 of which are new and 4.0 are shifting from the University, 3.0 for the new*

Rhode Island Reconnect initiative, and 1.0 new readiness and transition position. Article 1 contains language that enumerates that 7.0 positions will be for the longitudinal data systems program.

Office of Postsecondary Commissioner						
	FY 2023	FY 2024		FY 2024	Gov. to	Gov. to
	Enacted	Request	Difference	Gov.	Request	Enacted
Higher Education Centers	11.0	12.0	1.0	11.0	(1.0)	-
Nursing Education Center	10.0	9.2	(0.8)	10.0	0.8	-
Office/Third Party Funds	1.0	1.0	-	1.0	-	-
Office/Longitudinal Data System	-	-	-	7.0	7.0	7.0
Office	12.0	15.8	3.8	16.0	0.2	4.0
Total	34.0	38.0	4.0	45.0	7.0	11.0

Unrestricted Budget. The unrestricted budget includes \$47.8 million from general revenues, which is \$19.2 million more than enacted and \$19.3 million more than the revised request. The increase reflects the inclusion of \$11.9 million for the Last Dollar Scholarship and Dual Enrollment programs in lieu of guaranty agency funds as the remaining balance of guaranty agency funds is insufficient for FY 2024. The increase also includes \$6.5 million for a new Higher Education Academies initiative.

Office of Postsecondary Commissioner	Changes to Enacted		
	Request	Governor	Difference
Current Year Revisions	\$ (96,392)	\$ (1,017,246)	\$ (920,854)
Higher Education Academies (3.0 FTE)*	6,504,000	313,501	(6,190,499)
Rhode Island Longitudinal System (7.0 FTE)*	-	575,000	575,000
Other Salaries and Benefits	341,890	378,742	36,852
Rhode Island Promise	-	1,650,115	1,650,115
Fresh Start Scholarship	-	2,500,000	2,500,000
Dual Enrollment Program	2,300,000	-	(2,300,000)
Last Dollar Scholarship	9,595,000	4,800,000	(4,795,000)
New England Compant	4,410	4,410	-
Higher Education Opportunities for Teachers of Color	(200,000)	(200,000)	-
Nursing Education Center Operations	-	-	-
Nursing Education Center Debt Service	(750)	(750)	-
Higher Education Centers (1.0 FTE)	83,000	-	(83,000)
Higher Education Affordability	205,500	205,500	-
Other Operations	417,105	295,143	(121,962)
Total	\$ 19,153,763	\$ 9,504,415	\$ (9,649,348)

*Governor's recommendation also includes funding in the restricted budget

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The Governor recommends \$31.0 million in unrestricted expenditures, which is \$9.5 million more than enacted and \$9.6 million less than requested. The recommendation includes \$28.1 million from general revenues, which is \$9.5 million more than enacted and \$9.6 million less than requested.

Current Year Revisions. Historically, the analyses have begun with an adjustment for the current year. Until FY 2005, the Board had statutory authority, which did not require legislative approval, to reallocate the enacted budget based on information available to it, including changes to revenues and needs. The 2004 Assembly rescinded that authority and established separate appropriation lines for the four operations. The Assembly did not change the budget request and submission process; the law continues to require the Board of Education to review, develop and submit the higher education budget that it receives from the Council

on Postsecondary Education. Also, the institutions retained their authority to use additional resources they received above appropriated amounts, such as research grants and additional tuition and fees.

The Council continues to review and approve each institution's allocation of all current year resources and describe its requested budget year items in terms of changes to those current year allocations. So that the analysis can be in terms of the items the Council specifies as requested, staff analysis starts from the allocations.

The revised budget includes \$21.4 million, \$0.1 million less than enacted for salaries and benefits to reflect additional turnover savings. This includes \$0.1 million less from general revenues and \$34,054 less from the University of Rhode Island and Rhode Island College resources for expenses shared between the two institutions for staffing at the Nursing Education Center. The Office's revised request includes the enacted amount of \$7.9 million for the Promise program, but based upon the November Promise Report, the request is overfunded by \$1.0 million.

The Governor recommends \$0.9 million less from general revenues than requested. He recommends \$1.0 million less for the Promise Program, consistent with the November report, and \$35,536 less for utilities based on updated rates, offset by \$0.1 million more for contracted legal and labor relations services.

Higher Education Academies (3.0 FTE). The Office requests \$6.5 million from general revenues and 3.0 new full-time equivalent navigators to implement a new Higher Education Academies initiative. Funding will be used on direct supports such as targeted coaching and wraparound supports for those aged 16 and older to continue their education with support provided by navigators and undetermined community partners. The Office will implement a cycle of three academies: a fall academy focused on rising seniors and recent graduates, a summer academy focused on ensuring a seamless transition to postsecondary education or workforce training, and a spring academy focused on college readiness coursework and support to enroll in summer courses. The Office indicates that depending on the level of funding that is provided, potentially 1,000 students could be served, suggesting a per student cost of \$6,504. The Office notes that students would be found through existing community partnerships and newly established community partners. New partnerships would be established through a grant proposal process. The Governor recommended this initiative for FY 2023, but the Assembly did not concur as it did not appear that the proposal was ready for implementation. The request is identical to the Governor's recommendation from last year. The constrained request excludes the funding and the positions.

The Governor recommends \$8.3 million from all sources and 3.0 new full-time equivalent positions for this initiative, renamed Rhode Island Reconnect Initiative. The Governor's intent is to mirror last year's proposed Higher Education Academies. Funding includes \$0.3 million from general revenues and \$8.0 million from federal State Fiscal Recovery funds, included in the restricted budget, intended to support two years of operations, but budgeted in FY 2024 to ensure timely obligation of the funds.

Rhode Island Longitudinal System (7.0 FTE). The University of Rhode Island's unrestricted budget request includes \$750,000 in new expenditures for DataSpark, which maintains and operates the Rhode Island Longitudinal Data System, connecting person-level data from early childhood, through postsecondary education, and the workforce. The Rhode Island Longitudinal Data System was built more than a decade ago and has been supported with \$17.2 million from federal funds from the United States Department of Education and Department of Labor. The University's request provides sustainable, long-term funding to DataSpark at its current funding levels. *The Governor's budget includes language to establish the purpose and functions of the Rhode Island Longitudinal Data System to codify the governance and operations of this system in the Office. He also recommends \$1.1 million from all sources and 7.0 full-time equivalent positions. This includes \$0.6 million of new general revenue support and 3.0 new full-time equivalent employees. It also includes \$0.5 million from federal and private grants included in the restricted budget and 4.0 positions transferred from the University.*

Other Salaries and Benefits (1.0 FTE). The Office requests \$2.1 million from all sources, including \$1.8 million from general revenues for salaries and benefits for the Office’s 13.8 authorized positions. This is \$0.4 million more than the enacted budget and \$0.3 million more than the revised request. The increase includes \$0.1 million to reflect the reallocation of 0.8 full-time equivalent positions from the Rhode Island Nursing Education Center to the Office to create a Director of Prekindergarten through 20th Grade Readiness and Transition position, \$47,814 for upgrades to reflect expanded responsibilities of current positions, and current service adjustments. This would require a change to the current limitations on use of authorized positions noted earlier. The request assumes no turnover savings, consistent with the enacted budget. As of the pay period ending December 3, 2022, the Office has 11.0 filled positions.

The constrained request reduces expenditures by \$0.5 million by excluding the new readiness and transition position, staff raises, and turnover savings equal to approximately 2.8 full-time equivalent positions. *The Governor concurs with the unconstrained request and adds \$821, primarily from general revenues, to account for updated estimates for medical benefits rates.*

Rhode Island Promise. The 2017 Assembly established the Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is a “last dollar scholarship,” meaning that after a student exhausts all other sources of student aid, the program would cover the remainder of their tuition bill with general revenues. Other non-mandatory fees are not covered by this program. Originally created as a pilot program, it was made permanent in 2021. The 2022 Assembly excluded College Crusade Onward We Learn scholarships as financial aid from Promise award determination.

The funding for Rhode Island Promise is not in the Community College’s budget request, rather through the Office of Postsecondary Commissioner, which oversees the scholarship. The Office’s request for \$7.9 million is consistent with the revised and enacted allocation, but not the November Promise Report issued prior to submission of the Office’s budget. The enacted budget would support 2,969 students and the November 2022 Promise Report notes \$6.9 million is needed to support 2,691 students. For FY 2024, the report states that \$8.6 million is needed to support 3,196 students, which is \$0.9 million more than the enacted budget. The increase over the enacted budget reflects the approved 4.6 percent tuition and fee increase, and an 18.8 percent enrollment increase. *The Governor recommends \$0.7 million more than requested for a total of \$8.6 million, consistent with the November Promise Report.*

Fresh Start Scholarship. The Community College requests \$2.5 million from general revenues to create a new adult scholarship program that targets adult students with some college credits, but no degree, with a focus on students who dropped-out of the Community College. To be eligible for the program, called Fresh Start Scholarship, students must have earned at least 15 credits in a selected degree program. This program will target students who are not meeting Satisfactory Academic Progress requirements, which makes them ineligible for federal financial assistance. Funding the first semester back will allow students to meet the Satisfactory Academic Progress requirements and regain eligibility, which will increase retention and completion efforts.

This new program will utilize similar enrollment strategies and build upon what was learned from the Finish What You Started grant program, which was funded from Governor’s Emergency Education Relief funds. The new program will focus more on working adults that have stopped out due to not meeting satisfactory academic progress. The Community College notes that without helping adults meet satisfactory academic progress, there are limited funding opportunities available, which limits adults’ abilities to finish the degree programs. *The Governor recommends funding consistent with the request but provides funding in the Office’s budget, similar to the Promise Scholarship.*

Reserve Funds/CollegeBound Cash Flow. The 1997 Assembly established a tuition savings program and mandated the development of a prepaid tuition plan. It was designed to facilitate and encourage savings by

or on behalf of students, future students and parents for the purpose of paying the costs of attending institutions of higher education. The majority of funding for need-based scholarships administered by the former Higher Education Assistance Authority came from fees paid by out of state participants of the Tuition Savings Program. Funds received for the program are segregated into a program fund and an administrative fund. Revenues are derived from fees paid by non-Rhode Island participants and are deposited into to the CollegeBound Fund.

The former Higher Education Assistance Authority acted as a guaranty agency that administered federal loans. All of its powers, duties, authority and resources were transferred to the Council for Postsecondary Education and the Office of the General Treasurer in the FY 2016 enacted budget. In 2010, federal legislation ended subsidies to lenders and required all loans to originate directly through the federal government. The need-based scholarship fund was augmented by approximately \$25 million in federal guaranty agency reserve funding from when the Higher Education Assistance Authority sold its loan portfolio in FY 2018; at the time it was clear these would be a limited term funding source.

These funds continue to support the Last Dollar Scholarship program, a successor to the former need-based scholarship program. The Dual Enrollment Program was then added to its uses. The 2021 Assembly added \$9.6 million in general revenues in lieu of federal and other sources for the Last Dollar Scholarship to extend the life of the reserve funds. It should also be noted that based on revenues and expenditures of these funds, it does not appear there will be enough to support both program for FY 2024, but there appears to be sufficient funding to support staffing and the Dual Enrollment program. The Office only requests \$0.4 million for administrative support. *The Governor recommends total funding consistent with the enacted budget. For the Dual Enrollment Program this includes \$2.3 million from tuition savings fees and for the Last Dollar Scholarship he includes \$9.6 million including \$4.8 million from general revenues, \$3.9 million from federal loan reserve funds, and \$0.9 million from tuition savings fees. He also includes \$0.4 million from federal loan reserve funds for Guaranty/Office administration.*

Reserve Funds/CollegeBound Cash Flow						
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Opening Surplus	\$ 21.5	\$ 15.5	\$ 9.1	\$ 11.5	\$ 3.4	\$ (0.1)
CollegeBoundfund Fees	5.7	5.6	4.9	4.2	4.0	3.7
Total Revenue	\$ 27.2	\$ 21.1	\$ 14.0	\$ 15.7	\$ 7.4	\$ 3.6
Guaranty/OPC Admin.	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ -
Last Dollar Scholarship*	9.6	9.6	-	9.6	4.8	-
Dual Enrollment	1.9	2.1	2.2	2.3	2.3	-
Total Expenses	\$ 11.7	\$ 12.0	\$ 2.5	\$ 12.3	\$ 7.5	\$ -
Closing Balance	\$ 15.5	\$ 9.1	\$ 11.5	\$ 3.4	\$ (0.1)	\$ 3.6

**For FY 2022 the Assembly programmed \$9.6 million from general revenues for the Last Dollar Scholarship. The Governor recommends \$4.8 million from general revenues for FY 2024 for the Last Dollar Scholarship; \$ in millions*

Dual Enrollment Program. The request includes \$2.3 million from general revenues for the Dual Enrollment program, which is consistent with total funding included in the enacted budget, but changes the fund source from tuition savings fees to general revenues as reserve funds will be insufficient to support both this program and the Last Dollar Scholarship program for FY 2024. The Office’s request assumes general revenues for both.

This program is in its ninth year and allows students to take courses on either a higher education institution campus or at their high school. It is intended to allow qualified high school students to earn college credit through dual and concurrent enrollment at no cost to the students. New regulations took effect starting FY 2019. These were necessitated by a lack of oversight for program enrollments and subsequent overspending during FY 2017. Program reimbursement was shifted from a cost per credit basis to the lesser of the cost

per credit amount or a cost per course that accounts for the direct cost of personnel, materials and a small indirect cost for administrative functions such as the bursar's office. Local school districts split the cost of administering the program for those students enrolled at the Community College full-time, ceasing full-time enrollment at the other institutions.

The constrained request includes funding consistent with the enacted budget despite lack of available resources. *The Governor recommends funding consistent with the enacted budget.*

Last Dollar Scholarship. The request includes \$9.6 million for the Last Dollar Scholarship Program, consistent with the enacted level. The request includes general revenues in lieu of tuition savings fees and guaranty agency reserve funds as those are insufficient to support this program and the Dual Enrollment program for FY 2024. This program replaced the state's need-based scholarship and grant program with more flexible state grant programs directed by the Commissioner of Postsecondary Education. The 2019 Assembly provided that the lesser of 20.0 percent or \$1.5 million annually be allocated to students attending independent, non-profit higher education institutions in Rhode Island with the remaining funding reserved for public institutions in Rhode Island. Based on updated projections, available funds will have a closing balance of \$2.3 million after FY 2023 with new CollegeBound revenues of \$4.0 million, \$6.3 million is expected to be available for FY 2024. The Office's request assumes general revenues for both. For FY 2023, the Governor's out-year forecast assumed general revenue support beginning in FY 2024.

The constrained request includes funding consistent with the enacted budget. It is unclear how the Office would support this program as guaranty agency reserve funds will be insufficient to support this program and the Last Dollar Scholarship program for FY 2024. *The Governor recommends the \$9.6 million including \$4.8 million from general revenues, \$3.9 million from federal loan reserve funds, and \$0.9 million from tuition savings fees.*

Onward We Learn/College Crusade. The Office requests \$3.9 million to support the operations and scholarship programs offered by the Onward We Learn, formerly named The College Crusade, including \$3.5 million from the GEAR-UP federal grant and \$0.4 million from general revenues. This is consistent with the revised allocation and the enacted budget. Onward We Learn is a nonprofit organization founded in 1989 to reduce high school dropout rates and increase educational and career success for low-income urban youth. GEAR-UP provides grants to states and partnerships for support and commitment to eligible low-income students, including students with disabilities, to help the students obtain a secondary school diploma and to prepare for and succeed in postsecondary education. *The Governor recommends funding as requested.*

New England Higher Education Compact. The Division of Higher Education Assistance represents the state as a member of the New England Higher Education Compact. Established in 1957, this compact provides educational opportunities and services through a coordinated educational program extending across the six states of New England. Participation in the Compact is governed by Section 16-41-1 of the General Laws. The compact enables Rhode Island residents to pursue degree programs across New England at a lower cost than traditional out-of-state tuition, if the program is not offered at any public institution in Rhode Island. During FY 2022, 1,144 Rhode Island residents benefited from reduced tuition at participating institutions throughout New England. Membership in the Compact requires annual fees and withdrawing requires notice from the Governor. The Office requests \$151,410 from general revenues for the annual fee, which is \$4,410 more than the enacted budget as the fee has increased. *The Governor recommends funding as requested.*

Best Buddies. The Office requests the enacted level of \$75,000 from general revenues for the Best Buddies program. The mission of the organization is to establish a global volunteer movement that creates opportunities for one-to-one friendships, integrated employment and leadership development for people with intellectual and developmental disabilities. *The Governor recommends funding as requested.*

Higher Education Opportunities for Teachers of Color. The enacted budget includes funding of \$0.2 million from general revenues for a grant to the Rhode Island School for Progressive Education to support access to higher education opportunities for teachers of color. Funding is intended to support defraying the cost of attendance, support staff stipends, recruitment, and technology. The Budget Office current service estimate treats this funding as one-time, as does the Office's request, but the House Fiscal Staff out-year forecast assumes it to be an ongoing expense. *The Governor excludes the funding as requested.*

Nursing Education Center Lease. The 2014 Assembly authorized the Board of Education and the Department of Administration to enter into a 15-year lease with the developer of the South Street Landing property in Providence for the Nursing Education Center. The Center opened for classes in the fall of 2017. The request for \$4.2 million from general revenues includes \$2.0 million in base lease costs and \$2.3 million for the tenant improvement part of the lease. There are increases in years six and 11 of the lease and an option to buy in years six and 12. FY 2024 will be year seven of the lease. The request is consistent with the enacted budget as the next scheduled increase is in year 11 of the lease. *The Governor recommends funding as requested.*

Nursing Education Center Debt Service. In addition to the long-term lease, the 2014 Assembly authorized the issuance of \$10.5 million from Certificates of Participation to furnish and equip the Nursing Education Center. The terms were 3.69 percent interest over ten years, with debt service of \$1.2 million. The request for \$1.2 million from general revenues for the sixth year of debt service is \$750 less than the revised allocation and the enacted budget. *The Governor recommends funding as requested.*

Nursing Education Center Operations. The Nursing Education Center provides a centralized nursing program for students enrolled at the University of Rhode Island or Rhode Island College. Staffing and operating expenses are shared between the two institutions, with funding and staffing authorizations reflected in the Office of Postsecondary Commissioner's budget. The Office requests a total of \$2.9 million for expenses of the institutions, \$37,347 more than the revised request to reflect increases for contracted lecturers, legal services, and other professional services. The Office's request allocates 9.2 full-time equivalent positions but includes funding for 6.0 staff, 0.8 positions less than enacted reflecting the reallocation to the Commissioner's Office. This would require a change to the current limitations on use of authorized positions noted earlier. As of the pay period ending December 3, 2022, the Center has 3.0 vacancies. The constrained request increases miscellaneous operating expenses by \$18,961, providing no general revenue savings. *The Governor recommends funding as requested and keeps the current limitations of authorized positions at the enacted level as he recommends an additional position for the Office making the reallocation unnecessary.*

Higher Education Centers (1.0 FTE). The Westerly Higher Education and Industry Center is a collaborative job skills and educational center that is partnered with all three public higher education institutions, the Department of Labor and Training, and General Dynamics Electric Boat. The Center offers undergraduate and graduate courses as well as non-credit educational courses, and is structured to be financially self-sustaining as operating costs are supported by program fees and revenues from leasing space. The Community College does pay the salaries and benefits for its staff that teach at the center from its unrestricted budget. Modeled after Westerly, the Woonsocket Education Center opened in late summer 2022 to provide a collaborative job skills and educational center in the northern part of the state.

The Office requests \$5.9 million from all sources for both centers, which is \$1.9 million more than enacted. Funding includes \$5.8 million from restricted receipts and \$83,000 from general revenues. This is \$1.8 million more than enacted from restricted receipts and primarily reflects \$1.2 million to support the first full year of operations for the Woonsocket Education Center. The remaining \$0.6 million is to support increased training capacity in Westerly to meet the demand by Electric Boat. The Office's capital budget request includes \$83,000 from Rhode Island Capital Plan funds to support the replacement of computers, provide Microsoft Server 2019 licenses, and upgrade the furniture and fixtures in the classrooms and

common areas at the Westerly Education Center. As this is not an allowable use of Rhode Island Capital Plan funds, the Office includes \$83,000 from general revenues for that purpose.

The constrained request excludes the \$83,000 from general revenues and restricted receipts remain at the enacted level and excludes the requested position. *The Governor does not recommend the requested general revenues and reduces restricted receipts by \$0.1 million for statewide adjustments for centralized information technology services, utilities, state fleet, and medical benefits.*

Higher Education Affordability. The Office requests \$0.2 million from general revenues for contracted research services to examine the affordability of higher education, provide recommendations on the implications of expanding state-funded scholarship programs, begin to develop a predictable funding policy for consideration by the Assembly, and examine strategies for public/private investment that support Rhode Island students. The constrained request provides \$0.2 million of general revenue savings by excluding the request. *The Governor recommends funding as requested.*

Capital. The Office's request includes \$2.5 million from Rhode Island Capital Plan funds for capital projects, which is \$0.4 million less than enacted and the revised request. Total funding is consistent with the capital request, but unintentionally includes \$0.3 million more from Rhode Island Capital Plan funds for the Nursing Education Center instead of Certificates of Participation. The Office intends to request funding consistent with the capital budget. The constrained budget request includes funding consistent with the enacted budget, which is an increase of \$0.4 million. This does not provide general revenue savings and it is unclear why this was included in the constrained request. *The Governor recommends \$2.5 million less than requested for capital projects. A detailed description of the projects is included in the Capital Budget section of this publication.*

All Volunteer Force Education Assistance. The Office requests \$0.1 million from federal funds for a program that allows service persons to readjust to civilian life after their separation from military service by providing education benefits. The constrained request increases expenditures by \$9,238, providing no general revenue savings. *The Governor recommends funding as requested.*

Other Operations. The request includes \$3.7 million from all funds, including \$3.5 million from general revenues and \$0.2 million from guaranty agency reserve funds for all other expenses, which is \$0.4 million more than enacted from general revenues and includes \$0.2 million more for contracted legal services and \$0.1 million for accounting, auditing, and management services. Legal services currently provided by the Office include general counsel to the Council on Postsecondary Education, labor relations, bargaining unit contract negotiations for all institutions of higher education under the Council's authority, workers' compensation, general liability claims, legal review of all administrative, grant and insurance contracts, legal advisement on retirement and investment matters, and will offer legal interpretation, review, and potential testimony of proposed and enacted legislation.

The Office indicates that the legal work is being completed as required, but that it is limiting spending in other areas, charging applicable expenses to grants, and charging administrative fees to education centers for work performed to ensure it does not overspend its appropriation. The remaining increase is for computer and office supplies, and unidentified expenses. The constrained request provides \$0.2 million of general revenue savings by excluding the additional funding for legal services.

The Governor recommends \$0.1 million less than requested, primarily from general revenues, which includes legal services as requested but \$0.2 million less for food, office supplies, and miscellaneous expenses, and \$38,534 more for centralized services based upon updated rates.

University of Rhode Island

University of Rhode Island	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 367,595,172	\$ 379,420,952	\$ 400,272,261	\$ 391,272,847
Contracted Services	25,643,784	27,823,899	29,120,859	29,120,609
Subtotal	\$ 393,238,956	\$ 407,244,851	\$ 429,393,120	\$ 420,393,456
Other State Operating	161,185,139	168,506,796	185,607,723	179,452,437
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	245,631,791	240,085,608	246,300,891	245,876,851
Capital	24,022,109	23,934,728	68,221,034	57,225,615
Capital Debt Service	57,836,602	58,257,038	56,867,691	59,641,032
Operating Transfers	-	-	-	-
Total	\$ 881,914,597	\$ 898,029,021	\$ 986,390,459	\$ 962,589,391
Sources of Funds				
General Revenue	\$ 121,835,645	\$ 122,088,729	\$ 154,725,649	\$ 132,639,444
Tuition and Fees	370,871,587	385,097,290	391,220,641	401,060,957
Other Unrestricted	16,732,463	17,162,217	17,502,810	17,502,810
Total Unrestricted	\$ 509,439,695	\$ 524,348,236	\$ 563,449,100	\$ 551,203,211
Restricted	372,474,902	373,680,785	422,941,359	411,386,180
All Sources	\$ 881,914,597	\$ 898,029,021	\$ 986,390,459	\$ 962,589,391
FTE Authorizations				
	2,197.2	2,197.2	2,259.5	2,197.2
<i>Limited to Third-Party Funds</i>	357.8	357.8	357.8	353.8
Total	2,555.0	2,555.0	2,617.3	2,551.0

Summary. The University requests \$986.4 million and 2,617.3 full-time equivalent positions for FY 2024, an increase of \$104.5 million or 11.8 percent from the FY 2023 enacted budget and an increase of \$99.5 million or 11.3 percent from the revised allocation. General revenues, requested at \$154.7 million, are \$38.9 million more than both the enacted budget and the revised allocations. Compared to the enacted budget, restricted expenditures are \$50.7 million more, which mainly reflects the addition of \$44.3 million from Rhode Island Capital Plan funds. The staffing request includes 62.3 new full-time equivalent positions.

The 2019 Assembly included legislation in Article 9 of the FY 2020 budget to create a 17-member Board of Trustees for the University. The Governor appoints all 17 members with the advice and consent of the Senate to serve terms between one and three years. After the initial terms expire, the Governor retains nine appointments, with the advice and consent of the Senate. The remaining eight members would be appointed by the Board. The legislation transferred authority for a variety of functions from the Council on Postsecondary Education to the new Board and removed the University from the authority of the Commissioner of Postsecondary Education effective February 1, 2020. It preserved all of the General Assembly's authority over the University. *The Governor recommends \$962.6 million from all sources, which is \$80.7 million more than enacted and \$23.8 million less than requested. The recommendation includes \$132.6 million from general revenues, which is \$10.8 million more than enacted and \$22.1 million less than requested. The Governor recommends 2,551.0 full-time equivalent positions as he transfers 4.0 third-party funded positions to the Office of Postsecondary Commissioner relating to his proposal to transfer DataSpark.*

Tuition and Enrollment. The FY 2024 budget request includes a tuition and fee increase for in-state students equal to \$528, or 3.3 percent, and \$1,442 for out-of-state students, or 4.2 percent compared to the enacted budget. The request also includes an increase of 4.0 percent, or \$546 for average room and board costs. In-state enrollment is projected to decline from 7,087 to 6,804, a decrease of 4.0 percent or 283 full-time equivalent students. Out-of-state enrollment is projected to grow from 7,482 to 7,841, an increase of 4.8 percent or 359 full-time equivalent students. This represents a total increase of 76 students or 0.5 percent. Compared to FY 2023 enrollment, the FY 2024 assumption is for 8 fewer students or 0.1 percent.

Similar to prior years, the University proposes further tuition rate increases to offset the general revenue reduction contained in the budget target instead of making expenditure reductions. The Board of Trustees approved tuition rates as shown in the table at its November 2022 meeting.

University Undergraduate			Change to FY 2023	
Tuition and Fees	FY 2023	FY 2024	Enacted	
Resident				
Tuition	\$ 13,586	\$ 14,116	\$ 530	3.9%
Fees	2,294	2,292	(2)	-0.1%
Total	\$ 15,880	\$ 16,408	\$ 528	3.3%
Nonresident				
Tuition	\$ 32,068	\$ 33,512	\$ 1,444	4.5%
Fees	2,294	2,292	(2)	-0.1%
Total	\$ 34,362	\$ 35,804	\$ 1,442	4.2%
Average Room and Board	\$ 13,584	\$ 14,130	\$ 546	4.0%
Undergraduate and Graduate Enrollment				
In-State	7,087	6,804	(283)	-4.0%
Out-of-State	7,482	7,841	359	4.8%
Total	14,569	14,645	76	0.5%

The Governor's budget appears to assume tuition and mandatory fee increases consistent with the Board's approved rates but includes \$9.8 million more than requested from tuition and fees or other unrestricted sources, suggesting that the University will generate more revenue than current projections or constrain spending for the request in order to not exceed available resources.

Staffing. The request for 2,617.3 full-time equivalent positions is 62.3 more than the enacted level, of which all are for the unrestricted budget. The unrestricted request includes 59.3 positions to support the University's Strategic Plan, including 7.0 positions for the Blue Economy Initiative, 7.0 positions to support student health and wellbeing, 14.0 positions to support university and student success, and 41.3 positions for administrative and financial improvements. The remaining 3.0 positions are related to Title IX requirements, 2.0 of which are for the women's lacrosse team. *The Governor does not recommend the new positions. He also transfers 4.0 third-party funded positions to the Office of Postsecondary Commissioner relating to his proposal to transfer DataSpark.*

Unrestricted Budget. Including the State Crime Lab, the unrestricted budget accounts for \$563.4 million, an increase of \$54.0 million or 10.9 percent over the enacted budget and \$39.4 million or 7.5 percent over the revised allocation. Sources of funds for the increase from the revised budget include \$32.9 million more from general revenues and \$17.5 million more from tuition and fees, which is offset by \$11.0 million less from other unidentified unrestricted sources. There is an increase of \$11.3 million from an unidentified fund source, which represents the University's estimate of its gap in projected expenses and available resources. Instead of showing reductions to expenditures to cover the gap or requesting additional state support, it budgets the unavailable funds. It does plan to reduce expenditures by delaying hires and projects, renegotiating service contracts; and using contingency funds to address the shortfall. The University expressed its desire to not use these funds in order to preserve them for unforeseen circumstances.

The Budget Office instructed agencies to submit a constrained budget request including a 5.0 percent target reduction, adjusted for certain exclusions. The constrained budget submitted by the University is \$7,218 less than the unconstrained request, including \$35.9 million less from general revenues offset by \$35.8 million more from tuition. As in prior years, the University proposes further tuition rate increases to offset the general revenue reduction contained in the budget target instead of expenditure reductions.

The Governor recommends \$551.2 million in unrestricted expenditures, which is \$41.8 million more than enacted and \$12.2 million less than requested. General revenues are \$10.8 million more than enacted and \$22.1 million less than requested. The Governor recommends \$418.6 million from other unrestricted sources, which is \$9.8 million more than requested. The recommendation assumes the University will generate more revenue than its current projection, or constrain spending from the request in order to not exceed available resources.

University of Rhode Island	Changes to Enacted		
	Request	Governor	Difference
Current Year Revisions	\$ 14,641,258	\$ 14,908,541	\$ 267,283
Strategic Plan (59.3 FTE)	14,269,230	1,500,000	(12,769,230)
Blue Economy Initiative (7.0 FTE)	[\$1.5 million]	[\$1.5 million]	-
Student Health & Wellbeing (7.0 FTE)	[\$2.5 million]	-	[\$2.5 million]
University & Student Success (14.0 FTE)	[\$2.4 million]	-	[\$2.4 million]
Administrative and Financial Improvements (31.3 FTE)	[\$7.9 million]	-	[\$7.9 million]
Salaries and Benefits (3.0 FTE)	8,479,918	9,193,594	713,676
Longitudinal Data System	750,000	-	(750,000)
Debt Service	1,980,436	4,486,494	2,506,058
Special Olympics	-	-	-
Small Business Development Center	-	-	-
Institute for Labor Studies & Research	-	-	-
Student Aid	5,695,653	5,695,653	-
Operations	8,090,181	5,876,505	(2,213,676)
State Crime Lab	102,729	102,729	-
Total	\$ 54,009,405	\$ 41,763,516	\$ (12,245,889)

Current Year Revisions. Historically, the analyses have begun with an adjustment for the current year. Until FY 2005, the Board had statutory authority, which did not require legislative approval, to reallocate the enacted budget based on information available to it, including changes to revenues and needs. The 2004 Assembly rescinded that authority and established separate appropriation lines for the four operations. The Assembly did not change the budget request and submission process. Also, the institutions retained their authority to use additional resources they received above appropriated amounts, such as research grants and additional tuition and fees. The governing bodies continue to review and approve each institution's allocation of all current year resources and describe its requested budget year items in terms of changes to those current year allocations. So that the analysis can be in terms of the items the entities specify as requested, staff analysis starts from the allocations.

The University requests \$14.6 million more from unrestricted sources than enacted. This includes \$2.9 million or 0.8 percent more than enacted from tuition and fees based on higher out-of-state enrollment, the enacted level from general revenues, and \$0.4 million more from other University sources. There is an increase of \$11.3 million from an unidentified fund source, which represents the University's estimate of its gap in projected expenses and available resources. Instead of showing reductions to expenditures to cover the gap or requesting additional state support, it budgets the unavailable funds. It does plan to reduce expenditures by delaying hires and projects; renegotiating service contracts; and using contingency funds

to address the shortfall. The University expressed its desire to not use these funds in order to preserve them for unforeseen circumstances. The University ended FY 2022 with a surplus of \$0.8 million and ended FY 2021 with a surplus of \$3.5 million. The revised request is \$25.9 million or 5.2 percent more than FY 2022 expenditures. The largest increase over FY 2022 spending is for salaries and benefits, which increase \$28.8 million or 11.5 percent. The increase reflects \$9.7 million for contractual obligations and \$19.1 million related to filling additional positions. The University notes that over 100 positions have been filled since June 19, 2022 that are supported by the unrestricted budget and that there are an estimated 171 searches actively ongoing as of December 8, 2022.

The enacted budget assumes enrollment of 14,569 with 7,087 in-state students and 7,482 out-of-state students. The revised request includes enrollment of 14,653 or 84 more than enacted with 231 fewer in-state and 315 more out-of-state. The change in mix of students explains the increased revenues because out-of-state students pay more.

The Governor recommends \$0.3 million more than requested from unrestricted sources, most of which is general revenues for general obligation bond debt service. The Governor does not provide state support to address the \$11.3 million estimated gap in projected expenditures and available resources.

Blue Economy Initiative (7.0 FTE). The unrestricted budget includes \$1.5 million to support 7.0 new positions and program supplies to further develop academic programs and conduct research in the blue economy. The University defines the blue economy as local and global businesses and economic sectors that rely on use of or proximity to oceans and coastal areas, especially those concerned with employing sustainable use of ocean resources and minimizing impact on ocean environments and habitats. The University believes this funding will allow it to broaden its impact through a reinvigorated commitment to its land- and sea-grant missions and in doing so, will increase enrollment and make it better positioned to compete for federal grant funding and externally funded research projects

The proposal is part of the request for \$14.3 million and 59.3 new full-time equivalent positions to support the University's Focus 2022-2032 Strategic Plan, which is still being finalized. The plan has four strategic priorities: broadening its impact through a reinvigorated commitment to the land- and sea-grant missions, enhancing student achievement by cultivating an engaged and inclusive learning environment, fostering an inclusive people-centered culture, and implementing leading-edge administrative and financial systems and practices to empower the University moving forward. Of the four strategic priorities, each focuses on a different area. The four focuses include: the blue economy, student health and wellbeing, diversity and student success, and revenue generation.

During October 2021, Governor McKee and the University presented the Rhode Island 2030 Process, which identified the blue economy as a priority. The Governor recommended a total of \$70.0 million from State Fiscal Recovery funds, including \$10.0 million for FY 2023, for blue economy-related capital investments. The 2022 Assembly concurred with the total and stipulated that funds be used in accordance with the purposes specified in the Blue Economy Technology Cluster grant application to the Economic Development Administration and only if at least a \$35.0 million federal match from that grant is secured. The University announced that it did not receive the federal grant. *The Governor recommends funding as requested but does not include the positions.*

University and Student Health & Wellbeing (7.0 FTE). The unrestricted budget includes \$2.5 million to support 7.0 new positions and other investments to improve the health and wellbeing of students and the University. Student health and wellbeing will be achieved by making additional investments in student life such as athletics, recreational programs, and community standards. The University plans to improve its health and wellbeing by investing in activities such as additional specialized staff to execute leases, licenses, or access agreements, which require compliance oversight, review, and approval of proposed tenant improvements, periodic renewals, and monitoring of covenants, insurance acquisitions, and enrollment

management. The University believes that these investments can help promote student achievement by creating a more engaged and inclusive learning environment.

The request includes \$0.9 million to support the 7.0 new positions. It also includes \$1.4 million to support traveling to the expanded Atlantic 10 Conference and Colonial Athletics Association for sporting events, and related championship games, \$0.2 million for athletic equipment, \$0.2 million to house, feed, and provide physical and mental health services to student athletes, and \$0.1 million to replace vehicles that are used by student athletes and coaches. The remaining \$0.1 million will support students in the areas of community standards; disability, access, and inclusion; student support and advocacy services; commuter affairs; alcohol and other drug education, Greek Life, and veteran student supports. *The Governor does not recommend funding for this initiative.*

Diversity & Student Success (14.0 FTE). The unrestricted budget includes \$2.4 million to support 14.0 new positions and operations to provide further investment in diversity and student success. This will be achieved by making additional investments in and analyses of justice, equity, diversity and inclusion initiatives, such as the Talent Development program, transfers from the Community College, and targeted marketing and outreach. The request includes \$1.6 million to support the 14.0 new positions, which will include advisors; assistant deans of justice; equity; diversity and inclusion; disability; access and inclusion coordinators; data analysts; directors of organizational learning and development; assessment and marketing; and a psychologist.

The request also includes \$0.2 million for the College of Arts and Sciences to increase per course instructors and temporary lecturers to ensure general education courses are available to support student success, persistence, and timely graduation; \$0.5 million for the All-Classroom Support project, which will increase student labor and support replacing audio and visual equipment in classrooms; \$0.2 million to invest in multiple databases used for learning outcomes within the curriculum in the College of Business, including Bloomberg, accounting audit analytics, marketing and advertising customer relationship management software, and supply chain machine learning technologies; and \$0.1 million for additional counseling outreach, and advanced online learning tools. The University believes this will empower students to lead their own academic journey with access to resources and supports that place a value on inclusion, well-being, and holistic development. These resources will also help the University to be a diverse, equitable, and inclusive community. *The Governor does not recommend funding for this initiative.*

Administrative and Financial Improvements (31.3 FTE). The unrestricted budget includes \$7.9 million to support 31.3 new positions and operations to improve administrative and financial operations at the University. It includes \$4.9 million for the new positions, which will include grants managers, focused on pre-award; post-award and compliance; research data analysts and development managers; immigration specialists focused on the University's globalization efforts; purchasing agents; peer-to-peer system support administrators, and new assistant professors for nursing; business analytics; data science; quantum physics; and communications.

The request also includes \$2.0 million for marketing, \$0.3 million to begin replacing computers for employees whose jobs requires them to ensure cybersecurity compliance, \$0.3 million to fund institutional memberships, graduate researchers, and research computing to support faculty, and \$0.1 million to support participation in an expert exchange, which allows for faculty to have access to computational research specialists at other institutions, a new digital asset management system, and a new social media management and intelligence tool. The University believes that this will help with the implementation of leading edge administrative and financial systems that will support the University moving forward and help develop new revenue-generating academic and research programs. *The Governor does not recommend funding for this initiative.*

Other Salaries and Benefits (3.0 FTE). Excluding the State Crime Laboratory, the unrestricted budget includes \$286.2 million for all other unrestricted faculty and staff expenditures. The request is \$8.5 million or 3.1 percent more than the revised allocation and \$20.8 million or 7.8 percent more than enacted. The increase over the revised allocation reflects updated benefits consistent with Budget Office planning values, and other current service adjustments consistent with settled contract negotiations and a placeholder for the one unsettled contract. It includes \$0.4 million for 3.0 new full-time equivalent positions, and funding to support the additional positions the University is requesting to fill within its current authorization during FY 2023. In total the request would fund 1,744.9 unrestricted positions. The University requests 3.0 new full-time equivalent positions, 2.0 of which are for the Women’s Lacrosse team, consistent with Title IX requirements. The request is \$35.7 million or 14.3 percent more than FY 2022 spending; excluding retention bonuses paid in FY 2022, it is \$36.8 million or 14.8 percent more. *The Governor recommends \$9.2 million more than his revised recommendation, which is \$0.7 million more than requested. In his revised recommendation the Governor shifts \$0.7 million from salaries and benefits to operating expenses. Controlling for this, he recommends funding consistent with the request.*

Longitudinal Data System. The unrestricted budget includes \$750,000 in new expenditures for DataSpark, which maintains and operates the Rhode Island Longitudinal Data System, connecting person-level data from early childhood, through postsecondary education, and the workforce. The Rhode Island Longitudinal Data System was built more than a decade ago and has been supported with \$17.2 million from federal funds from the United States Department of Education and Department of Labor. The University’s request provides sustainable, long-term funding to DataSpark at its current funding levels.

The Governor’s budget includes language to establish the purpose and functions of the Rhode Island Longitudinal Data System to codify the governance and operations of this system in the Office of Postsecondary Commission along with \$1.1 million and 7.0 full-time equivalent positions. This includes \$0.6 million of new general revenue support and 3.0 new full-time equivalent employees. It also includes \$0.5 million from federal and private grants and 4.0 full-time equivalent employees transferred from the University.

Debt Service. The unrestricted request includes \$38.6 million for debt service costs, \$2.0 million more than the revised allocation. It includes \$29.0 million for debt service payments on general obligation bonds, \$7.6 million for revenue bonds, and \$1.9 million for Certificates of Participation that support energy performance upgrades. The increase includes \$2.1 million more to account for a full-year of debt service payments for the Facilities Services Sector Upgrade and Utility Infrastructure Upgrade Phase II projects included in the capital request, offset by \$0.2 million less for the University’s energy efficiency upgrades. *The Governor recommends \$2.5 million more than requested for debt service payments on general obligation bonds.*

Special Olympics. The unrestricted budget includes the enacted amount of \$50,000 in general revenue support to Special Olympics Rhode Island. The program provides year-round sports training and athletic competition in a variety of Olympic-type sports for individuals with intellectual disabilities by providing opportunities to develop physical fitness, demonstrate courage, experience joy, and participate in a sharing of gifts, skills, and friendship with family members, other Special Olympics athletes, and the community. *The Governor recommends funding as requested.*

Small Business Development Center. The unrestricted budget includes the enacted amount of \$700,000 in general revenue support to the Rhode Island Small Business Development Center. The central mission of the Center is to assist in improving economic conditions within the state by providing a range of business assistance and training opportunities for both existing and prospective small business owners. The 2021 Assembly doubled the state support for the Center from \$350,000 to \$700,000, which was then matched by \$700,000 from federal funds to provide a total of \$1.4 million to support small businesses. *The Governor recommends funding as requested.*

Institute for Labor Studies & Research. The unrestricted budget includes the enacted amount of \$100,000 in general revenue support to the Institute for Labor Studies and Research, a non-profit educational institution that provides education and training to Rhode Islanders. The 2022 Assembly provided support to the institute for the first time since FY 2016. *The Governor recommends funding as requested.*

Student Aid. The unrestricted budget includes \$141.9 million for student aid, which is \$5.7 million or 4.2 percent greater than the revised allocation and 10.5 percent greater than FY 2022 pre-audit expenditures. The additional funding is consistent with the tuition and fee increases included in the University's request. Student aid can be seen as a discount to the tuition and the expenditure is directly related to tuition and fee revenues. *The Governor recommends funding as requested.*

Operations. Excluding the items noted previously and the State Crime Laboratory, the unrestricted budget includes \$79.3 million for all other operating, contracted services, and capital expenditures. This is \$8.1 million or 11.4 percent more than the revised allocation and \$2.1 million or 2.7 percent more than FY 2022 spending. These expenses include \$20.4 million for building, computer, janitorial, landscaping, office, and program supplies, \$17.4 million for all contracted services; \$10.6 million for utilities; \$8.1 million for subscriptions to journals, research databases and periodicals; \$3.9 million for out-of-state travel costs; \$3.4 million for insurance; \$2.0 million for maintenance; \$2.0 million for advertisement; \$1.5 million for rental of property; and \$10.0 million for all other expenses, which includes \$5.3 million for miscellaneous operating expenses. This largely reflects inflationary increases and does not represent an expanded scope of work. The constrained request reduces expenditures by \$7,218. *The Governor recommends \$2.2 million less than requested for miscellaneous operating expenses.*

State Crime Lab. The unrestricted budget includes \$1.6 million for the State Crime Lab, which is \$0.1 million more than the revised allocation. The increase reflects current service adjustments.

The constrained budget request reduces general revenues by \$0.1 million and requests that a like amount of funding be provided from an alternate source. The Crime Lab indicates that a possible alternative source of revenue would be to impose a fee on the agencies which use the laboratory services, a practice enacted in 1978 legislation, but repealed in 1984. This is the same proposal submitted annually for nearly a decade. *The Governor recommends funding consistent with the unconstrained request.*

Restricted Budget. The restricted budget request is for \$422.9 million, which is \$50.5 million or 13.5 percent more than enacted and \$49.3 million or 13.2 percent more than the revised allocation. The increase to the enacted budget includes \$44.3 million more for capital expenditures funded from Rhode Island Capital Plan funds and \$18.0 million more for all other operations, primarily sponsored research, offset by \$8.8 million less for student aid and \$3.0 million less for debt service. *The Governor recommends \$411.4 million, which is \$38.9 million more than enacted and \$11.6 million less than requested. This includes \$11.0 million less from Rhode Island Capital Plan funds and \$0.6 million less for salaries and benefits.*

Restricted Student Aid. The restricted budget includes \$104.0 million for external student aid from restricted sources, including Federal Ford Students and Parent loans, Pell Grants, scholarships and loans from the University of Rhode Island Foundation and the University of Rhode Island Alumni Association. The current request is \$8.8 million less than enacted, but largely consistent with the revised request. The request reflects updated projections from Federal Ford Students and Parent loans. *The Governor recommends funding as requested.*

Capital. The restricted budget includes \$68.0 million for capital improvements funded by Rhode Island Capital Plan funds. The request includes \$15.1 million for the new PFAS Removal Water Treatment Plant project, \$6.6 million for the new Athletics Complex Renewal project, \$13.2 million for the Academic, Mechanical, Electrical, and Plumbing Improvements project, \$8.0 million for the Fine Arts Center

Renovation and Addition Phase II project, \$3.1 million for the Fire Safety Academic Phase II project, \$6.0 million for the Narragansett Bay Campus Renewal Phase I project, and \$15.8 million for asset protection projects. This is \$44.3 million more than enacted and is consistent with the capital request. *The Governor recommends \$11.0 million less than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Debt Service. The restricted budget includes \$18.3 million for debt service, which is \$3.0 million less than enacted. The decrease primarily reflects the Memorial Union and Health Services projects being delayed by the University, assuming costs would begin in FY 2025. *The Governor recommends funding as requested.*

Sponsored Research. The restricted budget includes \$113.2 million for federal, state, and private sponsored research, which is \$12.5 million more than enacted. This reflects updated funding received by the University for research activities. *The Governor requests \$0.6 million less than requested reflecting the 4.0 full-time equivalent positions that he recommends transferring to the Office.*

Other Operations. The restricted budget includes \$119.4 million for all other restricted expenses for auxiliary and enterprise operations. The request is \$5.5 million or 4.8 percent more than enacted, reflecting increases for dining, housing, and parking services, and primarily for housing operating costs. The request reflects inflationary increases. The restricted request is \$10.4 million or 9.6 percent more than FY 2022 spending. *The Governor recommends funding as requested.*

Rhode Island College

Rhode Island College	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 110,822,812	\$ 110,673,456	\$ 111,055,053	\$ 111,126,735
Contracted Services	3,279,678	3,783,736	3,780,611	3,780,611
Subtotal	\$ 114,102,490	\$ 114,457,192	\$ 114,835,664	\$ 114,907,346
Other State Operating	30,800,563	28,959,568	33,343,507	33,343,506
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	25,863,855	20,215,361	18,505,837	18,505,837
Capital	14,676,803	18,515,590	10,940,191	20,940,534
Capital Debt Service	9,957,450	10,871,935	10,791,178	13,405,688
Operating Transfers	-	-	-	-
Total	\$ 195,401,161	\$ 193,019,646	\$ 188,416,377	\$ 201,102,911
Sources of Funds				
General Revenue	\$ 68,343,852	\$ 68,560,788	\$ 74,639,074	\$ 74,690,295
Tuition and Fees	61,576,602	61,202,120	57,078,647	59,703,396
Other Unrestricted	11,528,591	8,585,304	9,973,067	9,973,067
Total Unrestricted	\$ 141,449,045	\$ 138,348,212	\$ 141,690,788	\$ 144,366,758
Restricted	53,952,116	54,671,434	46,725,589	56,736,153
All Sources	\$ 195,401,161	\$ 193,019,646	\$ 188,416,377	\$ 201,102,911
FTE Authorizations				
	873.2	873.2	873.2	873.2
<i>Limited to Third-Party Funds</i>	76.0	76.0	76.0	76.0
Total	949.2	949.2	949.2	949.2

Summary. Rhode Island College requests \$188.4 million from all sources and 949.2 full-time equivalent positions. This is a decrease of \$7.0 million or 3.6 percent from the enacted budget and an increase of \$0.2 million or 0.2 percent from the revised allocation. General revenues, requested at \$74.6 million, are \$6.2 million more than the enacted budget and \$6.1 million more than the revised allocation. Compared to the enacted budget, restricted source expenditures are \$7.2 million less. The staffing request is consistent with the current authorization, restricting 76.0 positions to third-party funding.

The Governor recommends \$201.1 million from all sources, which is \$5.7 million more than enacted and \$12.8 million more than requested. The recommendation includes \$74.7 million from general revenues, which is \$6.3 million more than enacted and \$51,221 more than requested. The Governor recommends the enacted level of staffing.

Tuition and Enrollment. The Council approved tuition rates as shown in the table on the next page at its November 2022 meeting and voted to reserve “the right to readjust tuition and fees as needed upon notification of the Governor’s recommendation and, later, upon the action of the legislature.” The Council approved a fee increase of \$20 for all students. The Council also approved an increase of 2.3 percent, or \$302, for average room and board costs. The FY 2023 revised enrollment estimate projects in-state enrollment to increase 2.5 percent or 109 full-time equivalent students and out-of-state enrollment to increase 0.4 percent or 3 students, which represents a total increase of 112 full-time equivalent students.

For FY 2024, in-state enrollment is projected to decrease 4.5 percent or 194 full-time equivalent students and out-of-state enrollment is projected to decrease 6.5 percent or 45 full-time equivalent students compared to FY 2023. This represents a total decrease of 239 full-time equivalent students. The FY 2024 estimate is 951 or 16.7 percent less than FY 2022 enrollment and 19.2 percent or 1,127 fewer students than FY 2021. The College’s enrollment has been declining since its FY 2014 peak of 7,022. The FY 2024 enrollment estimate is the lowest in decades.

College Undergraduate			Change to FY 2023	
Tuition and Fees	FY 2023	FY 2024	Enacted	
Resident				
Tuition	\$ 9,481	\$ 9,481	\$ -	0.0%
Fees	1,485	1,505	20	1.3%
Total	\$ 10,966	\$ 10,986	\$ 20	0.2%
Nonresident				
Tuition	\$ 25,014	\$ 25,014	\$ -	0.0%
Fees	1,485	1,505	20	1.3%
Total	\$ 26,499	\$ 26,519	\$ 20	0.1%
Average Room and Board	\$ 13,420	\$ 13,722	\$ 302	2.3%
Undergraduate and Graduate Enrollment				
In-State	4,292	4,098	(194)	-4.5%
Out-of-State	689	644	(45)	-6.5%
Total	4,981	4,742	(239)	-4.8%

The Governor’s budget appears to assume tuition and mandatory fee increases consistent with the Council’s approved rates but includes \$2.6 million more than requested from tuition and fees or other unrestricted sources. To close the gap, the College would have to generate more revenue than current projections or constrain spending from the request in order to not exceed available resources.

Staffing. The College’s request for 949.2 full-time equivalent positions is consistent with the enacted level. The request assumes that 76.0 of the total positions would be limited to funding from third-party sources. *The Governor recommends staffing at the enacted level.*

Unrestricted Budget. The unrestricted budget accounts for \$141.7 million, which is an increase of \$0.2 million or 0.2 percent from the enacted budget and an increase of \$3.5 million or 2.5 percent from the revised allocation. Sources of funds for the increase from the revised allocation include \$6.1 million more from general revenues and \$0.7 million from all other unrestricted sources, offset by \$3.4 million less from tuition and fees.

The Budget Office instructed agencies to submit a constrained budget request including a 5.0 percent target reduction, adjusted for certain exclusions. The College’s intended constrained budget request is \$9.2 million less from general revenues than the unconstrained request, offset by increasing tuition and fees to generate an additional \$2.6 million of revenues resulting in the need to reduce expenditures by \$6.6 million. To achieve this, the College proposes laying off staff, adjunct professors, and part-time employees and reducing student aid.

The Governor recommends \$144.4 million in unrestricted expenditures, which is \$2.9 million more than enacted and \$2.7 million more than requested. This includes \$74.7 million from general revenues, which is \$6.3 million more than enacted and \$51,221 more than requested. It also includes \$69.7 million from other unrestricted sources, which is \$2.6 million more than requested. The recommendation assumes the College will generate more revenue than its current projection, or constrain spending from the request in order to not exceed available resources.

College	Changes to Enacted		
	Request	Governor	Difference
Current Year Revisions	\$ (3,232,667)	\$ (3,100,843)	\$ 131,824
Salaries and Benefits	272,880	305,699	32,819
Biosciences Certificate Development	(200,000)	(200,000)	-
Strategic Investments	2,500,000	2,500,000	-
Student Aid	(915,647)	(915,647)	-
Debt Service	20,300	2,531,628	2,511,328
Utilities	411,755	411,755	-
Other Operations	1,385,121	1,385,121	-
Total	\$ 241,742	\$ 2,917,713	\$ 2,675,971

Current Year Revisions. Historically the analyses have begun with an adjustment for the current year. Until FY 2005, the Board had statutory authority, which did not require legislative approval, to reallocate the enacted budget based on information available to it, including changes to revenues and needs. The 2004 Assembly rescinded that authority and established separate appropriation lines for the four operations. The Assembly did not change the budget request and submission process; the law continues to require the Board of Education to review, develop and submit the higher education budget that it receives from the Council on Postsecondary Education. Also, the institutions retained their authority to use additional resources they received above appropriated amounts, such as research grants and additional tuition and fees.

The Council continues to review and approve each institution's allocation of all current year resources and describes its requested budget year items in terms of changes to those current year allocations. So that the analysis can be in terms of the items the Council specifies as requested, staff analysis starts from the allocations.

The College requests \$3.2 million or 2.3 percent less than enacted from unrestricted sources. This includes \$1.1 million less from tuition and fees, \$0.2 million more from general revenues, and \$2.9 million less from other unrestricted sources. The College indicated that it intended to request general revenues at the enacted level. Adjusting for this, the request is \$3.4 million or 2.4 percent less than enacted and includes \$1.9 million less for salaries and benefits, \$0.1 million more for contracted services, \$0.9 million less in student aid, \$0.6 million more for debt service, and \$1.4 million less for other expenses to reflect projected revenues. The tuition and fee reductions adjust for the overstatement of \$0.5 million in the enacted budget, which assumed the College would generate more revenue or constrain spending in order to not exceed available resources as well as \$0.6 million to reflect a downward revision to the average enrollment estimate. The revised estimate assumes fall 2022 enrollment of 5,093 students, 111 students more than the enacted assumption, and spring 2023 enrollment of 4,233, 412 fewer students than the enacted.

The Governor recommends \$0.1 million more than requested from unrestricted sources, including \$38,783 from general revenues, primarily for general obligation bond debt service. He also includes \$28,741 more for updated medical benefits rates.

Salaries and Benefits. Unrestricted expenditures for salaries and benefits total \$96.8 million, \$0.3 million or 0.3 percent more than the revised allocation for the College's authorized 949.2 full-time equivalent positions. Expenditures are \$1.3 million or 1.4 percent more when adjusting for an unintended increase in the revised allocation. The increase reflects a placeholder for pending contract negotiations with two collective bargaining units and salary adjustments for the remaining settled contracts. As of December 13, 2022, the College had 610.0 full-time equivalent positions filled that are funded by the unrestricted budget.

The intended constrained request reduces salaries and benefits by \$8.7 million from general revenues by laying off staff, adjunct professors, and part-time employees. This would be partially offset by \$2.1 million from increasing tuition and fees. Providing a final reduction of \$6.6 million from general revenues. *The*

Governor recommends \$32,819 more than requested to account for updated estimates of medical benefits rates.

Biosciences Certificate Development. The unrestricted budget includes \$0.5 million to continue support for the biosciences certificate program, \$0.2 million less than the revised allocation. The revised request maintains the \$0.7 million included in the enacted budget to support one position and improvements to laboratory space. Currently, the College is finalizing the bid documents for the laboratory renovations. For FY 2024, funding will support one position, additional equipment, and supplies for the program. *The Governor recommends funding as requested.*

Strategic Investments. The unrestricted budget adds \$2.5 million for new strategic investments at the College. It includes \$0.5 million each for the life sciences, health care, and education program for updating equipment, purchasing additional programmatic supplies, and additional specialized faculty to support the growing demand of these programs. The request includes \$1.0 million to invest in the College's academic and enterprise resources. Specifically, information technology systems such as PeopleSoft, PeopleAdmin, and Salesforce, additional recruitment and retention tools, and continued investment in academic advising. *The Governor recommends funding as requested.*

Student Aid. The unrestricted budget includes \$8.7 million for student aid, which is \$2.2 million or 20.4 percent less than the FY 2023 allocation and \$44,615 or 0.5 percent less than FY 2022 expenditures. The reduced funding reflects the enrollment estimate decreasing partially offset by fee increases of \$20 or 0.2 percent for in-state and 0.1 percent for out-of-state students. Student aid can be seen as a discount to the tuition and the expenditure is directly related to tuition and fee revenue.

Waivers can also be seen as student aid. This includes those granted to all Council employees and their dependents as part of collective bargaining agreements with union employees and Council policy for non-union employees. Spouses, domestic partners and dependents have tuition waived for the baccalaureate level, while faculty and staff eligibility is unlimited. Prior to July 1 2009, staffs of the Board of Education and Rhode Island PBS (formerly Channel 36) were extended these same benefits on the same basis of collective bargaining and policy. Mandatory fees are not generally waived.

The intended constrained request reduces general revenue funded student aid by \$0.5 million, which would entirely be offset by increasing tuition and fees. *The Governor recommends funding consistent with the unconstrained request.*

Debt Service. The unrestricted budget includes \$8.4 million for debt service payments on general obligation bonds, revenue bonds, and Certificates of Participation for the College's energy performance contract upgrades. This is \$20,300 more than the revised allocation, but accounting for the College's unintended increase in the revised allocation, it is \$0.2 million or 2.4 percent more. Debt service of \$6.2 million on general obligation bonds accounts for most of the cost.

Prior to FY 2008, all debt service costs appeared in the budget of the Department of Administration. Based on an audit recommendation suggesting reporting only debt service payments related to the primary government with the state's governmental funds, the 2006 Assembly shifted all debt service payments from the Department of Administration's budget to the budgets of the institutions. *The Governor recommends \$2.5 million more from general revenues than requested for debt service on general obligation bonds.*

Utilities. The unrestricted budget includes \$3.4 million for utility costs, \$0.4 million or 13.8 percent more than the FY 2023 revised allocation. The current increase is based upon the Commonfund Institute's Higher Education Price Index, designed specifically for use by institutions of higher education. *The Governor recommends funding as requested.*

Other Operations. Excluding the items noted previously, the unrestricted budget includes \$22.1 million for all other operations. This is \$1.4 million or 6.7 percent more than the revised request. Increases over the revised request include \$1.0 million more for miscellaneous expenses; \$0.2 million more for program and computer supplies; \$0.1 million more for campus-wide maintenance; and \$0.1 million more for subscriptions, rental expenses, and out-of-state travel. *The Governor recommends funding as requested.*

Restricted Budget. The restricted budget request is for \$46.6 million, which is \$7.3 million or 13.6 percent less than enacted and \$4.2 million less than the revised allocation. Rhode Island Capital Plan funds and student aid funding was not requested as intended. The College intends to request \$61.9 million, which is \$7.9 million or 14.7 percent more than enacted and \$6.7 million more than the revised allocation. The increase to the enacted largely relates to the capital budget, which includes \$10.4 million more for two capital projects, offset by \$4.2 million less for asset protection projects funded from Rhode Island Capital Plan funds. The remaining increase is related to the operations of the College's auxiliary enterprises. *The Governor recommends \$2.8 million more than enacted which is \$10.1 million more than requested, primarily reflecting additional Rhode Island Capital Plan funds.*

Student Aid. The restricted budget includes \$9.7 million for external student aid, including Pell Grants and work study. The request is \$5.2 million less than enacted in error. The College intended to include \$14.9 million for external student aid from restricted sources. The intended request is essentially consistent with the enacted budget and the intended revised request. *The Governor recommends \$0.1 million more though it appears the intent was to provide funding at the requested level.*

Capital. The restricted budget includes \$10.7 million for capital improvements funded by Rhode Island Capital Plan funds. The request includes \$5.3 million for the Infrastructure Modernization project and \$5.4 million for asset protection projects. This is \$3.8 million less than enacted and \$10.0 million less than the capital request as the College unintentionally excluded funding for the Academic Buildings Phase III project. The College intended to request funding consistent with the capital budget. *The Governor recommends funding consistent with the intended request.*

Other Restricted Operations. The restricted budget includes \$26.2 million for all other restricted expenses for the dining hall, student union, and residence halls, including debt service. The request is \$1.7 million more than enacted, including \$0.8 million more for salaries and benefits, \$0.4 million more for food, \$0.2 million more for contracted training services, \$0.2 million more for building maintenance, and \$0.1 million more for all other expenses. As of December 13, 2022, the College had 79.9 filled full-time equivalent positions supported by the restricted budget.

For the past few years revenues for dining, residence halls, and the student union have not been sufficient to support operations and the College has relied on prior year end balances from those enterprises to cover the gap. The revised request projects deficits of \$0.6 million for the student union, \$1.8 million for residence halls, and \$1.9 million for the dining hall. For FY 2024, the College also anticipates deficits of \$0.8 million for the student union and \$2.2 million each for dining and residence halls. It will have to increase revenues or adjust expenditures as there are no available fund balances. *The Governor recommends \$10,221 more than requested primarily for updated estimates for medical benefit rates. The recommendation does not address the anticipated deficit.*

Community College of Rhode Island

Community College of Rhode Island	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 101,585,140	\$ 99,779,393	\$ 102,029,126	\$ 99,830,317
Contracted Services	3,917,599	4,805,163	3,799,005	3,799,005
Subtotal	\$ 105,502,739	\$ 104,584,556	\$ 105,828,131	\$ 103,629,322
Other State Operating	28,772,096	26,699,283	18,775,662	18,534,031
Aid to Local Units of Government	13,558,251	5,899,208	2,512,000	12,000
Assistance, Grants, and Benefits	30,328,227	31,818,329	32,154,019	34,654,019
Capital	15,677,182	6,749,182	21,393,124	9,740,000
Capital Debt Service	1,721,143	1,608,686	945,281	973,106
Operating Transfers	714,758	9,395,791	-	11,653,124
Total	\$ 196,274,396	\$ 186,755,035	\$ 181,608,217	\$ 179,195,602
Sources of Funds				
General Revenue	\$ 57,098,581	\$ 57,134,761	\$ 64,047,685	\$ 59,135,070
Tuition and Fees	56,718,405	52,449,579	54,860,553	57,360,553
Other Unrestricted	6,518,262	7,868,763	7,908,771	7,908,771
Total Unrestricted	\$ 120,335,248	\$ 117,453,103	\$ 126,817,009	\$ 124,404,394
Restricted	75,939,148	69,301,932	54,791,208	54,791,208
All Sources	\$ 196,274,396	\$ 186,755,035	\$ 181,608,217	\$ 179,195,602
FTE Authorizations				
	760.1	760.1	760.1	760.1
<i>Limited to Third-Party Funds</i>	89.0	89.0	89.0	89.0
Total	849.1	849.1	849.1	849.1

Summary. The Community College requests \$181.6 million from all sources and 849.1 full-time equivalent positions for FY 2024. This is a decrease of \$14.7 million or 7.5 percent from the enacted budget and a decrease of \$4.2 million or 2.2 percent from the revised allocation. General revenues, requested at \$64.0 million, are \$6.9 million more than the revised allocation and the enacted budget. Compared to the enacted budget, restricted source expenditures are \$21.1 million less, reflecting the exclusion of the Community College's allotment of Higher Education Relief Funds, of which \$13.6 million was incorrectly budgeted as aid to local units of government. This funding must be spent by June 30, 2023. The staffing request is consistent with the enacted authorization.

The Governor recommends \$179.2 million from all sources, which is \$17.1 million less than enacted and \$2.4 million less than requested. The recommendation includes \$59.1 million from general revenues, which is \$2.0 million more than enacted and \$4.9 million less than requested. The Governor recommends staffing consistent with the enacted level.

Tuition and Enrollment. The Council approved a tuition and fee increase equal to \$235 for all in-state students, or 4.6 percent, and \$658 for all out-of-state students, or 4.9 percent. For in-state students, this includes an increase of \$231 for tuition and a \$4 increase for mandatory fees. For nonresident students, the request includes \$654 for tuition and a \$4 increase for mandatory fees. Enrollment is projected to increase by 639 full-time equivalent students or 8.9 percent compared to the enacted budget. The FY 2023 revised enrollment estimate is for 639 or 8.9 percent more students than enacted, consistent with the FY 2024

request. The Council of Postsecondary Education approved the tuition rates in the table that follows at its November 2022 meeting.

Community College			Change to FY 2023	
Tuition and Fees	FY 2023	FY 2024	Enacted	
Resident				
Tuition	\$ 4,624	\$ 4,855	\$ 231	5.0%
Fees	466	470	4	0.9%
Total	\$ 5,090	\$ 5,325	\$ 235	4.6%
Nonresident				
Tuition	\$ 13,086	\$ 13,740	\$ 654	5.0%
Fees	466	470	4	0.9%
Total	\$ 13,552	\$ 14,210	\$ 658	4.9%
Enrollment	7,176	7,815	639	8.9%

The Governor's budget assumes tuition and mandatory fee increases consistent with the Council's approved rates. The Governor's budget includes \$2.5 million more than requested from tuition and fees or other unrestricted sources. To close the gap, the Community College would have to generate more revenue than current projections or constrain spending from the request in order not to exceed available resources.

Staffing. The Community College's request for 849.1 full-time equivalent positions is consistent with the enacted level. The request assumes that 89.0 of the total positions would be limited to funding from third party sources. *The Governor recommends staffing consistent with the enacted budget.*

Unrestricted Budget. The unrestricted budget accounts for \$126.8 million, which is \$6.5 million or 5.4 percent more than the enacted budget and \$7.1 million or 5.9 percent more than the revised allocation. Sources of funds for the increase to the revised allocations include \$6.9 million more from general revenues, \$2.4 million more from tuition and fees, and \$2.3 million less from Higher Education Emergency Relief funds used for revenue replacement.

The Budget Office instructed agencies to submit a constrained budget request including a 5.0 percent target reduction, adjusted for certain exclusions. The constrained budget submitted by the Community College is \$8.7 million less than the unconstrained request, including \$9.8 million less from general revenues offset by \$1.2 million more from tuition and fees. The Community College proposes further tuition rate increases to offset the general revenue reduction contained in the budget target. In addition to reducing general revenues and raising tuition, the College proposes implementing a hiring freeze for an additional \$3.9 million of general revenues savings and reducing student aid by \$0.1 million. The items are noted in the analysis where appropriate.

The Governor recommends \$124.4 million in unrestricted expenditures, which is \$4.1 million more than enacted and \$2.4 million less than requested. General revenues are \$2.0 million more than enacted and \$4.9 million less than requested. The Governor recommends \$65.3 million from other unrestricted sources, which is \$2.5 million more than requested. The recommendation assumes the Community College will generate more revenue than its current projection, or constrain spending from the request in order not to exceed available resources.

Community College	Changes to Enacted		
	Request	Governor	Difference
Current Year Revisions	\$ (578,317)	\$ (2,882,145)	\$ (2,303,828)
Workforce Initiative	1,482,828	-	(1,482,828)
Staffing Upgrades and Professional Development	368,332	-	(368,332)
Benefits Hub	189,383	189,383	-
Targeted Recruitment	189,383	189,383	-
Healthcare Workforce	120	(545,752)	(545,872)
Other Salaries and Benefits	1,949,485	1,562,310	(387,175)
Technology Upgrades	736,528	543,528	(193,000)
Adult Scholarship Program	2,500,000	2,500,000	-
Other Student Aid	334,059	2,574,667	2,240,608
Debt Service	(775,862)	(635,580)	140,282
Other Operations	85,822	573,352	487,530
Total	\$ 6,481,761	\$ 4,069,146	\$ (2,412,615)

Current Year Revisions. Historically, the analyses have begun with an adjustment for the current year. Until FY 2005, the Board had statutory authority, which did not require legislative approval, to reallocate the enacted budget based on information available to it, including changes to revenues and needs. The 2004 Assembly rescinded that authority and established separate appropriation lines for the four operations. The Assembly did not change the budget request and submission process; the law continues to require the Board of Education to review, develop and submit the higher education budget that it receives from the Council on Postsecondary Education. Also, the institutions retained their authority to use additional resources they received above appropriated amounts, such as research grants and additional tuition and fees.

The Council continues to review and approve each institution's allocation of all current year resources and describes its requested budget year items in terms of changes to those current year allocations. So that the analysis can be in terms of the items the Council specifies as requested, staff analysis starts from the allocations.

The Community College requests \$0.6 million or 0.5 percent less than enacted from unrestricted sources. This includes \$4.3 million or 7.5 percent less than enacted from tuition and fees, \$1.9 million more from workforce development resources, including the Westerly Education Center, and \$1.9 million more from other unrestricted sources. The enacted budget assumes use of \$5.2 million of prior year's balance and \$51.5 million from tuition and fee revenues to partially support the unrestricted budget. The revised request includes \$52.4 million from tuition and fee revenues and \$2.3 million from Higher Education Emergency Relief funds and excludes use of prior year's balance as Higher Education Emergency Relief funds must be spent during FY 2023. Higher Education Emergency Relief funds historically have been treated as a restricted fund source. The revised request includes 7,815 students, which is 639 more than enacted. The overall expenditure reduction represents the Community College's updated spending estimate and includes \$0.9 million less for salaries and benefits, \$0.6 million more for contracted services, \$0.2 million less for capital improvements, \$1.1 million more for student aid, and \$1.1 million less for other operating expenses.

The Governor recommends \$2.3 million less than requested, which includes \$36,180 more from general revenues and \$2.3 million less from other unrestricted funds to shift the \$2.3 million from Governor Higher Education Emergency Relief funds to the restricted budget, consistent with its historical treatment. The general revenue increase reflects \$0.1 million more for miscellaneous expenses offset by updated debt service payments.

Workforce Initiative. The Community College requests \$1.5 million from general revenues to increase staffing by filling 14.0 additional full-time equivalent positions within its staffing authorization. These

include 4.0 positions in student services, 5.0 positions in workforce development, 2.0 positions in academic affairs, 2.0 positions in the Department of Institutional Equity and Human Resources, and a capital projects manager. *The Governor does not recommend funding.*

Staffing Upgrades and Professional Development. The Community College requests \$0.4 million from general revenues to bring its police officers' pay in-line with Rhode Island College's police officers and provide additional professional development opportunities for faculty and staff. The request includes \$0.3 million to address the reported six pay-grade difference between officers at the College and the Community College to address the likely impact this has on its ability to hire and retain police officers. It also includes \$85,000 for additional professional development. *The Governor does not recommend funding.*

Benefits Hub Initiative. The Community College requests \$0.2 million from general revenues to support the creation of a new on-campus benefits hub. Funding includes \$0.2 million to support 2.0 full-time equivalent positions within the Community College's current staffing authorization and \$25,000 for operating costs. The Community College plans to partner with the United Way of Rhode Island, the Executive Office of Health and Human Services, and the Department of Human Services. The Benefits Hub will be a one-stop shop for financial coaching and direct connections to the available federal, state, and community resources, including: utility assistance, emergency funding, enrollment in public benefits including the Supplemental Nutrition Assistance Program, and homelessness prevention and housing navigation. The Community College believes that a collective impact model will enable it to leverage community-based resources to meet students' needs, and will help retain and graduate students. The constrained request excludes this funding. *The Governor recommends funding as requested.*

Community First Initiative. The Community College requests \$0.2 million from general revenues to support a new Community First Initiative to extend outreach to marginalized cities and neighborhoods in Rhode Island. Based on successful programs at Broward College and Cuyahoga Community College, the Community First initiative will focus on adult learners on the west and south sides of Providence, where there are higher levels of unemployment, lower levels of educational attainment, and a higher concentration of Latino and Black residents compared to the rest of the state. Funding includes \$0.2 million to support 2.0 full-time equivalent positions within the current staffing authorization and \$25,000 to support recruitment activities.

The belief is that this initiative will facilitate the creation of equitable pathways to certificates, degrees, and quality jobs for underserved Rhode Islanders so that economic mobility can be achieved. The Community College indicates that its goal is to identify three locations to deliver college resources, such as college preparation, workforce training, and education in neighborhoods and community-based settings. Ultimately, the goal is to bring the Community First model to additional cities and towns.

The constrained request excludes this funding. *The Governor recommends funding consistent with the unconstrained request.*

Healthcare Workforce. The FY 2023 enacted budget includes \$0.5 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. As of December 16, 2022, the Community College has filled one position, will be making an offer for another, and is in the process of interviewing for the remaining two. Additionally, it is on track to increase the number of registered nurse graduates from approximately 300 to 400 annually, has expanded the number of spots in the licensed practical nursing program from 30 to 50 annually, and has increased the number of certified nursing assistants trained from 170 in FY 2021 to 204 during FY 2022. The Community College requests \$0.5 million from general revenues, which is \$120 more than the revised request, to continue this work. The constrained request excludes this initiative. *The Governor does not recommend funding.*

Other Salaries and Benefits. Unrestricted expenditures for salaries and benefits total \$94.9 million, \$1.9 million or 2.1 percent more than the revised allocation. The increase reflects settled contracts for the Education Support Professional Association, Professional Staff Association, Adjunct Faculty Contracts, non-union staff, and a placeholder for ongoing contract negotiations offset by additional turnover savings. The request would fund 745.3 full-time equivalent positions. As of the pay period ending December 3, 2022, there were 628.1 filled that are funded by the unrestricted budget.

The constrained request includes \$3.7 million in savings achieved by implementing a hiring freeze, which is offset slightly by the tuition increase. *The Governor recommends \$0.4 million less than requested reflecting updated estimates for medical benefits rate.*

Technology and Institutional Initiatives. The Community College requests \$0.7 million from general revenues to support new technology and institutional initiatives including the implementation of the new customer relationship management system, moving from physical servers to a cloud-based system, and additional software licenses to support online learning. The Community College received \$1.0 million from federal funds to cover a portion of the customer relationship management software. It also requests \$0.2 million to support marketing and advertising efforts to reach a broader audience, engage in targeted advertising for new certificate and degree programs, and ensure that existing academic and student service programs, such as the Joint Admissions Agreement are widely known, developing and distributing a new Annual Student Support Stewardship Impact Report. In December, the Community College contracted with an information technology consultant to assist with defining the system requirements and drafting the request for proposals, which is expected to be complete during spring 2023 with procurement to follow. The constrained request excludes this funding. *The Governor recommends \$0.2 million less than requested. He does not recommend funding for marketing or advertising.*

Rhode Island Promise. The 2017 Assembly established the Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is a “last dollar scholarship,” meaning that after a student exhausts all other sources of student aid, the program would cover the remainder of their tuition bill with general revenues. Other non-mandatory fees are not covered by this program. Originally created as a pilot program, it was made permanent in 2021. The 2022 Assembly excluded College Crusade scholarships as financial aid from Promise award determination.

The funding for Rhode Island Promise is not in the Community College’s budget request, rather through the Office of Postsecondary Commissioner, which oversees the scholarship. The Office’s request for \$7.9 million is consistent with the revised and enacted allocation, but not the November Promise Report issued prior to submission of the Office’s budget. The enacted budget would support 2,969 students and the November 2022 Promise Report notes \$6.9 million is needed to support 2,691 students. For FY 2024, the report states that \$8.6 million is needed to support 3,196 students, which is \$0.9 million more than the enacted budget. The increase over the enacted budget reflects the approved 4.6 percent tuition and fee increase, and an 18.8 percent enrollment increase. *The Governor recommends \$0.7 million more than requested, consistent with the November Promise Report.*

Adult Scholarship Program. The Community College requests \$2.5 million from general revenues to create a new adult scholarship program that targets adult students with some college credits, but no degree, with a focus on students who dropped-out of the Community College. To be eligible for the program, called Fresh Start Scholarship, students must have earned at least 15 credits in a selected degree program. This program will target students who are not meeting Satisfactory Academic Progress requirements, which makes them ineligible for federal financial assistance. Funding the first semester back will allow students to meet the Satisfactory Academic Progress requirements and regain eligibility, which will increase retention and completion efforts.

This new program will utilize similar enrollment strategies and build upon what was learned from the Finish What You Started grant program, which was funded from Governor's Emergency Education Relief funds. The new program will focus more on working adults that have stopped out due to not meeting satisfactory academic progress. The Community College notes that without helping adults meet satisfactory academic progress, there are limited funding opportunities available, which limits adults' abilities to finish the degree programs.

This new program would support the state's higher education attainment goal of 70 percent of Rhode Islanders having a credential or degree by 2025. The scholarship would be a "last dollar scholarship," similar to the Promise Scholarship, meaning that after a student exhausts all other sources of student aid, the program would cover the remainder of the tuition bill. Based upon the Community College's analysis of the Governor's Emergency Education Relief Fund scholarship program, approximately 1,000 students per academic year will utilize this program. The constrained request excludes this funding. *The Governor recommends funding consistent with the request but budgets it in the Office's budget, similar to how the Promise Scholarship is treated. The Governor also includes \$2.5 million of institutional funding in the Community College's budget, which double counts the expense.*

Other Student Aid. The unrestricted budget includes \$5.6 million for student aid, \$0.3 million more than the revised allocation and \$0.5 million or 10.7 percent more than FY 2022 expenditures. The additional funding is consistent with the tuition and fee increases included in the Community College's request. Student aid can be seen as a discount to tuition and the expenditure is directly related to tuition and fee revenue. For FY 2024, student aid and waivers are estimated to be 10.1 percent of tuition and fee revenue, consistent with the revised request. This share is 1.8 percent more than FY 2022 and 0.5 percent more than FY 2021. The constrained request provides \$0.1 million of savings by shifting funding to other unrestricted sources. *The Governor recommends \$2.6 million more than his revised allocation, which is \$2.2 million more than requested. In his revised recommendation, the Governor shifts the \$2.3 million of federal Higher Education Emergency Relief funds from the unrestricted budget to the restricted budget. Controlling for this, he recommends funding consistent with the request.*

Debt Service. The unrestricted budget includes \$0.9 million for debt service expenditures including \$0.6 million for payments on general obligation bonds and \$0.3 million for revenue bonds. This is \$0.8 million less than the revised allocation. The constrained request provides \$7,176 of general revenue savings by shifting funding to other unrestricted sources, which would be funded through a tuition and fee increase. *The Governor recommends \$0.1 million more than requested to reflect updated general obligation bond debt service.*

Other Operations. Excluding the items noted previously, the unrestricted budget includes \$19.8 million for all other operations and contracted services. This is \$85,000 or 3.2 percent less than enacted, and \$0.1 million, or 0.4 percent more than the revised allocation. Spending includes \$4.0 million for computer, janitorial, landscaping, office, and programmatic supplies, \$3.5 million on maintenance and repairs, \$3.0 million for utilities, \$1.7 million for contracted grounds services, \$1.4 million for insurance, \$1.3 million for contracted training services, \$1.0 million for miscellaneous expenses, \$0.9 million for advertising, \$0.6 million for computers, \$0.5 million for travel expenses, and \$2.9 million for all other expenses. The increase to the revised allocation reflects \$0.1 million more for insurance and \$34,217 more for contracted building and grounds services, which are offset by \$0.1 million less for contracted training and educational services. The unrestricted budget is \$3.0 million or 18.2 percent more than FY 2022 spending. *The Governor recommends \$0.6 million more than requested. This includes \$0.3 million more for maintenance and repairs, \$0.2 million more for computer supplies and equipment, and \$0.1 million more for insurance. He concurs with the remainder of the request.*

Restricted Budget. The restricted budget request is for \$54.8 million, which is \$21.1 million or 27.8 percent less than enacted and \$11.2 million or 17.0 percent less than the revised allocation. The decrease

to the enacted budget includes \$21.6 million less from Higher Education Emergency Relief funds and \$1.8 million less from the Governor's Emergency Education Relief funds, of which \$13.6 million was erroneously budgeted as aid to local units of government, offset by \$5.9 million more for capital projects funded from Rhode Island Capital Plan funds and \$0.6 million more for restricted student aid. *The Governor recommends funding as requested.*

Higher Education Emergency Relief Funds. The enacted budget includes \$21.6 million from the Community College's allotment of Higher Education Relief Funds. Higher Education Relief Funds were provided in the Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act. Over the two acts, the Community College received \$62.3 million to support the financial and technological needs of its students, provide personal protective equipment, cleaning supplies, COVID test and vaccination events, vaccine incentives for students, and to backfill lost revenues.

The Community College excluded Higher Education Relief funds from its FY 2024 restricted request as all funding will be spent at the end of FY 2023. *The Governor recommends funding as requested.*

Governor's Emergency Education Relief. The enacted budget includes \$1.8 million from the \$5.2 million allocation of the Governor's Emergency Education Relief Fund, authorized by Governor Raimondo, to expand access to the Community College in a manner similar to Promise. It is funding two different programs, including the Promise High School Class of 2020 grant and the Finish What You Started Grant to provide financial assistance to students who graduated high school in 2020, attended the Community College, but disenrolled due to the pandemic and non-traditional students who have not completed the necessary coursework to earn an associate's degree. The Community College excludes funding from its allocation of the Governor's Emergency Education Relief Fund from its FY 2024 restricted request as all funding will be spent at the end of FY 2023. *The Governor recommends funding as requested.*

Capital. The restricted budget includes \$20.8 million for capital improvements funded by Rhode Island Capital Plan funds. The request includes \$9.0 million for the Renovation and Modernization – Phase I project, \$4.5 million for the Flanagan Campus Renewal project, \$3.3 million for the Data, Cabling, and Power Infrastructure project, \$1.4 million for the Knight Campus Renewal project, and \$2.7 million for asset protection projects. This is \$5.9 million more than the enacted budget and consistent with the capital request. *The Governor recommends funding as requested.*

Restricted Student Aid. The restricted budget includes \$26.6 million for external aid from restricted sources, which is \$0.6 million more than enacted and \$1.1 million more than the revised request. The request is also 8.7 percent or \$2.1 million more than spent on restricted student aid during FY 2022. *The Governor recommends funding as requested.*

Other Restricted Operations. The restricted budget includes \$7.3 million for all other restricted expenses for auxiliary and enterprise operations. The request is \$4.3 million less than enacted and \$4.0 million more than the revised allocation. The restricted budget request is \$4.4 million or 36.6 percent less than FY 2022 spending.

Other changes include \$1.5 million less for salaries and benefits and operational expenses of its bookstores, reflecting the Community College beginning the process of privatization. At the December 7, 2022 meeting of the Council on Postsecondary Education, the Council approved the recommendation from the Finance and Facilities Committee to approve the privatization of the Community College's bookstores in accordance with the provisions of the Rhode Island General Laws and applicable collective bargaining agreements. *The Governor recommends funding as requested.*

Rhode Island State Council on the Arts

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,229,729	\$ 1,223,876	\$ 1,666,269	\$ 1,280,400
Contracted Services	15,000	18,000	17,500	15,000
Subtotal	\$ 1,244,729	\$ 1,241,876	\$ 1,683,769	\$ 1,295,400
Other State Operations	283,667	276,879	325,593	282,922
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,101,599	2,289,114	17,101,599	2,101,599
Capital	535,000	535,000	540,000	535,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 4,164,995	\$ 4,342,869	\$ 19,650,961	\$ 4,214,921
Sources of Funds				
General Revenue	\$ 2,198,276	\$ 2,185,921	\$ 17,664,221	\$ 2,232,328
Federal Aid	1,331,719	1,521,448	1,351,740	1,347,593
Restricted Receipts	50,000	50,500	50,000	50,000
Other	585,000	585,000	585,000	585,000
Total	\$ 4,164,995	\$ 4,342,869	\$ 19,650,961	\$ 4,214,921
FTE Authorization	9.6	9.6	13.0	9.6

Summary. The Rhode Island State Council on the Arts requests \$19.7 million from all sources, which is \$15.5 million more than enacted, including \$15.5 million more from general revenues and \$20,021 more from federal funds. It includes 13.0 full-time equivalent positions, 3.4 more than enacted. *The Governor recommends authorized positions consistent with the enacted budget and \$4.2 million from all sources, which is \$49,926 more than enacted including \$34,052 more from general revenues.*

Target Issues. The Budget Office provided the Council with a general revenue target of \$2.1 million, including current service adjustments of \$33,905 and a 5.0 percent target reduction of \$111,609, adjusted for certain exclusions.

FY 2024 Budget	Budget Office	RISCA	Difference
FY 2023 Enacted	\$ 2,198,276	\$ 2,198,276	\$ -
Current Service Adjustments	33,905	87,927	54,022
New Initiatives	-	15,378,018	15,378,018
Change to FY 2023 Enacted	\$ 33,905	\$ 15,465,945	\$ 15,432,040
FY 2024 Current Service/Unconstrained Request	\$ 2,232,181	\$ 17,664,221	\$ 15,432,040
Target Reduction/Initiatives	(111,609)	(15,543,649)	(15,432,040)
FY 2024 Constrained Target/Request	\$ 2,120,572	\$ 2,120,572	\$ -
<i>Change to FY 2023 Enacted</i>	<i>\$(77,704)</i>	<i>\$(77,704)</i>	<i>\$ -</i>

The constrained budget submitted by the Council is consistent with the target. The proposals to achieve the reductions are noted among the items described where appropriate. *The Governor's budget is \$0.1 million more than the target.*

Grants. The Rhode Island State Council on the Arts supports a multitude of grants funded through different fund sources. Its FY 2024 request totals \$17.2 million, including \$16.2 million from general revenues, \$0.9 million from federal funds, and \$50,000 from restricted receipts. The request is \$15.0 million more than enacted for two new grant programs. The new Cultural Infrastructure Grants program would provide infrastructure grants and technical assistance to art organizations. The new Municipal Cultural Investments program would support municipal cultural districts and economic and cultural development initiatives.

For FY 2022, the Council provided awards under 20 distinct grant programs, totaling \$2.8 million from all sources, including a \$375,000 designated grant for Waterfire Providence identified in Article 1 of 2021-H 6122, Substitute A, as amended. The 2016 Assembly ended the community service grant program and provided that appropriation in place of the prior funding, as well as \$200,000 for the Council’s competitive pool grants. The Council’s annual grant support also includes \$0.6 million from general revenues and typically \$0.4 million to \$0.5 million in federal National Endowment for the Arts support over which it has wide discretion to distribute, as well as restricted support from the Rhode Island Foundation for its Expansion Arts program. The table below shows grant support to the Council since FY 2019. *The Governor recommends funding consistent with the enacted budget, excluding the new requested grants.*

Fund Source	Grant Pool	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 Enacted	FY 2024 Request	FY 2024 Governor
General Revenue	Cultural Infrastructure Grants*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000	\$ -
	Municipal Cultural Investments*	-	-	-	-	-	3,000,000	-
	Discretionary Grants	590,000	590,000	590,000	590,000	590,000	590,000	590,000
	Competitive Pool	200,000	200,000	200,000	200,000	200,000	200,000	200,000
	Waterfire Providence	375,000	375,000	375,000	375,000	375,000	375,000	375,000
	Governor's Portrait	-	-	-	25,000	-	-	-
Subtotal		\$ 1,165,000	\$ 1,165,000	\$ 1,165,000	\$ 1,190,000	\$ 1,165,000	\$ 16,165,000	\$ 1,165,000
Federal Funds	National Endowment for the	\$ 417,097	\$ 736,373	\$ 342,315	\$ 1,577,322	\$ 936,599	\$ 936,599	\$ 936,599
	Coronavirus Relief Funds	-	-	1,000,050	-	-	-	-
Restricted Receipts	Expansion Arts	\$ 5,776	\$ 4,195	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Arts & Health Network Grant	-	39,125	-	10,000	-	-	-
	Governor's Portrait	-	-	284	25,000	45,000	45,000	45,000
Total Grant Funding		\$ 1,587,873	\$ 1,944,693	\$ 2,507,649	\$ 2,807,322	\$ 2,151,599	\$ 17,151,599	\$ 2,151,599

*New grants requested for FY 2024

Cultural Infrastructure Grants. The Council requests \$12.0 million from general revenues for a new cultural infrastructure grant program. The program would function similarly to its Creative and Cultural Economy Grant program which is funded from \$36.0 million of general obligation bonds approved in November 2014 and March 2021. That program awards grants for physical infrastructure upgrades to nonprofit cultural organizations, including a competitive process and recipients designated in the bond approval. The Council indicates its current request would award all funds through a competitive process and include a technical assistance component as well as support for artist housing construction. The Council anticipates reviewing applications on a rolling basis beginning in Fall 2023 with project completion projected for December 2026. The constrained request excludes this initiative. *The Governor’s budget does not include this initiative.*

Municipal Cultural Investments. The Council requests \$3.0 million from general revenues for a new program to support cultural districts and economic and cultural development initiatives. The program would support two award types, a planning grant of up to \$50,000 for municipalities to engage the artistic community in developing a cultural program and a grant of up to \$200,000 to implement cultural programs that drive workforce and economic development. Eligible applicants include municipal art agencies, community development corporations, or other arts organizations if no relevant government entity exists. Projects would require a municipal resolution in support and are expected to complete in 2024. The constrained request excludes this initiative. *The Governor’s budget does not include this initiative.*

Discretionary Grants. Consistent with the enacted budget, the Council requests \$590,000 from general revenues for discretionary grants to various education, individual artists and arts organizational programs.

The discretionary grant pool currently supports 15 grant programs, and in some cases is the sole source of state support. It should be noted that these funds contribute to the federal National Endowment for the Arts grant state cost sharing requirement. The Council administers a number of discretionary grant programs awarded through application processes and funded through federal funds, general revenues, or restricted receipts. Although each grant program has a different timeframe, applications and awards for each follow a similar process. *The Governor recommends funding as requested.*

Other State Grants. Consistent with the enacted budget, the Council requests \$0.2 million from general revenues for its remaining state supported grant programs awarded through a competitive pool. These grants fund the Council's regular education and access initiatives, including the Big Yellow School Bus Program, Art Access, and Investment in Arts and Cultural Grants. The 2016 Assembly ended the community service grant program and provided these appropriations in place of the prior funding. *The Governor recommends funding as requested.*

Providence Waterfire. Consistent with the enacted budget, the Council requests \$375,000 from general revenues to support Providence Waterfire. The 2016 Assembly ended the community service grant program and provided these appropriations in place of the prior funding. The constrained request includes \$123,381 less in order to meet the target budget. *The Governor recommends funding as requested.*

National Endowment for the Arts Grants. Consistent with the enacted budget, the Council requests \$0.9 million from federal National Endowment for the Arts funds for grants to individuals and organizations to help support the arts and encourage artists to continue to make the arts visible in the community. Funding is currently used to support 15 different grant programs, often in conjunction with state sources of funding. *The Governor recommends funding as requested.*

Restricted Grants. Consistent with the enacted budget, the Council requests \$50,000 from restricted receipts to support two programs. The first program is \$5,000 received annually from the Rhode Island Foundation to support the Expansion Arts program. The second is \$45,000 to create Governor portraits. The 2021 Assembly authorized a restricted receipt account for donations for this purpose. The Council included these funds as a placeholder pending authorization to begin the search for an artist for Governor McKee's portrait. *The Governor recommends funding as requested.*

Contractor Conversion (2.0 FTE). The request includes \$187,894 from general revenues and authorization for 2.0 new full-time equivalent positions to convert existing contractors to permanent state employees. The Council indicates it directly oversees two part-time contractors and one intern, collectively equivalent to around 1.5 full-time equivalent positions, who provide core services for the Council such as grants management and program coordination with the Department of Elementary and Secondary Education. The request would consolidate the contractors and intern into an education research aide for \$76,000 and a grants manager for \$111,894, effectively freeing up grant resources currently dedicated to the positions. The contractors are nominally employees of community nonprofit art organizations but are paid for using grants received from the Council's competitive pool. The positions cost approximately \$100,000, roughly half of the Council's competitive grant pool funds which the 2016 Assembly provided in place of community service grants. The request would permit these funds to be awarded for other purposes. The new Executive Director has taken steps to recognize personnel as temporary contractors instead of grant outlays.

The constrained request excludes the authorizations and funding, effectively retaining personnel as contractors. *The Governor's recommendation excludes this initiative, retaining personnel as contractors.*

Council Deputy Director (1.0 FTE). The request includes \$154,694 from general revenues and authorization for a new 1.0 full-time equivalent deputy director position for the Arts Council. The deputy director would be responsible for administering the Municipal Cultural Investments program, provide

continuity during leadership transitions, and take on other program work as needed. It should be noted that the Director of the Film and TV Office served as the Council's interim Executive Director from January to June 2022. The Council indicates that most state art agencies of similar size have a deputy position. The constrained request excludes the authorization and funding. *The Governor's recommendation excludes this initiative.*

Film Office Deputy Director (0.4 FTE). The request includes \$154,694 from general revenues, \$35,430 more than enacted, for a new 1.0 full-time equivalent deputy director position for the Film and Television Office. The request repurposes \$119,264 and authorization for a vacant 0.6 full-time equivalent website manager position in the enacted budget, which the Council indicates is no longer needed. This would increase the total number of positions associated with the Office from 2.6 to 3.0. The Council indicates its request is intended to support additional outreach, administration, and data collection work associated with the Motion Picture Production Tax Credit. The 2022 Assembly increased the aggregate annual tax credit cap from \$20.0 million to \$40.0 million for tax years 2023 and 2024 only. The constrained request excludes the additional authorization and funding. *The Governor's recommendation excludes this initiative.*

Film Commission. The Council requests \$0.3 million from general revenues, \$56,838 more than enacted, to support the remaining 2.0 full-time equivalent positions and operations of the Rhode Island Film and Television Office. The request includes \$18,197 more for staff training, office supplies, and current service adjustments. The Council's request transfers \$38,641 from the Council to the Film Office to correct an error in the enacted budget. The constrained request includes \$9,750 less for operating expenses. *The Governor's recommendation includes \$9,651 less than requested to reflect updated centralized services and medical benefit cost expectations. It excludes new staff training and supplies.*

Other Staffing and Operations. The Council requests \$1.1 million from all sources, which is \$51,110 more than enacted including \$31,089 from general revenues and \$20,021 from federal funds, for all other expenses and the Council's remaining 7.0 full-time equivalent positions. Similar to its revised request, the Council's request transfers \$38,641 from the Council to the Film Office to correct an error in the enacted budget. Its intended request is \$89,751 more than enacted for staff training, office supplies, and current service adjustments. The constrained request is \$32,500 less and includes only current service adjustments. *The Governor's recommendation includes \$2,739 more than enacted, including \$13,135 less from general revenues, to reflect updated centralized services and medical benefit cost expectations. It excludes new staff training and supplies.*

Percent for Art Program. Consistent with the enacted budget, the Council requests \$585,000 for the Percent for Art program for public art projects at state-owned facilities. The Council indicates that many programs were put on hold as a result of the pandemic, but are now proceeding. There are seven ongoing projects, six of which are expected to be completed by June 2024 and one of which is new. *The Governor recommends funding as requested.*

Rhode Island Atomic Energy Commission

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,220,945	\$ 1,200,664	\$ 1,259,560	\$ 1,259,774
Contracted Services	-	-	-	-
Subtotal	\$ 1,220,945	\$ 1,200,664	\$ 1,259,560	\$ 1,259,774
Other State Operations	237,415	433,113	250,959	240,934
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	78,036	78,036	78,036	78,036
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,536,396	\$ 1,711,813	\$ 1,588,555	\$ 1,578,744
Sources of Funds				
General Revenue	\$ 1,146,763	\$ 1,101,589	\$ 1,168,637	\$ 1,158,737
Federal Aid	-	206,742	-	-
Restricted Receipts	25,036	25,036	25,036	25,036
Other	364,597	378,446	394,882	394,971
Total	\$ 1,536,396	\$ 1,711,813	\$ 1,588,555	\$ 1,578,744
FTE Authorization	8.6	8.6	8.6	8.6

Summary. The Rhode Island Atomic Energy Commission requests \$1.6 million from all sources, including \$1.2 million from general revenues, \$0.3 million from University of Rhode Island Sponsored Research funds, \$50,000 from Rhode Island Capital Plan funds, and \$25,036 from restricted receipts. This is \$52,159 more than enacted, including \$21,874 more from general revenues and \$30,285 more from University funds. The Commission requests the enacted level of 8.6 full time-equivalent positions.

The Governor recommends \$1.6 million from all sources, which is \$42,348 more than enacted, including \$11,974 more from general revenues and \$30,374 more from University funds and staffing at the authorized level.

Target Issues. The Budget Office provided the Commission with a general revenue target of \$1.1 million, including current service adjustments of \$38,300 and a 5.0 percent target reduction, adjusted for certain exclusions, of \$57,973.

FY 2024 Budget	Budget Office	Atomic Energy	Difference
FY 2023 Enacted	\$ 1,146,763	\$ 1,146,763	\$ -
Current Service Adjustments	38,300	21,874	(16,426)
Change to FY 2023 Enacted	\$ 38,300	\$ 21,874	\$ (16,426)
FY 2024 Current Service/Unconstrained Request	\$ 1,185,063	\$ 1,168,637	\$ (16,426)
Target Reduction/Initiatives	(57,973)	(57,973)	-
FY 2024 Constrained Target/Request	\$ 1,127,090	\$ 1,110,664	\$ (16,426)
<i>Change to FY 2023 Enacted</i>	<i>\$(19,673)</i>	<i>\$(36,099)</i>	<i>\$(16,426)</i>

The constrained budget submitted by the agency is \$16,426 less than the target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$31,647 more than the target.*

Salaries and Benefits. The Commission requests \$1.3 million for its 8.6 full-time equivalent positions. This is \$38,615 more than enacted, including \$12,481 more from general revenues and \$26,134 more from University research funds, reflecting current service adjustments and assuming all positions are filled. The enacted budget also fully funds all staff; as of the October 22, 2022 pay period there is a vacancy. *The Governor recommends \$214 more from all sources for updated estimates of medical benefit rates.*

Reactor Fee Receipts. The Commission charges reactor fees for commercial utilization of the reactor based on the organizational status of the requesting agency and the amount of reactor time requested. Reactor fees were historically deposited as general revenues. The 2018 Assembly created a restricted receipt account for the reactor fee revenues to be used for the maintenance of the Commission's equipment. The balance of the account at the time of the request of the account is \$43,618. The enacted budget assumes expenditures of \$25,036, and the Commission's request maintains this. *The Governor recommends funding as requested.*

Other Operations. The Commission requests \$0.3 million from all sources for other operations including \$0.2 million from general revenues and \$0.1 million from University funds. This is \$13,544 more than enacted including \$9,393 more from general revenues and \$4,151 more from University research funds, primarily for machinery supplies and shop equipment, which are used to maintain and repair the facility and fabricate items for its experiments. The request also includes \$3,000 from all sources, of which \$2,000 is from general revenues to continue its computer system upgrades, consistent with the enacted budget.

The Commission also submitted a constrained request which would reduce general revenues by \$57,973 mostly from reduced spending on repairing and maintaining the facility. *The Governor recommends reducing general revenues by \$10,025 for centralized services based on updated estimated billings.*

Capital Projects. The Commission requests \$50,000 from Rhode Island Capital Plan funds for capital asset protection projects, consistent with the enacted amount. The Commission spent \$15,924 on asset protection projects in FY 2022, \$44,937 in FY 2021, and \$50,096 in FY 2020. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Historical Preservation and Heritage Commission

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 2,064,088	\$ 1,957,262	\$ 2,308,038	\$ 2,072,879
Contracted Services	8,000	8,000	8,000	8,000
Subtotal	\$ 2,072,088	\$ 1,965,262	\$ 2,316,038	\$ 2,080,879
Other State Operations	306,529	342,329	315,671	373,973
Aid to Local Units of Government	-	-	-	-
Assistance, Gran.st, and Benefits	530,619	530,619	530,619	555,619
Capital	603,500	603,500	605,000	605,000.00
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,512,736	\$ 3,441,710	\$ 3,767,328	\$ 3,615,971
Sources of Funds				
General Revenue	\$ 1,572,452	\$ 1,551,670	\$ 1,842,066	\$ 1,689,697
Federal Aid	1,359,283	1,359,037	1,392,635	1,393,147
Restricted Receipts	424,100	424,100	422,800	422,800
Other	156,901	106,903	110,327	110,327
Total	\$ 3,512,736	\$ 3,441,710	\$ 3,767,828	\$ 3,615,971
FTE Authorization	15.6	15.6	15.6	15.6

Summary. The Historical Preservation and Heritage Commission requests \$3.8 million, which is \$0.3 million more than enacted from all sources, including \$269,614 more from general revenues, \$33,352 more from federal funds, \$1,300 less from restricted receipts, and \$46,574 less from Department of Transportation reimbursements. The request includes the authorized level of 15.6 full-time equivalent positions. *The Governor recommends \$151,857 less than requested, including \$152,369 less from general revenues.*

Target Issues. The Budget Office provided the Commission with a general revenue target of \$1.6 million, including current service adjustments of \$112,717 and a 5.0 percent target reduction of \$72,352, adjusted for certain exclusions. The constrained budget submitted by the Commission is \$152,831 less than the target. The proposals to achieve the reductions are noted among the items described where appropriate. *The Governor's recommendation is \$0.1 million more than the target.*

FY 2024 Budget	Budget Office	HPHC	Difference
FY 2023 Enacted	\$ 1,572,452	\$ 1,572,452	\$ -
Current Service Adjustments	112,717	123,977	11,260
New Initiatives	-	145,637	145,637
Change to FY 2023 Enacted	\$ 112,717	\$ 269,614	\$ 156,897
FY 2024 Current Service/Unconstrained Request	\$ 1,685,169	\$ 1,842,066	\$ 156,897
Target Reduction/Initiatives	(72,352)	(382,080)	(309,728)
FY 2024 Constrained Target/Request	\$ 1,612,817	\$ 1,459,986	\$ (152,831)
<i>Change to FY 2023 Enacted</i>	<i>\$ 40,365</i>	<i>\$ (112,466)</i>	<i>\$ (152,831)</i>

Position Adjustments. The Commission requests \$202,001 from all sources, which is \$145,637 more from general revenues than enacted, for position adjustments associated with 10.0 of its 15.6 positions. Two positions are being revised down and eight are being upgraded. The enacted budget includes \$46,063 to partially fund these position adjustments. The request includes upgrade costs associated with 3.0 federally funded positions and 1.0 funded from Department of Transportation reimbursements, which assumes it will not be able to secure additional funds from these sources. All requested position changes require a public hearing for approval, only two of which have occurred as of November 2022. The constrained request includes \$145,637 less. *The Governor recommends the enacted level of funding.*

Department of Transportation Project Review. The Commission requests \$111,252 from Department of Transportation reimbursements for personnel and operating expenditures related to project review, which is \$46,574 less than enacted. Reimbursements are used to fund one full-time position costing approximately \$110,000. Historically, the Commission also uses approximately \$50,000 to pay for staff that occasionally help on these projects. As a result of project disruptions related to the COVID-19 pandemic, these funds have paid for only the one full-time position and no other staff. Consistent with the revised request, the Commission's request assumes other staff assistance will no longer be necessary. This does not account for a requested position upgrade of \$46,219, which may be reimbursed subject to negotiation with the Department. *The Governor recommends funding as requested; he does not include a position upgrade.*

Other Salaries and Benefits. The Commission requests \$2.1 million from all sources, including \$1.4 million from general revenues and \$0.7 million from federal funds, for salary and benefits for the Commission's remaining 14.6 full-time equivalent positions. The request is \$144,537 more than enacted, including \$108,185 from general revenues and \$36,352 from federal funds. The request includes \$48,550 more from general revenues to restore turnover associated with the vacant Executive Director position assumed in the enacted budget. The remaining increase reflects current service adjustments.

The Commission's constrained request includes \$236,443 less from general revenues, achieved by imposing mandatory furlough days on staff or holding positions vacant, equivalent to 1.8 full-time positions. *The Governor recommends \$55,015 more than enacted, including \$18,151 from general revenues, to reflect current service adjustments and updated medical benefit cost expectations.*

Survey and Planning. The Commission requests \$91,494 from the U.S. National Park Service Historical Preservation Act Grant for certified local grants to carry out historic preservation activities such as surveys, preservation plans, National Register nominations, architectural plans, historic structures reports, and engineering studies necessary to restore or repair properties listed on the National Register of Historic Places. The request is \$3,000 less than enacted to reflect reduced computer and software costs. *The Governor recommends funding as requested.*

Fort Adams Trust. The Commission requests the enacted amount of \$30,000 from general revenues to support the Fort Adams Trust restoration. Fort Adams Trust is a nonprofit that protects historic places and public spaces in Narraganset Bay and Newport, most notably Fort Adams, a former U.S. Army post established in 1799. The Trust has been restoring the historic fort since 1995. The Commission has requested this amount of funding since FY 2017. The FY 2023 enacted budget included language enumerating this funding as part of Article 1 of 2022-H 7123, Substitute A, as amended. *The Governor recommends funding as requested.*

Slave History Medallion Grant. The nonprofit Rhode Island Slave History Medallion organization based in Newport raises public awareness for sites connected to the history of slavery. The organization marks homes and other locations with medallions or bronze plaques to commemorate the lives of enslaved peoples and encourage community dialogue. The Commission's request does not include this initiative. *The Governor recommends \$25,000 from general revenues for a new grant to the Rhode Island Slave History Medallion organization.*

Revolving Historic Preservation Loan Fund. Consistent with the enacted budget, the Commission requests \$400,000 from restricted receipts to issue loans through the Revolving Historic Preservation Loan Fund. These funds are available to preserve properties listed on the State Register of Historic Places by providing low-interest loans to public, non-profit, or private owners, and municipalities, up to \$200,000. No new loans have been issued since FY 2017. *The Governor recommends funding as requested.*

Capital. The Commission requests \$0.6 million from federal funds for two projects, including bringing the Old State House into regulatory compliance and relocating and cataloging historical artifacts currently housed in its basement to a central repository at the University of Rhode Island. It should be noted that the Department of Administration's budget contains \$1.0 million from Rhode Island Capital Plan funds as match for the Old State House grant, including \$0.5 million for asset protection projects and \$0.5 million from Accessibility Renovation funds awarded by the Governor's Commission on Disabilities. Dividing funding for a unified project among multiple agencies inhibits budgeting transparency. The Commission's capital budget request includes \$0.3 million for these projects in FY 2024, consistent with the approved plan. The Commission indicates its request is in error and its capital budget request should supersede. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Commission requests \$0.7 million from all sources for all other expenses, including \$0.3 million from general revenues. The request is \$14,492 more than enacted, including \$15,792 more from general revenues and \$1,300 less from federal funds, to more closely reflect FY 2022 spending. *The Governor recommends \$58,302 more from general revenues than requested to reflect updated centralized services expectations.*

Office of the Attorney General

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Criminal	\$ 23,602,947	\$ 23,673,218	\$ 25,535,503	\$ 24,525,155
Civil	8,209,897	8,314,126	9,368,996	8,534,023
Bureau of Criminal Identification	3,229,705	3,579,356	3,524,211	3,441,808
General	6,460,478	6,583,199	4,884,515	4,818,933
Total	\$ 41,503,027	\$ 42,149,899	\$ 43,313,225	\$ 41,319,919
Expenditures by Category				
Salaries and Benefits	\$ 32,855,763	\$ 32,782,092	\$ 36,363,601	\$ 34,399,429
Contracted Services	2,348,128	2,449,190	2,368,208	2,368,208
Subtotal	\$ 35,203,891	\$ 35,231,282	\$ 38,731,809	\$ 36,767,637
Other State Operations	3,980,059	4,105,531	4,247,538	4,218,404
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	2,319,077	2,813,086	333,878	333,878
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 41,503,027	\$ 42,149,899	\$ 43,313,225	\$ 41,319,919
Sources of Funds				
General Revenue	\$ 33,505,968	\$ 33,730,488	\$ 36,636,658	\$ 34,862,891
Federal Aid	2,884,123	3,087,352	2,925,824	2,909,219
Restricted Receipts	3,222,936	3,288,863	3,600,743	3,397,809
Other	1,890,000	2,043,196	150,000	150,000
Total	\$ 41,503,027	\$ 42,149,899	\$ 43,313,225	\$ 41,319,919
FTE Authorization	249.1	249.1	269.1	249.1

Summary. The Office of the Attorney General requests \$43.3 million from all sources, including \$36.6 million from general revenues. This is \$1.8 million more than enacted, including \$3.1 million more from general revenues, \$41,701 more from federal funds, \$0.4 million more from restricted receipts, and \$1.7 million less from other funds. The request includes 269.1 full-time equivalent positions, 20.0 more than the authorized level. *The Governor recommends \$41.3 million from all sources, which is \$0.2 million less than enacted, including \$1.4 million more from general revenues. He recommends staffing consistent with the enacted budget.*

Target Issues. The Budget Office provided the Office with a general revenue target of \$32.9 million. The amount includes current service adjustments of \$1.1 million and a 5.0 percent target reduction, adjusted for certain exclusions, of \$1.7 million. The constrained budget submitted by the agency is \$1.9 million more than the target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$1.9 million more than the target.*

FY 2024 Budget	Office of the		
	Budget Office	Attorney General	Difference
FY 2024 Enacted	\$ 33,505,968	\$ 33,505,968	\$ -
Current Service Adjustments	1,138,857	1,334,802	195,945
New Initiatives	-	1,795,888	1,795,888
Change to FY 2023 Enacted	\$ 1,138,857	\$ 3,130,690	\$ 1,991,833
FY 2024 Current Service/Unconstrained Request	\$ 34,644,825	\$ 36,636,658	\$ 1,991,833
Target Reduction/Initiatives	(1,720,586)	(1,795,888)	(75,302)
FY 2024 Constrained Target/Request	\$ 32,924,239	\$ 34,840,770	\$ 1,916,531
Change to FY 2023 Enacted	\$ (581,729)	\$ 1,334,802	\$ 1,916,531

Office of Energy Advocate (2.0 FTE). The Office requests \$0.2 million from general revenues for 2.0 new full-time equivalent positions to create an Office of the Energy Advocate within the Civil Division and the Public Protection Bureau. Funding will support an attorney who will serve as the Energy Advocate and a paralegal who will support that work. The role will serve as an independent advocate on behalf of Rhode Islanders on a wide range of energy matters and work to ensure that residents have access to reliable, safe, and affordable energy. Additionally, the Energy Advocate will work to fulfill the mandates of the state’s 2021 Act on Climate, which may require appearances before multiple state and federal boards, as well as the courts. The constrained request excludes the positions and funding. *The Governor does not recommend funding positions.*

Government Litigation (3.0 FTE). The Office requests \$0.3 million from general revenues for 3.0 new full-time equivalent positions within the Civil Division to work on government litigation. This includes two attorneys and a paralegal that will work to defend the state in civil suits and litigating on behalf of policy priorities set by the Governor and the Assembly. The Office has identified two reasons additional positions are needed to decrease the average civil caseload from 41 cases per attorney to 36 and to offset the potential for the court’s decision in *Roach v. State of Rhode Island* that pre-judgement interest of 12.0 percent per year applies to verdicts against the state to encourage plaintiffs to continue older cases. The constrained request excludes the positions and funding. *The Governor does not recommend the funding or positions.*

Office of the Healthcare Advocate (2.0 FTE). The Office requests \$0.2 million from general revenues for 2.0 new full-time equivalent positions within the Civil Division to be assigned to the Office of the Healthcare Advocate. The requested attorney and paralegal will focus on the management and supervision of the numerous opioid litigation settlement agreements that will require oversight for the next ten years. The Office believes that this will ensure Rhode Island receives the maximum value to which it is entitled under the agreements. It would also add capacity to advocate for and enforce legal rights to behavioral health care addressing barriers to access narrow networks of behavioral health providers, lack of parity such as coverage of physical and behavioral health services, high cost-sharing requirements, lack of insurance, and lack of available clinicians. The constrained request excludes the positions and funding. *The Governor does not recommend the funding or positions.*

Public Protection Bureau (1.0 FTE). The Office requests \$0.1 million from general revenues for a new full-time equivalent attorney within the Civil Division to be assigned to the Public Protection Bureau, which comprises five units and leads affirmative litigation on behalf of the state. The units include: Healthcare, Consumer and Economic Justice, Environmental and Energy, and Civil and Community Rights. The Office uses its authority to advance and protect economic security, dignity, quality of life, and equity for the citizens of the state. The requested position will allow the Bureau to expand the scope of its work, which the Office indicates could result in monetary recoveries for the state. The constrained request excludes the positions and funding. *The Governor does not recommend the funding or positions.*

Cold Case Unit (3.5 FTE). The Office requests \$0.3 million from general revenues for 3.5 new full-time equivalent positions to create a Cold Case Unit within the Criminal Division. Funding will support a full-

time attorney, investigator, victim advocate, and a part-time paralegal. While the Office states that it does pursue cold cases, its ability to devote resources to this task on a consistent basis is hampered by heavy caseloads. With a dedicated Cold Case Unit, the Office indicates that it would allow for consistent collaboration with state and local law enforcement agencies that would contribute to prosecuting violent criminals that go unidentified and provide justice and closure for the victim's family. The Office notes that it is difficult to estimate the current number of cold cases as its system does not track cases in this manner, but projects that there are likely hundreds of cases. The constrained request excludes the positions and funding. *The Governor does not recommend the funding or positions.*

Body-Worn Camera Staff (1.0 FTE). The Office requests \$0.1 million from Forfeiture of Property restricted receipts for an additional paralegal position within the Criminal Division's General Trial Unit to manage the intake of police body-worn camera videos that will soon be generated by police officers statewide, the use, and the storage of those videos for criminal prosecutions. The Statewide Body-Worn Camera Program was established by the 2021 Assembly and the formal use policies took effect as of October 26, 2022, allowing police departments to begin implementing camera use. The enacted budget includes \$15.4 million from general revenues in the Department of Public Safety to support the Statewide Body-Camera Project. This includes \$15.0 million for camera purchases and \$0.4 million to support 2.6 full-time equivalent positions and a contracted position to implement the program. The constrained request excludes the positions and funding. *The Governor does not recommend the funding or positions.*

Narcotics and Organized Crime Unit (3.5 FTE). The Office requests \$0.4 million, including \$0.2 million from general revenues and \$0.1 million from Forfeiture of Property restricted receipts for 3.5 new full-time equivalent positions within the Criminal Division for the Narcotics and Organized Crime Unit, specifically the Urban Violent Crime Initiative. Requested positions include two attorneys, a victim advocate, and a part-time paralegal. The Urban Violent Crime Initiative is a state-level and prosecutor-led approach to reducing violent crime, particularly gun-related crimes in urban communities. This initiative is a partnership between the Office; the Providence, Pawtucket, and Central Falls Police Departments; the Department of Corrections; and the United States Bureau of Alcohol, Tobacco, Firearms, and Explosives.

Within some of the Criminal Division's units the caseload is around 300 cases per attorney. The Office projects that the requested positions will start to reduce prosecutor caseloads, but that the request is still inadequate to reduce caseloads to an acceptable level, which would be below 200 for less intensive cases and below 100 for mostly serious felonies and victim-intensive cases.

The constrained request excludes the positions and funding. *The Governor does not recommend the funding or positions.*

Civil Rights Prosecution Unit (2.0 FTE). The Office requests \$0.2 million from general revenues for 2.0 new full-time equivalent positions including a full-time attorney and paralegal within the Criminal Division for the Civil Rights Prosecution Unit. The Unit is responsible for reviewing use of force incidents by state and local law enforcement agencies. Historically, law enforcement agencies would report incidents of use of deadly force and custodial deaths to the Office for review and investigation, but under a new protocol, agencies must now also report incidents involving alleged use of excessive force and less-than-deadly force resulting in serious bodily injury. The additional positions will improve the case processing and review time to provide a quicker resolution for all parties involved.

Within some of the Criminal Division's units the caseload is around 300 cases per attorney. The Office projects that the requested positions will start to reduce prosecutor caseloads, but that the request is still inadequate to reduce caseloads to an acceptable level, which would be below 200 for less intensive cases and below 100 for mostly serious felonies and victim-intensive cases.

The constrained request excludes the positions and funding. *The Governor does not recommend the funding or positions.*

Automatic Sealing of Criminal Records (1.0 FTE). The Office requests \$0.1 million from general revenues for one new Bureau of Criminal Identification clerk to assist with compliance with new legislation. The 2022 Assembly passed 2022-S 2943, substitute A, which requires the automatic sealing of court records that were dismissed under rule of criminal procedure 48(a), a state-initiated termination, after 90 days starting January 1, 2023. The Office projects that this could impact thousands of cases and charges, dating back decades, as cases dismissed pursuant to criminal procedure 48(a) prior to January 1, 2023, will be sealed at the request of the defendant. The Office indicates that it will work to comply with the law, but anticipates a backlog developing without the additional position. The constrained request excludes the position and funding. *The Governor does not recommend funding.*

Human Resources Position (1.0 FTE). The Office requests \$0.1 million from general revenues for one new human resources officer. The Office currently has 1.5 full-time equivalent positions assigned to handle human resource matters and it notes that best practices indicate that an agency of its size should have 3.5 full-time equivalent positions to operate a fully functional human resource unit. The new position will be responsible for payroll and will assist the other staff as needed. Currently payroll is being handled by the Office's finance team and the new position will allow these employees to focus on finance related functions, such as pursuing new grant opportunities. The Office does not utilize the Department of Administration's human resource services as it is an elected office, but mirrors its activities internally. The constrained request excludes the position and funding. *The Governor does not recommend funding.*

Mental Health Treatment Court. The Office requests \$0.2 million from general revenues for a paralegal clerk and staff attorney to support the Attorney General's role in the Mental Health Treatment Court, \$9,280 more than the enacted budget reflecting current service adjustments. The Assembly established the court in Section 2 of Article 11 of 2022-H 7123, Substitute A, as amended. The intent is to reduce recidivism or at least delay reengagement of the court after a successful intervention using a dedicated adjudicative team. A prosecutor from the Office of the Attorney General and defense counsel from the Mental Health Advocate work to secure consistent monitoring for patients while ensuring a defendant's rights and the community's safety. It involves a court ordered treatment plan using incentives and sanctions consistent with national best practices to reduce the criminalization of mental health. As of November 1, 2022, the Office has filled one of the positions and is currently interviewing for the other. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Office requests \$34.2 million for salary and benefit expenses for the Office's remaining 247.1 authorized positions, including \$31.3 million from general revenues. This is \$1.5 million more than the enacted budget, including \$1.3 million from general revenues, and reflects current service adjustments and turnover savings equivalent to roughly 4.6 positions. As of the pay period ending October 22, 2022, the Office had 7.0 vacancies. *The Governor recommends \$32,657 more than requested, including \$31,006 from general revenues reflecting updated estimates for medical benefit rates.*

Automatic Expungement. The Office requests \$0.4 million from adult use marijuana restricted receipts, pursuant to the automatic expungement provision of the Rhode Island Cannabis Act enacted by the 2022 Assembly. This includes \$0.2 million for contractors and \$0.2 million for the software. This is \$6,000 more than enacted and reflects the assumed cost increase for the software the Office utilizes for the expungement process. As of October 26, 2022, the Office has not hired the contractors nor acquired the software as it is unable to utilize the funding until the Judiciary has provided the data on the cases and charges to be expunged. The Office has been trying to schedule a meeting with the Judiciary to receive an update on the timeline. *The Governor recommends funding as requested.*

Centralized Services. The Office requests \$66,164 or \$5,763 more than enacted from general revenues for centralized services provided through the Department of Administration. This includes \$65,475 for information technology charges and \$689 for facilities management. The Office's request is \$33,475 more than spent in FY 2022; the Budget Office current service adjustment suggested the need for only \$5,074. *The Governor recommends \$7,775 less than requested for information technology charges reflecting updated estimated billings and facilities management expenditures consistent with the request.*

Fingerprint Checks. The Office requests \$1.3 million from restricted receipts, which is \$0.1 million more than enacted, for payments to be made to Gemalto to operate the automated fingerprint identification system. The Office's request shows an available balance of \$0.7 million from FY 2023 and projected usage of \$1.3 million in new receipts. The FY 2024 request is \$37,766 more than the revised request to reflect expected price increases for running the background checks paid to the Federal Bureau of Investigation. *The Governor recommends funding as requested.*

Technology. The Office requests \$0.7 million from all sources, of which \$0.6 million is from general revenues for technology expenses. This is \$116,547 less than enacted from all sources, including \$92,166 less from general revenues, \$11,464 more from federal funds and \$35,845 less from restricted receipts. The overall reduction reflects the anticipated completion of the replacement of computers, storage, and remote capabilities during FY 2023. Spending is for software and software support services, which both appear to be subscription-based, being paid annually or monthly, and for cybersecurity. *The Governor recommends funding as requested.*

Complex Litigation. The Office requests \$0.7 million from all sources, including \$0.6 million from general revenues to support the complex litigation cases that often require expert witnesses and additional legal services. This is \$84,687 more from general revenues and \$1,720 more from restricted receipts than enacted. The increase reflects current cases, estimates for several other pending cases, and the increased need for medical expert reviews as more individuals utilize diminished mental capacity as a defense strategy. Since FY 2019, the Office has spent an average of \$176,182 for these services and during FY 2022, it spent \$0.5 million.

The Office has two restricted receipt accounts that are used to cover certain complex litigation expenses. The first is Gambling Forfeitures, which are collected primarily through the Narcotics and Organized Crime Unit and are used for expert witnesses for cases involving narcotics, firearms, and organized crime. The other is the Public Utilities Commission, which includes reimbursements received quarterly from the Commission for actual hours worked and the Office is requesting this funding for economists. *The Governor recommends funding as requested.*

Equitable Sharing - Forfeitures. The Office requests \$0.6 million from its share of Federal Equitable Sharing Forfeiture funds for building maintenance, motor vehicles, and utilities. This is \$45,579 more than enacted and reflects the increased cost of building maintenance and one vehicle offset by the exclusion of computer equipment purchased during FY 2023. Accounting for the current budget request, the Office would have \$7.8 million remaining from this source. Since FY 2013, these funds have supported expansion efforts along with major renovation and improvement projects, including the construction of the new building at Howard Avenue, the acquisition of 180 South Main Street, major renovations of the Licht Judicial Complex and Main Street locations, motor vehicles, and technology enhancements for operating systems. Projects supported by these funds must first be approved by the Department of Justice. *The Governor recommends \$13,662 less than requested reflecting updated natural gas projections.*

Capital Projects. The Office requests \$150,000 from Rhode Island Capital Plan funds to support capital improvement projects. This is \$1.8 million less than enacted, including \$1.7 million less from Rhode Island Capital Plan funds and \$0.1 million less from Federal Equitable Sharing funds. *The Governor recommends*

funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.

Other Contracted Services. The Office requests \$0.8 million from all sources, including \$0.2 million from general revenues, \$0.4 million from federal funds, and \$0.2 million from restricted receipts for all other contracted services. This is \$21,858 less than enacted, including \$31,710 less from federal funds, offset by \$7,979 more from general revenues and \$1,873 more from restricted receipts. The federal fund decrease reflects the end of federal Department of Justice Innovative Prosecution Solutions grant funding. The general revenue increase reflects the cost of janitorial and stenographic services reflecting FY 2022 spending. *The Governor recommends funding as requested.*

Other Operations. The Office requests \$2.4 million from all sources, including \$1.9 million from general revenues, \$0.1 million from federal funds, and \$0.5 million from restricted receipts for all other expenses. This is \$27,858 more than enacted, including \$5,611 more from general revenues. The largest expenses are \$0.6 million for subscriptions, dues, and fees; \$0.3 million for maintenance and facility services; \$0.2 million for leased spaces; and \$0.1 million for record center charges.

The Office has restricted receipt accounts including: Funding from the National Association of Attorneys General for consumer education programs, Public Utilities Commission reimbursement based on actual time worked, and Forfeiture of Property and Gambling forfeitures that are used for other expenses, including office supplies, advertising, training, and equipment rental. *The Governor recommends \$7,697 less from all sources, including \$1,110 less from general revenues. This reflects \$6,291 less for utilities and \$1,406 less for motor vehicle maintenance based on updated cost projections. The remainder of the recommendation is consistent with the request.*

Department of Corrections

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Central Management	\$ 20,060,213	\$ 19,034,464	\$ 24,238,861	\$ 21,930,514
Parole Board	1,438,337	1,361,041	1,424,999	1,382,965
Custody and Security	142,597,977	177,781,987	156,972,802	155,422,280
Institutional Support	28,483,898	36,424,432	36,805,840	33,268,839
Institutional Based Rehab/Pop	12,462,815	13,198,318	14,285,508	14,833,528
Healthcare Services	31,018,202	32,392,486	31,123,529	30,809,291
Community Corrections	20,252,611	20,897,533	21,694,893	21,195,239
Total	\$ 256,314,053	\$ 301,090,261	\$ 286,546,432	\$ 278,842,656
Expenditures by Category				
Salaries and Benefits	\$ 198,846,668	\$ 232,792,616	\$ 217,723,225	\$ 212,626,463
Contracted Services	15,177,661	18,133,485	16,648,154	17,676,587
Subtotal	\$ 214,024,329	\$ 250,926,101	\$ 234,371,379	\$ 230,303,050
Other State Operations	34,521,378	38,540,140	39,777,122	41,533,263
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,149,637	2,014,668	2,076,262	1,969,405
Capital	5,618,709	9,609,352	10,321,669	5,036,938
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 256,314,053	\$ 301,090,261	\$ 286,546,432	\$ 278,842,656
Sources of Funds				
General Revenue	\$ 245,850,615	\$ 286,133,142	\$ 274,004,465	\$ 271,089,688
Federal Aid	2,144,117	2,674,314	2,102,227	2,219,859
Restricted Receipts	2,944,321	2,952,925	1,055,009	1,433,109
Other	5,375,000	9,329,880	9,384,731	4,100,000
Total	\$ 256,314,053	\$ 301,090,261	\$ 286,546,432	\$ 278,842,656
FTE Authorization	1,427.0	1,427.0	1,587.0	1,459.0
Prison Population	2,357	2,251	2,278	2,278

Summary. The Department of Corrections requests \$286.5 million from all sources of funds, or \$30.2 million more than enacted, including \$28.2 million more from general revenues. The Department requests 1,587.0 full-time equivalent positions, which is 160.0 more than the authorized level. The request is based on a population of 2,278 which is 79 less than assumed in the enacted budget and 27 more than assumed in the revised request. *The Governor recommends \$278.8 million from all sources, including \$271.1 million from general revenues. This is \$22.5 million more than enacted and \$7.7 million less than requested. The Governor recommends 1,459.0 positions which is 32.0 more than enacted and 128.0 less than requested.*

Target Issues. The Budget Office provided the Department with a general revenue target of \$239.0 million. The amount includes a reduction based on current service adjustments of \$4.8 million and a 5.0 percent target reduction, adjusted for certain exclusions of \$11.7 million.

The constrained budget submitted by the agency is consistent with the target. The proposals to achieve the reduction are noted below where appropriate. It is worth noting that the Department reduces its requested adjustments based on FY 2022 spending in several areas to achieve its target, including several items that are contractually obligated. It did not provide specific information on how these savings would be achieved. *The Governor's recommendation is \$32.1 million above the target.*

FY 2024 Budget	Budget Office	Department of Corrections	Difference
FY 2023 Enacted	\$ 245,850,615	\$ 245,850,615	\$ -
Current Service Adjustments	4,800,883	24,463,807	19,662,924
New Initiatives	-	3,690,043	3,690,043
Change to FY 2023 Enacted	\$ 4,800,883	\$ 28,153,850	\$ 23,352,967
FY 2024 Current Service/Unconstrained Request	\$ 250,651,498	\$ 274,004,465	\$ 23,352,967
Target Reduction/Initiatives	(11,672,715)	(35,025,682)	(23,352,967)
FY 2024 Constrained Target/Request	\$ 238,978,783	\$ 238,978,783	\$ -
<i>Change to FY 2022 Enacted</i>	\$ (6,871,832)	\$ (6,871,832)	\$ -

Staffing. The Department requests \$217.7 million from all sources, or \$18.9 million more than enacted, for 1,587.0 full-time equivalent positions, or 160.0 positions more than authorized. The request includes a new position within Central Management, 150.0 new correctional officers within Custody and Security, 8.0 new positions within Institutional Support, and a new position within Institutional Based Rehabilitation and Population Management. Consistent with the revised request, it includes 1.0 additional position each within institutional corrections and all other programs, offset by 2.0 fewer positions for the Department's internal service program.

The Department's request assumes an average of 1,339.7 positions filled or 94.3 vacancies. Through the pay period ending October 22, the Department averaged 1,350.8 filled positions or 11.1 more than assumed in the request. By fund source, the request includes \$26.5 million more from general revenues, \$0.2 million more from federal funds, and \$8,605 more from restricted receipts.

The FY 2023 enacted budget provides \$9.3 million from general revenues for expenses associated with a collective bargaining agreement similar to agreements made with other unions; the request adds \$6.9 million from general revenues to account for anticipated future costs under the same terms. As of the end of October 2022, negotiations with the union are ongoing and likely to enter arbitration.

The Governor recommends \$13.8 million more than enacted and \$5.1 million less than requested for all staffing expenses, mostly reflecting adjustments that assume inmate densities returning to pre-pandemic levels in the fourth quarter of FY 2023. The recommendation also includes \$0.5 million in overtime savings from changes proposed in Article 3 which would no longer require in-person the monitoring of certain incapacitated inmates who are confined to a medical facility. He also includes \$15.0 million for the collective bargaining agreement, which is not yet settled. The recommendation for 1,459.0 positions is 32.0 more than enacted and 128.0 less than requested.

Population. The FY 2024 request is based on a population of 2,278, which is 79 fewer inmates than assumed in the enacted budget and 27 more than assumed in the revised request. The Department contracts with a firm to prepare population estimates which revised the enacted population estimate downward to 2,278.

Population reductions result in the greatest savings when there are enough to allow for the closure of housing modules. The Department has used excess capacity to spread inmates out in response to the pandemic starting in March 2020. The maximum capacity of the prison is governed by the terms of an overcrowding lawsuit. In FY 2008, the Department reached an agreement with the federal courts to increase

the allowed capacity at facilities from 4,085 to 4,265; the maximum capacity is now 3,989, updated for current facilities.

The following table depicts the recent history of budgeted and actual prison population from FY 2016 through the FY 2024 request. *The Governor’s assumptions are consistent with the request.*

History	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<i>Request</i>	3,292	3,260	3,059	2,865	2,762	2,671	2,387	2,357	2,278
Governor	3,292	3,200	3,059	2,865	2,691	2,549	2,354	2,357	2,278
Enacted	3,292	3,200	3,000	2,849	2,671	2,267	2,354	2,357	-
Revised Request	3,206	3,058	2,853	2,760	2,671	2,267	2,181	2,251	-
Governor Revised	3,182	2,999	2,853	2,730	2,671	2,267	2,181	2,251	-
Final	3,183	2,999	2,837	2,730	2,633	2,155	2,115	-	-
<i>Actual</i>	3,068	2,958	2,784	2,665	2,544	2,144	2,132	-	-

Population: Per Diem Expenditures - Healthcare. The Department requests \$11.3 million from general revenues, or \$2.2 million more than enacted, for population related medical expenditures that are calculated on a per diem basis. These expenses include items such as inpatient and outpatient care, doctor and dental costs, pharmaceuticals, and medical testing. The Department bases per diem projections on the most recent population information, contract costs and prior year spending. The request assumes expenses of \$4,965 per inmate or \$1,087 more than the enacted budget assumption of \$3,878, reflecting adjustments based on FY 2022 spending. The request is approximately one percent more per inmate than the revised request assumption of \$4,914. It is worth noting that in FY 2023, an inmate was moved to Eleanor Slater Hospital and is expected to remain there for years of treatment; costs for this inmate will be billed by the Hospital to the Department. The cost for this inmate appears to be inadvertently excluded in the FY 2024 request.

The constrained request reduces expenses by \$2.3 million, including \$1.6 million less for pharmaceuticals and \$0.7 million less for inpatient and outpatient services; it is unclear how these savings would be achieved. In order to achieve these savings, spending would need to remain more consistent with the enacted budget. *The Governor recommends funding as requested.*

Population: Per Diem Expenditures - All Other Expenses. The Department requests \$5.8 million which is \$0.8 million more than enacted from general revenues for all non-medical population-related expenditures that are calculated on a per diem basis. These expenses include items such as food, inmate clothing and linens, and janitorial supplies. The Department bases per diem projections on the most recent population information, contract costs and prior year spending. The FY 2024 request assumes an average cost of \$2,541 per inmate, which is \$427 more than the enacted assumption of \$2,114 per inmate. These increases reflect the current and expected pricing which has been affected by inflation. The request assumes a cost per inmate that is \$5 less than the revised request; it is unclear what is expected to decrease.

The constrained request reduces expenses by \$0.8 million for food purchases; it is unclear how these savings would be achieved. In order to achieve these savings, spending would need to remain more consistent with the enacted budget. *The Governor recommends funding as requested.*

Correctional Officers Expansion Initiative (150.0 FTE). The Department requests \$1.6 million for 150 new correctional officer positions to be hired through two 75-person classes in FY 2024. The Department hired a large number of its correctional officers between 1989 and 1991 when it was subject to a court order regarding prisoner overcrowding and had new facilities opening. These correctional officers are approaching retirement age; approximately 65 percent are age 42 or above. There are 278 correctional officers with over 25 years of service and over the age of 54 that are immediately eligible to retire with another 23 eligible within the next few years. It is worth noting that the inmate population in 1990 was 2,495 which is 217 more inmates than the 2,278 assumed in the request. In FY 1996, the Department averaged 1,411.7 positions filled and 3,002 inmates. In FY 2022, the Department averaged 2,132 inmates.

The Department includes additional recruiting and training costs of \$2.2 million, partially offset by overtime savings of \$0.6 million, for a net cost of \$1.6 million. The first class, Class 87A would begin training in December 2023 and begin working in April 2024. The second class, Class 87B would begin training in March 2024 and begin working in June 2024. The Department anticipates the added staff would eliminate the use of double time in FY 2025 which would yield approximately \$10 million in annual savings.

The positions and funding are excluded in the Department's constrained request. *The Governor recommends \$1.4 million, or \$0.2 million less than requested. This assumes two additional 50.0 recruit classes, or 25.0 fewer recruits per class, to address anticipated attrition, and does not increase the staffing authorization.*

Facility Maintenance Staff (6.0 FTE). The Department requests \$0.6 million from general revenues and authorization for 6.0 new facility and maintenance staff. The Department indicates that it would place one new staff member at each correctional facility, which would reduce the number of calls to external vendors; however, the proposal does not assume any savings from a reduction in contracted maintenance costs. The Department indicates that it did not want to reduce any of its contracts until the positions are filled and would look to make adjustments in future years. It is also worth noting that facilities vary in size and age leading to large variances in repair needs. The request assumes funding for these positions for a full year.

The positions and funding are excluded in the Department's constrained request. *The Governor does not recommend these positions.*

Classification Unit (2.0 FTE). The Department requests \$0.3 million from general revenues and authorization for 2.0 new classification unit positions to provide oversight of its case management programs. The Department currently has four positions overseeing programming and the new staff would allow for a case manager at each of its six facilities. The positions would be responsible for programming within each of their facilities and be tasked with developing and overseeing programs catered to the assigned population. The request fully funds the positions for FY 2024. The positions and funding are excluded in the Department's constrained request. *The Governor does not recommend these positions.*

Special Services (1.0 FTE). The Department requests \$0.1 million from general revenues and authorization for a new position within its special services unit to monitor the program behavioral time awards. The position would be required to learn the intricacies involved with inmate sentencing and awards and for tracking and oversight of award information through the Transfer from Prison to the Community database. Program instructors make award recommendations through an online system, including class scores and attendance. The database records all inmate programming and group activities that an inmate has completed which will offer good time and if inmates have met any court requirements. This position is requested to address a finding by the Office of Internal Audits in FY 2021 that there was not enough staff to perform detailed reviews of program awards.

The position and funding are excluded in the Department's constrained request. *The Governor does not recommend this position.*

RIBCO Contract. The Department requests \$6.7 million for salary increases of 2.5 percent for institutional corrections members of the Rhode Island Brotherhood of Correctional Officers staff based on cost-of-living adjustments expected to be received by other state union employees for FY 2024. The Assembly provided \$9.3 million from general revenues for FY 2023 for future and associated costs with a collective bargaining agreement similar to agreements made with other unions. The revised request includes \$16.7 million in the event retroactive expenses for FY 2021 and FY 2022 are agreed to. As of the end of October 2022, negotiations with the union are ongoing.

These adjustments are excluded in the constrained request. *The Governor includes \$15.0 million within the Custody and Security program which is \$1.0 million less than requested across all programs, for these expenses. He includes all funding within the Custody and Security program. This appears to represent a revised expectation of potential costs, but the contract was not settled at the time the budget was released.*

Absenteeism Initiative. The FY 2022 enacted budget includes \$1.0 million in general revenue savings from changes to the Department's absenteeism policies assumed by implementing a new discipline policy. The Governor recommended the savings based on the Department implementing these new policies in September 2019. They were put on hold due to the unfair labor practice charge filed by the Rhode Island Brotherhood of Correctional Officers, which was pending at the time of the Governor's budget recommendation. When the FY 2023 budget was adopted, along with final revisions to FY 2022, the most current information was that the union prevailed therefore the savings were excluded.

In August 2022, the Department won its appeal in Superior Court which ruled that the administration could unilaterally address issues with sick time without consulting the Rhode Island Brotherhood of Correctional Officers. The union has appealed the case to the state Supreme Court. The Department includes savings of \$0.6 million from this initiative in its constrained request. It indicates it is unsure when this policy would be implemented, as it is pending the outcome of the Supreme Court ruling. *The Governor does not include this initiative.*

State Criminal Alien Assistance Program. Consistent with the revised request, the Department requests \$1.3 million, or \$173,020 more than enacted, from federal funds, offsetting a like amount of general revenues, from the State Criminal Alien Assistance Program. The request reflects the most recent award received by the Department as of its budget submission. Subsequently, on November 2, the Department was awarded an additional \$117,632 available in FY 2023 and not included in the request. These federal funds provide support for costs of incarcerating undocumented criminals, with at least one felony or two misdemeanor convictions for violations of state or local law for at least four consecutive days. *The Governor recommends \$1.4 million, or \$0.1 million more than requested, from these funds, consistent with updated award information.*

Nursing Services. The Department requests \$10.0 million from general revenues for nursing services, which is \$0.4 million less than enacted. This includes \$350,000, or \$207,723 more than enacted, for contracted nursing pools which are used to cover shifts when state employees refuse overtime, offset by \$569,097 in additional turnover savings from vacant nursing staff positions. The Department appears to inadvertently include more turnover savings than assumed in the revised request, which includes \$0.2 million, despite its intent to fill all vacant nursing positions in the second half of FY 2023. The request assumes filling 3.0 vacant certified nursing assistant positions in the third quarter and the remaining 8.0 vacant nursing unit positions in the final quarter of FY 2023.

As of the time of the request, the Department has 11.0 vacant nursing positions, including 3.0 certified nursing assistant positions approved in the FY 2023 enacted budget. The Department is using an emergency procurement and its usual nursing pool contracts to cover its shifts. In FY 2022, the Department spent \$675,655 on nursing pools, as it had to pay enhanced rates to nursing staff to compete with other organizations who use nurses and expects this to continue through FY 2024, but at a lower rate than assumed in the revised request.

The constrained request reduces contracted nursing costs by \$0.2 million and is essentially consistent with the enacted budget; it is unclear how these savings would be achieved. *The Governor recommends \$0.5 million less than requested, reflecting anticipated turnover savings; he does not assume additional contracted nursing costs from these vacancies.*

Other Salaries and Benefits. The Department requests \$158.2 million from all sources, nearly all of which is from general revenues, for other institutional corrections staffing expenses. The request is \$8.2 million more than enacted and \$0.7 million less than the revised request from reductions in overtime expenses. The request includes \$18.1 million in turnover savings and \$26.1 million for overtime expenses, which is \$7.0 million more than enacted. Overtime expenses are \$8.8 million less than the revised request to reflect a full year of savings from filling sixty correctional officer positions in FY 2023. The request also restores turnover savings of \$1.2 million assumed in the enacted budget. In total, the request funds 1,172.4 of the 1,193.0 requested positions.

In its constrained request, the Department excludes \$2.2 million in overtime expenses; it is unclear how these savings would be achieved. *The Governor recommends \$4.8 million less than requested from general revenues. The Governor assumes the population will return to pre-pandemic inmate module densities during the fourth quarter of FY 2023 which is expected to reduce overtime expenses.*

He also includes \$0.5 million in overtime savings from changes proposed in Article 3 which would no longer require the in-person monitoring of inmates who are confined to a medical facility, sentenced to life without parole, and incapacitated to the point in which the presence of a correctional officer provides no additional safety to the general public or personnel caring for them. Instead, inmates would be monitored using electronic surveillance equipment until their condition improves.

Vehicles. The Department requests \$1.2 million for its vehicle fleet. This includes \$645,000 in new funding from general revenues to purchase 11 new vehicles to replace vehicles that reportedly are no longer adequate. In FY 2018, the Department purchased several vehicles totaling \$0.5 million from general revenues despite no funding being allocated for such an expense. In FY 2019, it purchased two vehicles for \$0.2 million despite no funding approved. Similarly, the Department also placed an order during FY 2020, but the order was not filled because there was no appropriation to support it; it purchased no vehicles in FY 2021 or FY 2022. It is worth noting that the agencies typically purchase vehicles through the State Fleet Replacement Revolving Loan fund which are paid back by the entity acquiring the vehicle over a three-year period. The revised request includes \$0.6 million for 13 vehicles that were not approved in the enacted budget. The request is consistent with the Department's fleet replacement plan and funding of \$0.6 million is provided for state fleet expenses, consistent with the enacted budget.

These funds are excluded in the Department's constrained request. *The Governor recommends funding as requested to purchase new vehicles and adds \$0.3 million more than requested to adjust for projected fleet expenses.*

Discharge Planning. The Department requests \$2.6 million from general revenues for discharge planning services. The request is \$262,112 more than enacted, largely reflecting restoring turnover savings. This is \$42,585 less than the revised request which had FY 2022 funding reappropriated for unpaid FY 2022 invoices. Discharge planning services seek to prevent recidivism including assistance with residence, employment or qualifying for entitlement programs. Services were provided by a single vendor beginning in FY 2019. The vendor experienced high levels of turnover resulting in service delivery issues. Consistent with a proposal included in the Governor's FY 2022 recommendation, the Assembly authorized 7.0 new positions to hire staff to deliver these services in-house. One of these positions became vacant at the end of August and is expected to be filled before January. It is worth noting that while Department staff delivers standard discharge planning services, individuals with specialized needs, such as inmates with gang affiliations or mental health needs, still receive specialized services through a contracted provider. The request includes \$2,915 more than enacted, reflecting contractual increases for these services. *The Governor recommends \$0.2 million less than requested, reflecting additional turnover savings.*

Medication Assisted Treatment. The Department requests \$3.2 million, including \$2.2 million from general revenues, \$0.1 million from federal funds, and \$1.0 million from Opioid Stewardship restricted

receipt funds, for its medication-assisted treatment program for opioid users. This is \$0.5 million less than enacted from all sources, reflecting lower utilization than assumed in the enacted budget based on the previous year. Changes include \$0.7 million more from general revenues, \$26,060 less from federal funds, and \$1.2 million less from Opioid Stewardship funds, as the Department was unsure if that funding would be available for use. The FY 2022 spending was \$1.8 million, which is \$1.4 million less than requested. *The Governor recommends \$0.4 million more than requested from the Opioid Stewardship Fund.*

Medication Assisted Treatment			
Uses	Enacted	FY 2024 Request	FY 2024 Governor
Treatment	\$ 3,402,532	\$ 3,139,568	\$ 3,409,868
Narcan Vending Machine	175,977	106,857	106,857
Wrap-Around Services	107,800	-	107,800
Total	\$ 3,686,309	\$ 3,246,425	\$ 3,624,525
Sources			
General Revenues	\$ 1,496,661	\$ 2,242,000	\$ 2,242,000
Federal Funds	74,943	50,940	50,940
Restricted Receipts	2,114,705	953,485	1,331,585
Total	\$ 3,686,309	\$ 3,246,425	\$ 3,624,525

Mental Health Services. The Department requests \$2.7 million from general revenues for mental health services for inmates. This is \$0.4 million more than enacted, including \$1.1 million more from general revenues, partially offset by \$0.7 million less from Opioid Stewardship restricted receipt funds. The Department essentially shifts mental health costs from the Opioid Stewardship Fund to general revenues, because of the uncertainty of the future availability of the funds that were included in the enacted budget. These services are largely delivered in the correctional facilities by vendors, primarily Lifespan, and are provided by therapists, clinicians and other mental health professionals. The request also includes additional funding of \$0.3 million for the Department’s substance abuse therapy contract, but subsequently indicates it inadvertently understates the value of the contract by \$0.8 million from general revenues.

The Department’s constrained request provides general revenues consistent with the enacted budget; it appears this would require contract revisions. *The Governor recommends \$0.8 million more than requested, correcting the error.*

Behavioral Management Unit. In the revised request, the Department includes \$518,999 from reappropriated general revenues for the design of a transitional care unit, which includes a pilot program. The enacted budget includes language requiring any unspent FY 2022 funds provided for the unit be reappropriated to FY 2023. For FY 2022, \$750,000 was provided but only \$181,512 was spent. The Department is a defendant in several pending federal lawsuits challenging the housing of seriously and persistently mentally ill individuals in a restrictive housing setting. Restrictive housing refers to placement of an individual in a cell for 22 hours a day or more. This unit would house between 75 and 100 inmates and provide 10 hours per week of unstructured out of cell time and require 32.0 staff to operate. The Department does not request the staff, but does plan to conduct a pilot program to test this unit within existing space at its High Security facility in FY 2024.

The approved capital plan includes \$250,000 for FY 2023 for a feasibility study to determine the appropriate site, needs, design, and cost for the unit, which is maintained in the request. The Department’s capital budget request includes \$8.8 million from Rhode Island Capital Plan funds to construct this unit, including \$2.6 million for FY 2024 and \$6.2 million for FY 2025. The \$2.6 million is also in its FY 2024 operating request.

The Governor recommends authorization for 32.0 new positions and \$3.5 million from general revenues to staff the behavioral management and the restrictive housing units, including 28.0 additional correctional officer positions, 1.0 adult counselor, 1.0 social worker, 1.0 administrative officer and 1.0 hearing officer. The pilot is assumed to be done at High Security in FY 2024. The feasibility study, currently being drafted, will inform future decisions on a permanent unit.

Facility Systems Feasibility Study. The Department requests \$250,000 from general revenues to conduct a feasibility study to assess current facility repair and replacement needs. The Department indicates that it requested general revenues for consistency with its capital request which omitted the project. It also indicates that no funding has been provided for preventative maintenance on Department facilities. The enacted budget includes \$5.1 million from Rhode Island Capital Plan funds for asset protection projects and the Department has historically underspent its appropriations. The FY 2024 through FY 2028 capital budget instructions define asset protection projects as “involving major renovations or improvements to existing facilities that will extend the useful life or add value to the asset by at least ten years.”

The funding for the study is excluded in the Department’s constrained request. *The Governor does not recommend the study. He does include ongoing asset projection funding.*

Healthcare Enhancements. The enacted budget includes \$665,340 for healthcare staff enhancements which is excluded in the FY 2024 request. Support includes \$487,340 for participation in the education pathways initiative, \$31,000 for an equipment allowance, \$59,000 for mentoring bonuses for training, and \$88,000 for recruitment incentives. Funding was provided for 66.0 staff for all of FY 2023; however, 11.0 vacant positions within the nursing unit are expected to be filled in the third and fourth quarters of FY 2023. *The Governor excludes funding, consistent with the request.*

Temporary Staff. Consistent with the revised request, the Department requests \$125,646 from general revenues for temporary staff to offset vacancies in institutional corrections until positions can be filled. The enacted budget did not include funding, consistent with the Governor’s recommendation. The Department requests these funds be restored in the current year, as it has not hired permanent staff replacements which provides offsetting turnover savings. The Department spent \$130,032 on these services in FY 2022. The constrained request includes no funding for these services. *The Governor recommends funding as requested.*

Inmate Payroll. Consistent with the revised request, the Department requests \$0.9 million, or \$181,405 less than enacted, from general revenues for inmate payroll expenses to reflect FY 2022 expenses adjusted for a higher population. Inmates are compensated for services provided to the Department and other state agencies. They typically use the money received to pay for medical co-pays, copies of medical records, court fines, various commodities provided by the inmate commissary unit and repayment for damage to state property. *The Governor recommends funding as requested.*

Inmate Education and Professional Development. The Department requests \$0.8 million, including \$0.4 million from general revenues, \$0.4 million from federal funds, and \$15,000 from restricted receipts, for education and development services for inmates. The request is \$65,896 more than enacted, including \$36,674 more from general revenues and \$29,222 more from federal funds. General revenues are for classes provided through the Community College of Rhode Island for inmates who demonstrate good behavior. In previous years, correctional industries internal service funds had supported \$100,000 towards education contracts. In FY 2022, since correctional industries was running a deficit, those expenses were charged to general revenues. The request assumes revenue will be sufficient to cover the costs of those contracts. The 2022 Assembly required the Department to report on its attempts to reform the program every 90 days, beginning September 1, 2022. The first report was received on September 1, 2022 and, as of that date, FY 2023 program costs of \$44,805 were \$7,650 more than the \$37,155 in revenue collected by the Department.

The request for federal funds is \$42,681 more than enacted and \$143,376 more than spent in FY 2022 during which the Department was unable to hire math and reading specialists which it attributed to the teacher shortage. These grants are used to provide academic opportunities for inmates to prepare them for reentry into society. This includes special education grants which are administered by the Department of Elementary and Secondary Education. *The Governor recommends funding as requested.*

Repairs and Maintenance. Consistent with the revised request, the Department requests \$3.0 million from general revenues, including \$1.2 million more than enacted, for building and grounds maintenance expenses reflecting updated information and expected repairs. Any building repair costs that are under \$50,000 are ineligible for Rhode Island Capital Plan asset protection funds and are charged to general revenues. Asset protection funding is intended to reduce ad hoc repair costs. In FY 2021, the Department spent \$2.1 million from general revenues on these expenses, which increased by \$1.2 million in FY 2022 to \$3.3 million. For FY 2024, the Department requests an additional 6.0 additional facility and maintenance staff, but does not assume contracted savings from the positions. The constrained request provides funding consistent with the enacted budget. *The Governor recommends the additional funding requested.*

Copiers. The Department requests \$0.1 million from general revenues to lease new copiers. The Department plans to lease 18 new copiers over the span of the next four years for a total cost of \$352,000 and this is the second installment of those costs. The first installment is assumed in its revised request. These copiers will replace older models that no longer have security support updates. These funds are excluded in the Department's constrained request. *The Governor recommends the funding requested.*

Protective Vests. The Department requests \$73,000 from general revenues to replace federal funds for standard replacement of protective vests for correctional officers. The Department was initially awarded funding in FY 2016 and the enacted budget reflects the remaining balance of the award. It applied to the Bureau of Justice Assistance for a new award but was denied as funding was for jurisdictions with violent crime rates at or above the national averages; Rhode Island is lower. The Department indicates that its current vests require replacement. Based on information from the National Institute of Justice, the average lifespan of that is five years before replacement is required.

The constrained request excludes the general revenues, consistent with the enacted budget. *The Governor does not recommend general revenues and excludes the remaining \$26,363 from federal funds which is expected to be spent in FY 2023.*

Other Institutional Corrections Operations. The Department requests \$3.9 million, including \$3.7 million from general revenues, for all other institutional corrections expenses. This is \$0.3 million more than enacted, primarily from general revenues, with larger changes including increased telephone and internet charges based on a Division of Information Technology directive, and adjustments for trash, tactical unit equipment, and supplies based on FY 2022 expenses.

Expenses include \$0.5 million for waste disposal and sewage, \$0.4 million for insurance, \$0.4 million for system maintenance agreements, \$0.3 million for telephone and cellular, \$0.3 million for correctional officer supplies, \$0.2 million for rented equipment, \$0.2 million for staff uniforms, \$0.2 million for office equipment and repairs, \$0.1 million for furniture replacement, \$0.1 million for fuel and gasoline, \$0.1 million for snow removal, and \$1.1 million for all other costs.

The constrained request reduces general revenue expenses by \$0.1 million for items such as office supplies and correctional officer supplies that were adjusted based on FY 2022 expenses. *The Governor recommends \$10,016 more than requested from general revenues based on updated fuel cost projections.*

Other Programs

RIBCO Contract. The Department requests \$0.2 million for salary increases of 2.5 percent for non-institutional corrections members of the Rhode Island Brotherhood of Correctional Officers for cost-of-living adjustments anticipated to be received by other state union employees for FY 2024. The Assembly provided \$9.3 million from general revenues for FY 2023 for expenses associated with a collective bargaining agreement similar to agreements made with other unions. The revised request includes \$0.5 million in the event retroactive expenses for FY 2021 and FY 2022 are agreed to. As of the end of October 2022, negotiations with the union are ongoing. These adjustments are excluded in the constrained request.

The Governor includes \$15.0 million within the Custody and Security program which is \$1.0 million less than requested across all programs, for these expenses. This appears to represent a revised expectation of potential costs, but the contract was not settled at the time the budget was released.

Training Unit. The Department requests \$3.2 million from general revenues for its training unit which is responsible for training correctional officers. The request is \$0.3 million more than enacted, primarily for current service adjustments and restoring turnover savings. As of the time of its request, the Department has one vacant correctional officer training instructor position which is expected to be filled in the third quarter of FY 2023. *The Governor recommends \$0.2 million less than requested, reflecting additional turnover savings which would require additional attrition to occur and be sustained.*

Cognitive Behavioral Therapy. The Department requests \$0.7 million from general revenues, or \$0.3 million less than enacted, for its cognitive behavioral therapy program, a reduction that it reports was inadvertent. The enacted budget provides funding for four probation and parole officer positions to work within the unit. In the past several years, the Department has experienced issues with service delivery and is currently reviewing the program for possible reform. The Department also indicates that in FY 2022, only two positions were necessary to complete the work within the unit. Consistent with its erroneous FY 2023 revised request, the request excludes funding for two of the positions. *The Governor recommends \$118 more than requested based on revised benefit cost estimates.*

Domestic Abuse Grant. The Department requests \$0.1 million, or \$0.2 million less than enacted, from a federal grant it received from the Department of Justice to develop innovative ways to address domestic violence, including evaluating the current criminal justice system's response to domestic violence. Of the \$655,628 total grant award, the Department spent \$153,341 in FY 2022, requests use of \$360,046 in its FY 2023 revised request, \$125,517 in FY 2024 and does not allocate the remaining \$16,724. It is assumed that any unspent funding will be carried forward into future years. *The Governor recommends funding as requested.*

Implementation Aide (1.0 FTE). The Department requests \$0.1 million and authorization for a new implementation aide position within its policy and audit unit. The position would be responsible for maintaining the Department's policy database, maintaining a label and file system, digitizing old files, maintaining policy indexes, ordering supplies, preparing audit paperwork and scheduling audits. The unit is currently staffed by two individuals and the new position would seek to alleviate increasing workloads which has resulted in internal policies and deadlines for audits that are not currently being met. The Department excludes this position and funding in its constrained request. *The Governor does not recommend funding or authorization for the new position.*

Other Salaries and Benefits. The Department requests \$27.3 million, primarily from general revenues for all other staffing expenses. This is \$2.3 million more than enacted, including \$1.7 million in current service adjustments and \$0.6 million in restored turnover savings. The request adds funding for the central management and community corrections programs, as the Department filled positions assumed to be vacant in the enacted budget. The request would fund all but 2.6 of the 206.0 authorized positions. As of the

November 5, 2022 pay period, the Department has averaged 197.0 positions filled or 6.6 less than assumed in the request, but has 203.0 positions filled. *The Governor recommends \$0.5 million less than requested from general revenues, reflecting additional turnover savings similar to current staffing levels.*

Temporary Staff. Consistent with the revised request, the Department requests \$50,000 from general revenues for temporary services to offset vacancies in non-institutional corrections until positions can be filled. The enacted budget did not include funding, consistent with the Governor's recommendation. The Department requests these funds be restored in the current year, as the areas in which these temporary staff assist have not hired permanent staff replacements. FY 2022 expenses were \$91,510. The constrained request includes no funding for these services. *The Governor recommends funding as requested.*

Legal Services. The Department requests \$0.2 million from general revenues, or \$97,092 more than enacted, for legal services, most of which is for expert witness expenses related to ongoing lawsuits. The Department is a defendant in several pending federal lawsuits challenging the housing of seriously and persistently mentally ill individuals in a restrictive housing setting. The increase is based on updated usage estimates. The request is \$0.1 million less than the revised request. The constrained request reduces funding by \$93,419, eliminating most of the requested increase. *The Governor recommends the increased funding as requested.*

Technology. The Department requests \$1.3 million from general revenues, or \$68,549 more than enacted, for technology purchases based on updated scheduling for repairs and replacements and for contracted costs for database maintenance. The Department has 897 computers and plans to replace approximately 50 annually. It spent \$0.8 million in FY 2022, which is \$0.5 million less than requested, largely because of supply chain issues and is \$44,951 more than the revised request.

The constrained request excludes \$76,767 of the expenses. *The Governor recommends the increased funding as requested.*

Rented Property. The Department requests \$135,678 more than enacted from general revenues for costs associated with rented property, including a new probation and parole office lease. This includes an additional \$90,360 for its Office of Internal Affairs in space owned by the Office of the Attorney General with occupancy estimated to begin in the third quarter of FY 2023; it is not clear why this cost was not identified for inclusion in the FY 2023 enacted budget. It also includes an additional \$45,318 for all other lease expenses to be consistent with FY 2022 spending which was inadvertently understated in the Governor's FY 2023 recommended budget.

The \$90,360 for the rental of the Attorney General office space is excluded in the Department's constrained request. *The Governor recommends funding as requested.*

Victim Services. Consistent with the revised request, the Department requests \$202,607, or \$46,251 more than enacted from all sources, including \$46,268 from general revenues and \$17 less from federal funds, to support existing victim services programs based on its most recent award information. There was a decrease in the Victims of Crime Act funds at the federal level and the Department requests additional general revenues to offset those lost funds. These formula driven grants are awarded by the Department of Justice and given to states to provide direct services to crime victims.

The constrained request reduces general revenue funding by \$46,268 for these services, making requested funding more consistent with the enacted budget. *The Governor recommends increased funding as requested.*

Capital Projects. The Department requests \$9.4 million from all sources for its capital projects scheduled for FY 2024. The request includes \$1.4 million more than enacted from Rhode Island Capital Plan funds

to develop a gun range at the maximum security facility. It also inadvertently maintains the \$2.7 million from general revenues included for the radio system replacement project, which is expected to be complete in FY 2023. Adjusting to correct this error, the request is consistent with the Department's FY 2024 through FY 2028 capital budget request.

The constrained request excludes the gun range. *The Governor recommends \$5.3 million less than requested from all sources, including correcting the error in the request. A detailed description of the projects is included in the Capital Budget section of this publication.*

Centralized Services. The Department requests \$16.8 million from general revenues for centralized services provided through the Department of Administration based on updated billings. The request includes \$9.3 million for facilities management, \$2.7 million for human resources and \$4.9 million for information technology services. Consistent with Budget Office current service adjustments, the request is \$1.2 million more than enacted, including increases of \$0.7 million for facilities management, \$0.2 million for human resources, and \$0.4 million for information technology charges. In FY 2022, the Department spent \$17.8 million, which is \$1.0 million more than requested for FY 2024.

The Department's constrained request is consistent with the enacted budget; it is unclear how these savings would be achieved as these expenses would otherwise be paid by the Department of Administration. *The Governor recommends \$4.2 million more than requested from general revenues based on updated estimates of costs.*

Other Operations. The Department requests \$1.1 million for all other expenses, nearly all from general revenues. This is \$86,735 more than enacted from general revenues. Expenses include \$0.5 million for probation and parole, \$0.2 million for home confinement tracking equipment, and \$0.4 million for all other expenses. The largest general revenue change is an increase of \$46,940 for home confinement equipment rentals, consistent with the revised request which is based on the FY 2022 experience. The cost of these services are determined by the number of parolees and probationers which have increased over the enacted budget assumptions. *The Governor recommends \$2,027 less than requested from general revenues, reflecting updated actual expenses.*

Target - Closure and Sale of Minimum Security Land. The Department's constrained budget request includes general revenue savings of \$14.0 million for FY 2024, partially offset by \$1.0 million from Rhode Island Capital Plan funds, from closing the minimum security facility and transferring all inmates to the Medium Security facility. This includes \$11.5 million of staff savings, partially offset by \$1.0 million for infrastructure upgrades that would be required to house the inmates at the Medium Security facility, and \$2.6 million in one-time revenues from sale of the minimum security facility and land. In FY 2022, the Department averaged 123 placements at the Minimum facility. *The Governor does not recommend this initiative.*

Judicial Department

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Supreme Court	\$ 41,711,035	\$ 44,453,050	\$ 45,406,661	\$ 44,689,156
Defense of Indigent Persons	5,075,432	5,075,432	5,075,432	5,075,432
Commission on Judicial Tenure & Discipline	169,767	171,412	174,682	174,733
Superior Court	27,609,676	27,254,514	28,973,199	28,287,764
Family Court	29,420,856	28,625,685	30,580,410	29,875,930
District Court	16,706,132	16,913,384	17,640,942	17,200,976
Traffic Tribunal	10,728,771	10,268,349	11,472,373	11,185,670
Workers' Compensation Court	10,020,945	9,609,433	10,023,788	10,008,315
Total	\$ 141,442,614	\$ 142,371,259	\$ 149,347,487	\$ 146,497,976
Expenditures by Category				
Salaries and Benefits	\$ 106,777,251	\$ 104,877,438	\$ 112,748,555	\$ 109,934,131
Contracted Services	2,537,971	2,375,320	2,467,179	2,467,179
Subtotal	\$ 109,315,222	\$ 107,252,758	\$ 115,215,734	\$ 112,401,310
Other State Operations	14,648,422	15,715,887	15,538,710	15,503,623
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	10,734,214	11,163,552	11,107,982	11,107,982
Capital	6,744,756	8,239,062	7,485,061	7,485,061
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 141,442,614	\$ 142,371,259	\$ 149,347,487	\$ 146,497,976
Sources of Funds				
General Revenue	\$ 116,525,248	\$ 116,557,886	\$ 123,823,585	\$ 120,987,916
Federal Aid	5,145,376	5,398,758	4,971,165	4,972,193
Restricted Receipts	14,796,990	15,152,370	14,927,737	14,912,867
Other	4,975,000	5,262,245	5,625,000	5,625,000
Total	\$ 141,442,614	\$ 142,371,259	\$ 149,347,487	\$ 146,497,976
FTE Authorization	739.3	739.3	739.3	739.3

Summary. The Judiciary requests \$149.3 million from all sources, including \$123.8 million from general revenues for FY 2024. This is \$7.9 million more than enacted, including \$7.3 million more from general revenues. The Department requests the authorized level of 739.3 full-time equivalent positions. *The Governor recommends \$146.5 million from all sources of funds, which is \$5.1 million more than enacted and \$2.8 million less than requested, primarily from general revenues. Staffing is recommended at the enacted level.*

Target Issues. The Budget Office provided the Judiciary with a general revenue target of \$113.7 million. The amount includes current service adjustments of \$2.6 million and a 5.0 percent target reduction, adjusted for certain exclusions, of \$5.4 million. The Judiciary did not submit a constrained request. *The Governor's recommendation is \$7.2 million above the target.*

FY 2024 Budget	Budget Office		Judiciary		Difference
FY 2023 Enacted	\$	116,525,248	\$	116,525,248	\$ -
Current Service Adjustments		2,610,496		7,298,337	4,687,841
Change to FY 2023 Enacted	\$	2,610,496	\$	7,298,337	\$ 4,687,841
FY 2024 Current Service/ Unconstrained Request	\$	119,135,744	\$	123,823,585	\$ 4,687,841
Target Reduction/Initiatives		(5,393,445)		-	5,393,445
FY 2024 Constrained Target/Request	\$	113,742,299	\$	123,823,585	\$ 10,081,286
<i>Change to FY 2023 Enacted</i>	\$	<i>(2,782,949)</i>	\$	<i>7,298,337</i>	\$ <i>10,081,286</i>

Staffing. The Judiciary requests \$112.7 million from all sources for salaries and benefits for its 739.3 full-time equivalent positions. The enacted budget includes \$1.9 million of turnover savings from general revenues, equivalent to 13.4 vacant positions based on an FY 2023 average cost of \$144,430. The FY 2024 request does not include any general revenue turnover savings. The Judiciary requests to work with the Budget Office to identify a reasonable and attainable turnover savings level. As of the pay period ending November 19, 2022, the Judiciary has averaged 686.6 filled positions. The FY 2024 request is \$2.3 million more than spent in FY 2022 when it averaged 671.1 filled positions.

While the requested staffing authorization is consistent with the enacted level, it reallocates positions among courts, adding more positions to the overhead functions housed in the Supreme Court as shown in the following table. *The Governor's recommendation includes total positions consistent with the request, but includes an updated estimate of statewide medical benefits rates, offset by turnover savings determined in conjunction with Judiciary reflective anticipated FY 2024 staffing trends.*

Program	FY 2023 Enacted	FY 2024 Request	Chg. to Enacted
Supreme Court	166.7	172.4	5.7
Superior Court	164.2	163.7	(0.5)
District Court	101.0	101.0	-
Family Court	179.2	177.6	(1.6)
Traffic Tribunal	77.2	75.0	(2.2)
Workers' Compensation Court	50.0	48.6	(1.4)
Judicial Tenure & Discipline	1.0	1.0	-
Grand Total	739.3	739.3	-

Overhead Function

Indigent Defense Services. Consistent with the enacted budget, the Judiciary requests \$5.0 million from general revenues for indigent defense services. This program assigns private attorneys to clients that the Office of the Public Defender is unable to provide legal representation services to because of conflicts of interest. Prior to the pandemic, these expenditures were growing annually with FY 2017 and FY 2018 increasing nearly three percent each year and FY 2019 increasing nine percent to \$4.5 million. FY 2020 and FY 2021 spending declined, recovering somewhat in FY 2022 to \$4.4 million or about 98 percent of FY 2019 spending, the last full pre-pandemic year. For FY 2024, the request is nearly 12 percent higher than FY 2019. The Judiciary anticipates spending to return to its pre-pandemic level during the next few years. *The Governor recommends funding as requested.*

Pay-Go Judges Pensions. The Judiciary requests \$4.9 million from all sources, including \$4.4 million from general revenues for retirement costs for judges hired before 1990 who are not part of the state employees' retirement system. The request is \$170,468 more than the enacted budget, primarily from general revenues. FY 2022 spending was \$66,494 less than appropriated, primarily from general revenues. The request adds \$205,367 from general revenues, offset by \$34,899 from restricted receipts. The Judiciary reports this is based on current retirements and beneficiaries. The pension costs are paid through an annual

appropriation on a pay-as-you-go basis rather than the retirement trust fund. One eligible judge retired during FY 2022; there are currently four active judges, all eligible to retire, whose pensions will be paid this way. *The Governor recommends funding as requested.*

Court Technology. The Judiciary requests \$9.3 million for court computer technology expenses including 26.0 full-time equivalent positions and the case management system. This is \$0.7 million and two positions more than enacted, including \$0.6 million more from general revenues; the request excludes turnover savings. This unit is responsible for overseeing the development and implementation of technology systems, including intra-agency training and help desk support, maintenance systems, and 24/7 network monitoring. The request includes \$0.2 million for software expenses and \$39,185 of unspent FY 2022 funding to facilitate remote hearings in response to the pandemic. *The Governor recommends \$2,214 more than requested based on updated medical benefits rates.*

Facilities and Operations. The Judiciary requests \$6.7 million from general revenues for the maintenance of the judicial complex facilities including 24.0 full-time equivalent positions. This is \$0.1 million and one position more than enacted, including current service adjustments and no turnover savings. The facilities and operations division is responsible for the execution and coordination of various services relating to the courthouses, infrastructure and grounds. It also includes an additional \$0.2 million offset for courthouse occupancy costs of other state agencies, makes additional adjustments based on prior year spending, and includes \$52,000 or \$20,000 more than enacted, to purchase a new vehicle. *The Governor recommends \$34,960 less than requested. This includes \$12,335 less to reflect updated staffing costs and \$22,625 less for motor vehicle fleet expenses.*

Finance, Budget and Employee Relations. The Judiciary requests \$3.1 million from general revenues to support the finance, budget and employee relations functions including 18.0 full-time equivalent positions, one fewer than enacted, all of which are fully funded. This is \$0.1 million more than enacted to reflect current service adjustments and no turnover savings. *The Governor recommends \$1,782 more than requested based on updated medical benefits rates.*

Community Outreach and Public Support. The Judiciary requests \$1.3 million from general revenues to support the community outreach and public support function including interpreters for FY 2024. This is \$0.1 million more than enacted nearly all for salaries and benefits to reflect a change in staffing allocations, current service adjustments and no turnover savings for 10.0 full-time equivalent positions, one more than enacted. *The Governor recommends funding essentially as requested.*

Planning. The Judiciary requests \$0.4 million from general revenues to support its planning function, primarily for salaries and benefits for 3.0 full-time equivalent positions. This is \$0.1 million and one position more than enacted. The planning function develops the Judiciary's quarterly statistics reports and performance measures by compiling data from all courts, provides staff support to Supreme Court committees and outside committees as requested, coordinates diversity training programs for court employees and new attorneys, applies for and monitors certain judicial grants, and assists in special technology projects. *The Governor recommends funding essentially as requested.*

Education. The Judiciary requests \$311,863 from general revenues for the education function which is \$4,690 less than enacted. Staffing expenses are reduced to reflect current service adjustments to fully fund 1.6 full-time equivalent positions and exclude turnover savings. This function oversees mandatory continuing legal education for attorneys and the education program for judges and magistrates. *The Governor recommends funding essentially as requested.*

Clerks/Records Center. The Judiciary requests \$4.4 million for the clerks and record center functions. This is \$0.2 million more than enacted for salaries and benefits for 34.0 full-time equivalent positions, one more than enacted. The request reflects no turnover savings and current service adjustments. The Judicial

Records Center, located in rented property on Hill Street in Pawtucket, serves as the central repository for the state's semi-active, inactive and archival court records. Current records that are still necessary for the daily operations of the courts remain stored at the Clerk's Office of the requisite court. Clerks also provide legal research and writing assistance to the judges and magistrates of the Superior, Family, District, and Workers' Compensation Courts and the Traffic Tribunal. *The Governor recommends \$2,564 more than requested based on updated medical benefits rates.*

Disciplinary Board/Counsel. The Judiciary requests \$1.1 million from restricted receipts to support the Rhode Island Supreme Court Disciplinary Counsel Office for FY 2024. This is \$0.1 million less than enacted and fully funds 6.0 full-time equivalent positions, one fewer than enacted. According to Supreme Court Article IV, Rule 1, this restricted receipts account collects annual fees of \$200 from each active attorney in the Rhode Island Bar to fund the Disciplinary Board and Counsel functions. The Board's goal is to process disciplinary complaints filed against Rhode Island attorneys expeditiously and fairly, and to reduce the number of complaints filed by increasing awareness of and compliance with the Rules of Professional Conduct. *The Governor recommends funding essentially as requested.*

Law Library. The Judiciary requests \$1.4 million from general revenues to support the law library and its 5.0 full-time equivalent positions. The library is a complete, publicly accessible legal reference service with over 110,000 volumes and computer-aided legal research. This is \$60,279 more than enacted, primarily for salaries and benefits including current service adjustments and no turnover savings. *The Governor recommends funding essentially as requested.*

Appellate Screening Unit. The Judiciary requests \$1.0 million from general revenues to support the activities of the Appellate Screening Unit for FY 2024. The Appellate Screening Unit is the central staff attorney's office for the Supreme Court. The unit screens all civil and criminal appeals that come before the Supreme Court and schedules pre-briefing conferences. The request is \$0.2 million less than enacted for salaries and benefits for 6.6 full-time equivalent positions, 0.9 fewer positions than the enacted budget. *The Governor recommends funding essentially as requested.*

Board of Bar Examiners. The Judiciary requests \$247,646 from general revenues to support the Board of Bar Examiners. The Board of Bar Examiners tests the legal knowledge of bar applicants by administering the Rhode Island Bar examination. The request is \$20,240 more than enacted to reflect current service adjustments for the 1.0 full-time equivalent position that supports the Board. *The Governor recommends \$150 more than requested based on updated medical benefits rates.*

Capital Projects. Consistent with its capital request, the Department requests \$5.6 million from Rhode Island Capital Plan funds for its five current capital projects. This is \$0.7 million more than enacted and \$1.1 million less than the approved plan. *The Governor recommends funding as requested. A detailed analysis of the projects is included in the Capital Budget section of this publication.*

Utilities. The Judiciary requests \$2.8 million for the utilities expenses of all six court facilities, of which \$2.6 million is from general revenues and \$0.2 million is from restricted receipts. This is \$0.8 million more than enacted, including \$0.7 million from general revenues and \$0.1 million from restricted receipts. This is \$2,985 more than its revised request, of which \$1,985 is general revenues. This is \$0.6 million more for electricity and \$0.1 million more each for natural gas and the central utilities fund for the Pastore Campus. The Judiciary reports it received notice of the estimated utility increase; its request essentially reflects that estimate. *The Governor recommends \$44,116 less than requested, of which \$12,460 is general revenues to reflect updated estimates of natural gas costs.*

Centralized Services. Consistent with the enacted budget, the Judiciary requests \$138,017 from general revenues for its share of centralized information technology services provided by the Department of Administration. This is consistent with the enacted budget, but \$8,123 more than FY 2022, including

\$17,718 more from general revenues to reflect regularly occurring restricted receipts spending which has grown from \$2,149 in FY 2019 to \$9,595 in FY 2022. *The Governor recommends \$31,654 more than requested to reflect updated estimates for information technology expenses.*

Supreme Court

Rhode Island Legal Services. The enacted budget provides \$90,000 from general revenues for Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals as identified in Article 1 of 2022-H 7123, Substitute A, as amended. The Judiciary requests funding as enacted. It should be noted that Legal Services also receives \$5 of each filing fee of action in district court and \$10 of each filing fee of action in the superior and family courts, totaling about \$0.3 million annually. *The Governor recommends funding as requested.*

Rhode Island Coalition Against Domestic Violence. The enacted budget provides \$230,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project as identified in Article 1 of 2022-H 7123, Substitute A, as amended. The Judiciary requests funding as enacted. *The Governor recommends funding as requested.*

Crime Victims Outreach. The Judiciary requests the enacted level of \$150,000 from all sources for Crime Victims Outreach. Rhode Island General Law, Section 12-25-29 appropriates 15.0 percent of the court fees assessed for the crime victim compensation program, up to \$150,000 to the courts, for its expenses informing the victims of crime of their statutory rights. The Office of the General Treasurer administers the crime victim compensation program; the court's victim outreach is administered by Justice Assistance. Receipts for some court fees have been in decline, which has decreased the value of the 15.0 percent. Since FY 2022, \$80,000 from general revenues has been used to backfill the lost restricted receipts value. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Judiciary requests \$6.5 million from all sources of funds, including \$6.3 million from general revenues for salaries and benefits to support 37.2 full-time equivalent positions in the Supreme Court not associated with the previously described overhead functions. This is \$1.2 million and 2.6 full-time equivalent positions more than enacted; it includes current service adjustments and no turnover savings. *The Governor recommends \$0.7 million less than requested to reflect turnover savings.*

Other Operations. The Judiciary requests \$0.9 million primarily from general revenues, with \$35,036 from federal funds for all other expenses of the Supreme Court. Expenditures are programmed for printing and postage, staff training, equipment and property leases, and other expenses. The request is \$48,185 more from general revenues than enacted, including \$50,417 more for security services, insurance expenses, and subject matter training, offset by \$2,232 less for equipment maintenance. The federal funds reflect the court's Edward Byrne Memorial Justice Assistance Grant award for the Domestic Violence Training and Monitoring Unit. *The Governor recommends funding as requested.*

Superior Court

Automatic Expungement. Prior to the passage of the appropriations act, the 2022 Assembly enacted separate legislation authorizing the adult use of marijuana, including a provision for automatic expungement. The FY 2023 enacted budget includes \$0.7 million from adult use marijuana restricted receipts for expenses related to the implementation of automatic expungements for prior marijuana related possession offenses, including \$0.3 million for the Judiciary for overtime and records center expenses. The Judiciary's request retains that funding for FY 2024. It has reported the process is nuanced and is being conducted manually for qualifying charges. The Judiciary reports the plan is under review.

Expungement is the process by which a record of certain criminal arrests or convictions is destroyed or sealed, essentially removing it from the record. Expungement eligibility is limited to first offenders, those with fewer than six misdemeanor convictions, and certain non-violent felonies, excluding domestic violence, and driving under the influence or refusing a chemical test. The Attorney General's office offers a public facing portal to review people's eligibility for expungement. *The Governor recommends funding as requested.*

Adult Drug Courts. The Judiciary requests \$534,842 from all sources for its adult drug court activities. This includes \$464,814 or \$19,388 more from general revenues, and \$70,028 or \$166,589 less from federal funds than enacted to reflect the pending closure of the federal grant. The request includes \$439,814 to support 2.7 full-time equivalent positions and includes \$25,000 for private provider therapy and treatment services. Reductions reflect \$113,201 less for salaries and benefits and \$34,000 less for travel and indirect cost recovery spending; the request is for one fewer position than enacted. *The Governor recommends funding essentially as requested.*

Other Salaries and Benefits. The Judiciary requests \$24.6 million from general revenues to fully fund the Superior Court's remaining 161.0 full-time equivalent positions, 0.5 positions fewer than enacted. The request is \$1.5 million more than enacted and restores \$0.5 million of turnover savings. *The Governor recommends \$0.7 million less than requested to reflect turnover savings.*

Other Operations. The Judiciary requests \$2.1 million for all other expenses of the Superior Court including rental expenses, services related to specialty courts, outside legal services, and insurance. The request includes \$548 more from general revenues; restricted receipts are as enacted. The request adds \$5,448 for insurance and removes \$4,900 for equipment expenses to align with FY 2022 spending. *The Governor recommends funding as requested.*

District Court

Mental Health Treatment Court. The Judiciary requests \$1.3 million, including \$0.9 million from general revenues and \$0.4 million from federal funds for the staffing and operations costs for its mental health calendar authorized by the 2022 Assembly. This is \$0.2 million more than enacted from federal funds, primarily reflecting a new grant to support treatment services, partially offset by \$42,479 less from general revenues to reflect the exclusion of one-time programming costs and an adjustment to staffing expenses.

The Governor's FY 2023 budget recommendation proposed funding a pilot program, but the Judiciary requested legislation to codify the operation within the District Court. The Judiciary assumed the court would require a new magistrate and six support positions. The language in the appropriations act authorized a judge in lieu of a magistrate. The Judiciary reports that all six support positions have been filled as of the November 19, 2022 pay period. The judge is anticipated to begin in April 2023, subsequent to the nomination process, with the Court fully functional for FY 2024. *The Governor recommends funding as requested.*

Veterans Treatment Court. The Judiciary requests \$0.4 million, \$0.1 million more than enacted from federal grant funds for the Veterans Treatment Court. The request supports 1.0 full-time equivalent position and a seasonal position. The grant is intended to allow the Court to serve 115 unduplicated clients annually with a total of 575 unduplicated clients served over the five-year grant period. *The Governor recommends funding essentially as requested.*

Other Staffing and Operations. The Judiciary requests \$14.9 million from all fund sources, which is \$0.7 million more than enacted from general revenues for its remaining staffing and operations. This includes \$14.2 million or \$0.8 million more than enacted to fully fund the District Court's remaining 93.0 full-time

equivalent positions, including current service adjustments and no turnover savings. For all other expenditures, the request includes \$0.6 million from general revenues and \$60,000 from restricted receipts. General revenue spending is \$35,034 less than enacted to align security and insurance expenses with FY 2022 spending levels. Other major expenditures include interpreter services, office supplies, rent and printing. *The Governor recommends \$0.4 million less than requested to reflect turnover savings.*

Family Court

Family Court Mental Health Clinics. The Judiciary requests \$79,354 from federal funds to support the Family Court mental health clinics, which is \$3,963 less than enacted. This includes 0.3 full-time equivalent positions to support the clinic and \$30,000 from the National Institute for Mental Health for clinical research. The Family Court's clinical initiatives provide access to early mental and behavioral health evaluation and treatment services in order to remove juveniles from the justice system and decrease the risk of future offending. *The Governor recommends funding as requested.*

Child Support Enforcement. The Judiciary requests \$3.8 million from all sources of funds, of which \$1.1 million is from general revenues for the Child Support Enforcement Unit in Family Court. The request is \$0.3 million more than enacted, including \$0.1 million more from general revenues and \$0.2 million from federal funds. The 2022 Assembly authorized six additional positions to expand service to the Kent and Washington counties, with federal funds providing two-thirds of the support. As of November 2022, two of the four positions are filled, and two are anticipated to start in January; the two magistrates are anticipated to begin in April 2023, subsequent to the nomination process. The request includes 21.0 full-time equivalent positions, two more than authorized. The remaining \$0.9 million is consistent with the enacted budget, and primarily reflects the court's indirect cost recovery expenses. *The Governor recommends funding essentially as requested.*

Other Salaries and Benefits. The Judiciary requests \$24.2 million from all sources, of which \$23.4 million is from general revenues for the Family Court's remaining 156.4 full-time equivalent positions, 3.6 fewer positions than enacted. The request is \$0.9 million more than enacted and \$2.3 million more than spent in FY 2022, of which \$2.1 million is general revenues. The request reflects current service adjustments and \$35,749 of turnover savings from federal funds. *The Governor recommends \$0.7 million less than requested to reflect turnover savings.*

Other Operations. The Judiciary requests \$1.2 million from all sources of funds for all other expenses for the Family Court, of which \$1.0 million is general revenues. The request is \$100,500 less than enacted, including \$121,000 less from general revenues and \$20,500 more from federal funds. The general revenues changes include \$130,000 less for security services, offset by \$9,000 more for insurance expenses to reflect FY 2022 spending levels. Federal funds primarily reflect changes to juvenile pretrial diversion efforts, including \$25,000 more for clinical expenses offset by \$5,500 less for all other spending. *The Governor recommends funding as requested.*

Traffic Tribunal

Staffing and Benefits. The Judiciary requests \$10.3 million from general revenues for Traffic Tribunal staffing and operations to fully fund its 75.0 full-time equivalent positions, 2.2 fewer positions than authorized. This is \$0.5 million more than enacted, including current service adjustments and no turnover savings. *The Governor recommends \$0.3 million less than requested to reflect turnover savings.*

Other Operations. The Judiciary requests \$622,321 or \$75,000 more than enacted from general revenues for all other spending, including \$285,000 or \$60,000 more for security services and \$62,218 or \$15,000 more for insurance expenses. Other spending includes \$108,519 for office equipment and supplies, \$65,600

for postage, printing and shipping, \$25,000 for interpreter services, and \$75,984 for all other spending. *The Governor recommends funding as requested.*

Workers' Compensation Court

Salaries and Benefits. The Judiciary requests \$8.3 million from restricted receipts for salaries and benefits for the Workers' Compensation Court. This is \$0.1 million less than enacted to fully fund 48.6 full-time equivalent positions, 1.4 positions fewer than enacted, which represents current service adjustments and no turnover savings. *The Governor recommends funding essentially as requested.*

Other Operations. The Judiciary requests \$926,812 from restricted receipts for all other expenses, which is \$12,300 more than enacted to align spending for certain items closer to FY 2022 levels, including programming expenses and records center rent, offset primarily by the removal of exhausted grant resources. *The Governor recommends funding as requested.*

Judicial Tenure and Discipline

Judicial Tenure and Discipline. The Judiciary requests \$174,682 from general revenues, which is \$4,915 more than enacted to support the Commission on Judicial Tenure and Discipline for FY 2024. The requested changes include \$4,922 more for staffing costs to reflect current service adjustments offset by \$7 less for insurance expenses based on FY 2022 spending. The Commission is responsible for conducting investigations of judges suspected of, or charged with, misconduct. *The Governor recommends funding essentially as requested.*

Military Staff

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 10,753,856	\$ 9,390,694	\$ 10,107,027	\$ 9,966,133
Contracted Services	2,178,049	2,445,362	2,079,197	2,079,197
Subtotal	\$ 12,931,905	\$ 11,836,056	\$ 12,186,224	\$ 12,045,330
Other State Operations	19,775,428	21,637,948	27,316,638	27,699,727
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	312,300	306,050	412,300	412,300
Capital	7,295,341	12,095,144	36,339,246	35,896,246
Capital Debt Service	-	-	-	-
Operating Transfers	275,000	464,750	2,661,750	2,661,750
Total	\$ 40,589,974	\$ 46,339,948	\$ 78,916,158	\$ 78,715,353
Sources of Funds				
General Revenue	\$ 3,365,511	\$ 3,333,815	\$ 3,493,246	\$ 3,819,141
Federal Aid	34,311,530	39,903,450	65,162,362	65,078,662
Restricted Receipts	55,000	55,000	55,000	55,000
Other	2,857,933	3,047,683	10,205,550	9,762,550
Total	\$ 40,589,974	\$ 46,339,948	\$ 78,916,158	\$ 78,715,353
FTE Authorization	93.0	93.0	93.0	93.0

Summary. The Military Staff requests FY 2024 expenditures of \$78.9 million from all sources, including \$3.5 million from general revenues. The request is \$38.3 million more than enacted, including \$0.1 million from general revenues, \$30.9 million from federal funds, and \$7.3 million from Rhode Island Capital Plan funds. The request includes staffing of 93.0 full-time equivalent positions, consistent with the enacted budget. *The Governor recommends \$0.2 million less from all sources than requested, including \$0.3 million more from general revenues, \$0.1 million less from federal funds, and \$0.4 million less from Rhode Island Capital Plan funds.*

Target Issues. The Budget Office provided the Military Staff with a general revenue target of \$3.0 million. The amount includes a current service reduction of \$0.2 million and a 5.0 percent target reduction of \$0.2 million adjusted for certain exclusions.

FY 2024 Budget	Budget Office	Military Staff	Difference
FY 2023 Enacted	\$ 3,365,511	\$ 3,365,511	\$ -
Current Service Adjustments	(194,471)	27,735	222,206
New Initiatives	-	100,000	100,000
Change to FY 2023 Enacted	\$ (194,471)	\$ 127,735	\$ 322,206
FY 2024 Current Service/ Unconstrained Request	\$ 3,171,040	\$ 3,493,246	\$ 322,206
Target Reduction/Initiatives	(152,125)	(175,853)	(23,728)
FY 2024 Constrained Target/Request	\$ 3,018,915	\$ 3,317,393	\$ 298,478
<i>Change to FY 2023 Enacted</i>	<i>\$ (346,596)</i>	<i>\$ (48,118)</i>	<i>\$ 298,478</i>

The constrained budget submitted by the agency is \$0.3 million more than with the target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$0.8 million more than the target.*

Firefighters. The Military Staff requests \$4.0 million, including \$0.3 million from general revenues and \$3.7 million from federal funds for the firefighters program. This is \$0.2 million less than enacted, including \$0.1 million less from general revenues and \$27,448 less from federal funds. Firefighter costs are paid from federal funds, except for those who have an injured-on-duty status in which case the state is responsible for the cost. The request represents sufficient funding for an average of 2.8 full-time equivalent positions on injured on duty status, or 1.2 positions fewer than enacted. As of December, two firefighters were on injured on duty status. The request reflects new firefighters hired at a lower pay step and assumes 29.0 of 30.0 authorized firefighter positions are filled throughout FY 2024; as of November 19, 2022, 29.0 positions were filled. *The Governor recommends \$2,764 more than requested, mostly from federal funds, based on updated estimates.*

Other Salaries and Benefits. The Military Staff requests \$6.1 million from all sources for its remaining 63.0 full-time equivalent positions, consistent with the distribution of staffing costs attributable to federal funds as agreed upon with the Department of Defense. The request is \$0.5 million less than enacted, including \$0.1 million less from general revenues. This represents turnover equivalent to 4.3 positions. As of the pay period ending November 19, there were 13.0 vacant positions. The enacted budget fully funds all positions. *The Governor's recommendation is \$143,658 less than requested, including \$146,996 less from general revenues, to reflect updated medical benefit cost expectations and an additional vacancy that it does not anticipate to be filled in FY 2024.*

Cybersecurity and Activations. Consistent with the enacted budget, the Military Staff requests \$53,183 from general revenues for the Rhode Island National Guard to participate in the Governor's Cybersecurity Commission working groups and for activation for emergency responses during storms and power outages. The funding also supports the activation of National Guard troops to provide support to civil authorities during both emergency and non-emergency events. *The Governor recommends \$664 more than requested for fleet expenses based on cost increases.*

Military Funeral Honors. Consistent with the enacted budget, the Military Staff requests \$152,300 from general revenues to reflect projected costs for military funeral honors in FY 2024. Retired military members are currently paid a \$50 stipend to perform military honors at funerals. A federal memorandum from October 2012 indicates that federal funds would no longer be provided for any branch of service besides the Army, for which the National Guard Bureau will still pay stipends for two individuals.

The constrained request proposes discontinuing this program and includes \$153,353 in savings. This would require changes to Rhode Island General Laws, Sections 30-25-1 and 30-25-2 which require these services. The constrained request would result in a negative appropriation of \$1,053, which the Military Staff indicates is unintentional. *The Governor recommends funding as requested.*

Utilities. The Military Staff requests \$5.2 million from all sources, including \$1.0 million from general revenues for utilities expenses which are shared with the federal National Guard. The request is \$1.6 million more than enacted, including \$0.2 million more from general revenues and \$1.3 million more from federal funds. The changes are based on projected usage and recently increased rates. Cost sharing depends on actual usage which varies from 100 percent federally funded, to 75 percent, or 50 percent. *The Governor recommends \$0.1 million less than requested, including \$49,332 less from general revenues, based on updated estimates.*

Security Services. The Military Staff requests \$0.9 million from federal funds for security services at all of its locations, which is \$87,003 less than enacted. A similar reduction is also reflected in its revised

request. The Military Staff indicates it recently renegotiated the contract with its security provider and obtained a lower billing rate. Federal regulations require levels of security, including protection from active shooters. *The Governor recommends funding as requested.*

Education Benefits. The Military Staff requests \$200,000 from general revenues, \$100,000 more than enacted, for its education benefits program. All National Guard service members who are pursuing an associate, bachelor, masters or certification from Rhode Island College, the Community College of Rhode Island, or the University of Rhode Island are entitled to five courses per semester free of cost in accordance with Rhode Island General Law, Section 30-3-40. Funding included in the Military Staff's budget helps defray the cost; however, any expenses above \$100,000 are borne by the institutions. The Military Staff indicates it intended to request funding consistent with the enacted budget. *The Governor recommends funding as requested, retaining the apparent error.*

Building Maintenance and Repairs. The Military Staff requests \$2.8 million from all sources for building maintenance and repairs, including \$0.2 million from general revenues. The request is \$0.7 million more than enacted, including \$38,273 more from general revenues, which the Military Staff indicates represents both new projects and updated timelines. The federal government pays for maintenance and repairs that it deems needed or caused by federal mandate; work deemed ineligible is paid from general revenues. *The Governor recommends funding as requested.*

Counter Drug Training Facility. The Military Staff requests \$5.3 million from federal funds for future funding to construct a new counter drug facility at Camp Fogarty in East Greenwich, for which the enacted budget includes no funding. This 15,000 square foot training facility will be used by the National Guard's counter drug program. The Military Staff indicates it intended to request \$7.3 million, including \$2.0 million from Rhode Island Capital funds, to be consistent with its capital budget request. That request reflects agency assumptions regarding the impact of inflation if the current project vision goes to bid a second time. *The Governor recommends \$7.3 million, including \$2.0 million from Rhode Island Capital Plan funds, consistent with the intended request. A detailed description of this project is included in the Capital Budget section of this publication.*

Capital Projects. The Military Staff requests \$50.5 million from all sources for capital projects, including \$10.2 million from Rhode Island Capital Plan funds. This is \$31.4 million more than enacted. The Military Staff indicates it intended to request funding consistent with its capital budget request. That request is for \$168.5 million, including \$7.7 million from Rhode Island Capital Plan funds, which is \$149.4 million more than enacted, including \$4.8 million more from Rhode Island Capital Plan funds. *The Governor recommends \$2.4 million less than requested from federal funds, and includes the Rhode Island Capital Plan funds consistent with his capital budget recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.*

Armories Maintenance. Consistent with the enacted budget, the Military Staff requests \$22,500 from general revenues for utilities and maintenance expenses for armories paid to independent chartered military organizations. In accordance with Rhode Island General Law, Sections 30-4-3 and 30-4-4, identified organizations receive \$2,500 each and are eligible for an additional \$500 for armorer's expenses at the discretion of the adjutant general.

The Military Staff's constrained budget excludes this funding and proposes to discontinue this program, which would require a legal change. *The Governor recommends funding as requested.*

Information Technology Upgrades. The Military Staff's capital budget request includes \$3.5 million from federal State Fiscal Recovery funds, almost entirely for FY 2024, for a new project to purchase updated information technology equipment. Major items include 800 laptops, 200 desktops, 15 servers, and associated accessories for the Army National Guard. The Military Staff indicated that current

information technology equipment is sourced directly from the Department of Defense and is not compatible with state government equipment and technology. This hampers coordination and efficiency in responding to domestic emergencies, and requires the use of National Guard members' personal devices. Existing information technology assets were overwhelmed by more resource demand and users than anticipated as a result of the COVID-19 pandemic. The Military Staff indicates it intended to request Information Technology Investment funds instead and that its request is overstated by \$20,405.

The Military Staff submitted a similar request last year for \$3.2 million that was not approved. The current request includes an additional \$250,000 to support the Air National Guard. *The Governor recommends \$0.5 million from general revenues.*

Other Operations. The Military Staff requests \$3.6 million from all sources for all other expenses. This is \$34,904 less than enacted, including \$12,554 more from general revenues. The request includes \$0.8 million for snowplowing and sanding, which the Military Staff indicates is overstated by \$0.4 million, including \$0.1 million from general revenues because it inadvertently included a one-time expense from FY 2022. The request also includes \$0.5 million for landscaping services, \$0.4 million for rental property, \$0.4 million for janitorial services, \$0.3 million for centralized services, \$0.2 million for waste disposal, \$0.2 million for fire protection, \$0.1 million for insurance, and \$0.7 million for all remaining expenses. *The Governor's recommendation is \$20,879 more than requested, including \$21,332 more from general revenues, to reflect updated state fleet and centralized services estimates; it also retains the apparent overstatement.*

Rhode Island Emergency Management Agency

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 4,649,142	\$ 4,578,913	\$ 6,447,266	\$ 4,852,004.00
Contracted Services	3,049,802	3,211,783	2,307,701	2,307,701
Subtotal	\$ 7,698,944	\$ 7,790,696	\$ 8,754,967	\$ 7,159,705
Other State Operations	5,107,249	16,599,142	17,796,659	14,594,970
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	20,750,928	20,870,430	21,826,642	21,826,642
Capital	3,824,707	3,665,308	3,411,856	6,469,174
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 37,381,828	\$ 48,925,576	\$ 51,790,124	\$ 50,050,491
Sources of Funds				
General Revenue	\$ 4,308,154	\$ 4,335,886	\$ 9,597,884	\$ 5,138,562
Federal Aid	29,462,797	40,789,363	38,632,006	38,294,380
Restricted Receipts	457,420	396,870	406,777	406,774
Other	3,153,457	3,403,457	3,153,457	6,210,775
Total	\$ 37,381,828	\$ 48,925,576	\$ 51,790,124	\$ 50,050,491
FTE Authorization	35.0	35.0	39.0	35.0

Summary. The Rhode Island Emergency Management Agency requests \$51.8 million, including \$9.6 million from general revenues, \$38.6 million from federal funds, \$0.4 million from restricted receipts and \$3.2 million from Rhode Island Capital Plan funds. This is \$14.4 million more than enacted, including \$5.3 million more from general revenues, \$9.2 million more from federal funds, and \$0.1 million less from restricted receipts. The Agency requests 39.0 full-time equivalent positions which is 4.0 more than the enacted authorization. *The Governor recommends \$50.1 million from all sources, including \$5.1 million from general revenues. This is \$12.7 million more than enacted, including \$0.8 million more from general revenues and \$1.7 million less than requested, including \$4.5 million less from general revenues. The recommendation includes the enacted level of 35.0 full-time equivalent positions.*

Target Issues. The Budget Office provided the Agency with a general revenue target of \$4.2 million. The amount includes current service adjustments of \$0.1 million and a 5.0 percent target reduction of \$0.2 million adjusted for certain exclusions. The Agency did not submit a constrained budget.

	Budget Office	Emergency Management	Difference
FY 2024 Budget			
FY 2023 Enacted	\$ 4,308,154	\$ 4,308,154	-
Current Service Adjustments	82,592	993,332	910,740
New Initiatives	-	4,296,398	4,296,398
Change to FY 2023 Enacted	\$ 82,592	\$ 5,289,730	\$ 5,207,138
FY 2024 Current Service/ Unconstrained Request	\$ 4,390,746	\$ 9,597,884	\$ 5,207,138
Target Reduction/Initiatives	(201,029)	-	201,029
FY 2024 Constrained Target/Request	\$ 4,189,717	\$ 9,597,884	\$ 5,408,167
<i>Change to FY 2023 Enacted</i>	<i>\$(118,437)</i>	<i>\$ 5,289,730</i>	<i>\$ 5,408,167</i>

The Governor's recommendation is \$2.5 million above the target.

Funding to Localities. The Agency requests \$1.9 million from general revenues to replace federal funds included in the enacted budget for staffing and operating expenses, including \$946,497 for staffing, \$450,000 for operating the State Emergency Operations Center, and \$500,000 for operating the Rhode Island Statewide Communications Network. The freed up federal funds would be provided to local emergency management agencies and first responders for staffing costs, training, and equipment. Rhode Island currently retains about 86 percent of Emergency Management Performance Grant funding with 14 percent being passed through to local entities. Along with New Hampshire, Rhode Island has the highest percent of these funds retained by the state. This proposal would increase the pass-through rate to approximately 50 percent. This initiative was also requested last year. *The Governor does not recommend this initiative.*

Response Personnel (4.0 FTE). The Agency requests \$0.5 million from general revenues for 4.0 new full-time equivalent positions and a full year of funding for FY 2024. The Agency indicates that additional positions would help alleviate issues identified during the pandemic in current and future emergencies. It requested 6.0 new positions in the FY 2023 budget cycle which were not recommended by the Governor. The Assembly provided two of them; the request is for the remaining four. A full year of funding is also included in its revised request.

Positions include an assistant chief of planning and an implementation aide to support its public safety warehouse. One new fiscal management officer position would assist with meeting federal and state reporting requirements and additional grant funding opportunities. The remaining new position would be a emergency management communications technician who would work on maintaining the Rhode Island Statewide Communications Network. *The Governor does not recommend this initiative.*

Other Salaries and Benefits. The Agency requests \$4.9 million from all sources, including \$1.6 million from general revenues, \$3.2 million from federal funds and \$0.1 million from restricted receipts, for salaries and benefits for its 35.0 authorized positions. This is \$0.7 million more than enacted, including \$0.1 million more from general revenues and \$0.6 million more from federal funds, partially offset by \$0.1 million less from restricted receipts. Consistent with the enacted budget, the request fully funds all positions for FY 2024, and changes reflect current service adjustments and anticipated federal fund eligibility for staffing costs. *The Governor recommends \$0.2 million less than requested, including \$0.1 million less from general revenues, reflecting additional turnover savings and adjustments based on revised benefit cost expectations.*

Statewide Communications Network. The Agency requests \$2.2 million from general revenues for operating expenses such as mobile service, utilities, and equipment repairs for the Rhode Island Statewide Communications Network, which is \$0.8 million more than enacted. The Agency indicates that it recently discovered that some of its dispatch consoles which are used by state and local public safety dispatch centers were not receiving any security patches, updates or antivirus protection. As these patches are connected to the rest of the emergency responses system, the mismatch of software versions and security patches pose a threat to the entire system. The additional funds reflect its new contract signed August 4, 2022, which adds the currently uncovered consoles and a base contract increase also assumed in the revised request. *The Governor recommends \$73,028 less than requested for maintenance expenses, reflecting updated contract costs from a renegotiation that occurred in November.*

COVID Equipment Warehouses. During the FY 2023 budget cycle, the Assembly concurred with the Governor's requested amendment for \$2.0 million from federal State Fiscal Recovery funds for lease and operating expenses to store COVID-19 supplies at warehouses and is currently budgeted within the Department of Administration. For FY 2024, the Agency assumes the warehouse contracts are transferred to its budget and it requests \$1.9 million from general revenues for related lease and operating expenses. *The Governor retains funding for this in the Department of Administration.*

Centralized Services. The Agency requests \$0.7 million from all sources, including \$0.4 million from general revenues and \$0.3 million from federal funds, for centralized services provided through the Department of Administration. This includes \$588,683 for information technology, \$63,787 for human resources, and \$11,575 for facilities maintenance expenses and, in total, is \$315,054 more than enacted from all sources, including \$28,026 from general revenues, which is consistent with Budget Office current service adjustments. The revised request does not include the general revenue change, but is otherwise consistent with the request. The first quarter internal service billings total \$85,895 from general revenues which, when annualized, is consistent with the amount of general revenues provided in the enacted budget. *The Governor recommends \$291,260 less than requested from all sources, including \$8,959 less from general revenues, reflecting updated cost projections.*

Capital Projects. Consistent with the enacted budget, the Agency requests \$3.2 million from Rhode Island Capital Plan funds, including \$1.5 million for its Rhode Island Statewide Communications Network project, \$1.1 million for communication system upgrades, and \$0.5 million for the state emergency operations center upgrades. In its capital request, the Agency requests Rhode Island Capital Plan funds totaling \$10.3 million and subsequently indicated its intent to request funding consistent with its capital request. *The Governor recommends \$3.1 million more than enacted and requested for FY 2024, including three new Rhode Island Statewide Communications Network related projects. A detailed description of the projects is included in the Capital Budget section of this publication.*

COVID Related Expenses. The Agency requests \$1.9 million, including \$0.9 million from both general revenues and federal funds, from American Rescue Plan Act grants and its required state match that was included in the enacted budget. The grants, awarded by the Federal Emergency Management Agency, provide the state with \$940,445 to support efforts to build and sustain core capabilities across the prevention, protection, mitigation, response and recovery mission areas and require a like amount of state funds. Funds remain available through 2025 and the Agency intends to carry the remaining balance forward annually until expended. The request excludes the \$0.1 million in Federal Emergency Management Agency funds assumed in the enacted budget for COVID supplies. *The Governor recommends funding essentially as requested.*

Natural Disaster Relief. The Agency requests \$8.6 million or \$4.3 million more than enacted from federal funds for reimbursements to entities in the state that have applied for federal disaster relief. The request is \$8.4 million more than FY 2022 spending and is essentially consistent with its revised request. These grants are often pending review by the Federal Emergency Management Agency, and it takes several years to close out such grants. The change reflects projected reimbursements for snow removal and related expenses to entities affected by Winter Storm Kenan which occurred in January 2022. *The Governor recommends funding as requested.*

Emergency Operations and Performance Grants. The Agency requests \$5.6 million, or \$0.5 million more than enacted, from federal emergency operations and performance grants provided by the Federal Emergency Management Agency to reflect updated grant award information and availability. The request is \$4.3 million more than spent in FY 2022 and is essentially consistent with the revised request. The funding, which is primarily passed through to local emergency management agencies, is used for construction and renovation of a state or local government's principal emergency management operations center and to provide support for emergency operations necessary to ensure continuity of government and operations in major disasters. *The Governor recommends funding essentially as requested.*

Homeland Security Grants. The Agency requests \$9.5 million, or \$1.4 million more than enacted, from federal funds for homeland security-related upgrades throughout the state. The request is \$6.7 million more than FY 2022 spending and is essentially consistent with the revised request. The increase reflects updated award information for grants provided by the Federal Emergency Management Agency. The enacted budget was an estimate based on previous experience. *The Governor recommends funding as requested.*

Warwick Emergency Operations Center. The Agency requests \$240,000 from federal funds for a new federal grant provided through the Emergency Operations Center Grant Program to be passed through to Warwick for upgrades to the city's emergency operations center. This program provides funding for construction or renovation of a state, local or tribal government's principal emergency operations center. The whole grant will go to the city as expenses are incurred; the Agency intends to carry the remaining balance forward annually until expended. *The Governor recommends funding as requested.*

Hazard Mitigation Grants. The Agency requests \$8.0 million, or \$0.7 million more than enacted, from Federal Emergency Management Agency Hazard Mitigation funds that support local emergency management agencies reflecting updated grant information and anticipated usage. The request is essentially consistent with the revised request. Localities must apply through the state to receive these funds. These projects must be designed to increase resilience and public safety; reduce injuries and loss of life; and reduce damage and destruction to property, critical services, facilities and infrastructure from natural hazards and climate change. *The Governor recommends funding as requested.*

Other Federal Grants. Consistent with the revised request, the Agency requests \$2.3 million, or \$1.3 million more than enacted, from other federal grant funds reflecting revised grant awards. The request includes changes to multiple grants to reflect funds carried forward from previous years and new awards, as well as updated expenditure plans with the largest change being for a non-profit security grant which provides funding for physical security updates for non-profit entities. *The Governor recommends \$12,400 less for utility expenses based on updated cost projections.*

Other Operations. Consistent with the enacted budget, the Agency requests \$0.2 million from both general revenues and restricted receipts for all other expenses. Some of the larger expenses include its annual \$172,000 from Oil Spill Prevention, Administration and Response funds for the Port of Providence Marine Strike Team and Flammable Liquids Task Force, \$39,362 for mobile and telephone expenses, and \$35,914 for insurance expenses. *The Governor recommends \$40,265 more nearly all from general revenues, based on updated projections for utilities and state fleet costs.*

Department of Public Safety

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Central Management	\$ 30,964,142	\$ 35,228,397	\$ 16,359,264	\$ 19,842,024
E-911	8,468,710	8,809,580	9,262,222	9,269,543.00
Capitol Police	5,678,578	5,960,959	6,363,482	6,063,135
Sheriffs	24,180,098	21,921,154	24,973,029	24,230,176
Municipal Police Training Academy	890,419	837,091	692,344	689,461
State Police	117,821,546	118,265,651	121,472,345	116,109,997
Total	\$ 188,003,493	\$ 191,022,832	\$ 179,122,686	\$ 176,204,336
Expenditures by Category				
Salaries and Benefits	\$ 121,248,000	\$ 112,975,392	\$ 121,351,199	\$ 119,719,088
Contracted Services	2,056,848	2,490,551	1,634,016	1,814,016
Subtotal	\$ 123,304,848	\$ 115,465,943	\$ 122,985,215	\$ 121,533,104
Other State Operations	16,423,522	20,769,652	19,068,049	20,775,916
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	28,044,736	32,505,425	13,676,304	17,176,304
Capital	20,230,387	22,281,812	23,393,118	16,719,012
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 188,003,493	\$ 191,022,832	\$ 179,122,686	\$ 176,204,336
Sources of Funds				
General Revenue	\$ 136,304,942	\$ 134,251,894	\$ 123,249,943	\$ 123,513,201
Federal Aid	21,363,493	29,682,057	20,374,001	24,157,221
Restricted Receipts	9,590,570	9,884,744	10,343,170	10,350,524
Other	20,744,488	17,204,137	25,155,572	18,183,390
Total	\$ 188,003,493	\$ 191,022,832	\$ 179,122,686	\$ 176,204,336
FTE Authorization	632.2	632.2	640.2	632.2

Summary. The Department requests \$179.1 million from all sources, which is \$8.9 million less than enacted. Changes include \$13.1 million less from general revenues, \$1.0 million less from federal funds, \$0.8 million more from restricted receipts, and \$4.4 million more from other funds. The request includes 640.2 full-time equivalent positions which is 8.0 more than enacted. This reflects new positions for the Capitol Police and State Police. *The Governor recommends \$176.2 million from all sources, which is \$11.8 million less than enacted, including \$12.8 million less from general revenues. It is \$2.9 million less than requested, including \$0.3 million more from general revenues. The Governor's recommendation includes \$1.7 million more than requested to account for increases in costs of fleet related expenses.*

Target Issues. The Budget Office provided the Department with a general revenue target of \$119.0 million. The amount included a reduction for a current service adjustment of \$11.9 million and a 5.0 percent target reduction adjusted for certain exclusions of \$5.4 million. The constrained budget meets the target and proposals to achieve the reductions are noted among the items described where appropriate. *The Governor's recommendation is \$4.5 million more than the target.*

FY 2024 Budget	Budget Office		DPS	Difference		
FY 2023 Enacted	\$	136,304,942	\$	136,304,942	\$	-
Current Service Adjustments		(11,925,192)		(15,000,000)		(3,074,808)
New Initiatives		-		1,945,001		1,945,001
Change to FY 2023 Enacted	\$	(11,925,192)	\$	(13,054,999)	\$	(1,129,807)
FY 2024 Current Service/Unconstrained Request	\$	124,379,750	\$	123,249,943	\$	(1,129,807)
Target Reduction/Initiatives		(5,354,384)		(4,224,577)		1,129,807
FY 2024 Constrained Target/Request	\$	119,025,366	\$	119,025,366	\$	-
<i>Change to FY 2023 Enacted</i>	\$	<i>(17,279,576)</i>	\$	<i>(17,279,576)</i>	\$	-

Staffing. The Department requests FY 2024 staffing of 640.2 positions, 8.0 more positions than the enacted authorization of 632.2 full-time equivalent positions. New positions include 4.0 each for Capitol Police and State Police and are assumed to start on July 1, 2023. The new positions would cost \$0.8 million from all sources. The request also shifts 1.0 position from Central Management to the State Police. The requested position allocation is as follows: 13.6 for Central Management, 56.6 for E-911, 56.0 for Capitol Police, 181.0 for Sheriffs, 2.0 for the Municipal Police Training Academy, and 331.0 for State Police.

The request includes \$121.4 million from all sources for salaries and benefits, including \$106.6 million from general revenues, \$4.0 million from federal funds, \$7.5 million from restricted receipts, and \$3.2 million from other funds. This is \$0.1 million more than enacted and reflects the new positions and converting Sheriffs to a 40-hour work week offset by projected turnover savings in the State Police division. As of November 5, 2022, the Department had 538.6 filled full-time equivalent positions. This is higher than FY 2022 staffing, but still below budget assumptions. The enacted budget funds 632.2 full-time equivalent positions. The request funds 623.4 full-time equivalent positions. Recently, the Department has struggled to fill vacant positions in the Sheriff and State Police Divisions. *The Governor recommends FY 2024 staffing of 632.2 positions, consistent with the enacted authorization. This includes \$119.7 million from all sources, including \$105.1 million from general revenues, \$3.9 million from federal funds, \$7.5 million from restricted receipts, and \$3.2 million from other funds. This is \$1.5 million less than enacted and \$1.6 million less than requested.*

Centralized Services. The Department requests \$2.0 million from all sources, including \$1.9 million from general revenues and \$0.1 million from restricted receipts for centralized services provided through the Department of Administration. This is \$0.1 million more than enacted, which includes \$0.1 million more from general revenues and \$6,661 more from restricted receipts. Funding includes \$0.2 million for facilities management, \$1.2 million for human resources, and \$0.6 million for information technology charges. The request reflects the Budget Office’s centralized service adjustments and is \$0.5 million more than spent in FY 2022 and projected for FY 2023, based upon the Department of Administration’s Internal Service Fund Quarter One Report. *The Governor recommends \$11,002 less than requested from all sources including \$14,826 less from general revenues and \$3,824 more from restricted receipts.*

Records Management System. The request includes \$0.3 million from the Department’s allotment of Coronavirus Emergency Supplemental Funding provided by the Department of Justice, which is \$0.7 million less than enacted to complete the implementation of the statewide records management system, pursuant to Rhode Island General Law, Section 42-28.10-1. Funding supports purchasing and implementing the software and the contracted information technology project manager that is overseeing implementation.

The request reflects the cost proposal that expired in December 2021 from the vendor selected who indicated that the one-time implementation costs would be \$3.7 million, and the maintenance contract is \$0.7 million annually. The enacted budget includes \$0.9 million from federal funds to complete a two-year implementation beginning during FY 2022, for which the Assembly included \$2.7 million for total funding of \$3.6 million. While the request is approximately \$60,000 more than the original two-year cost projections, it largely reflects the Department shifting funding as delays have extended the project into FY

2024. The Department is currently awaiting a timeline for the posting of the new request for proposals. The annual maintenance cost will be offset by fees collected from the participating state and municipal entities and be deposited into a restricted receipt account established to support the system. The Department subsequently received additional federal grant funds from the Office of Highway Safety and anticipates splitting the grant over FY 2023 and FY 2024. *The Governor recommends \$0.2 million more than requested reflecting a federal award the Department received subsequent to its budget submission.*

Body-Worn Camera Statewide Project. The Department requests \$0.8 million from all funds, including \$0.4 million from general revenues and \$0.4 million from federal funds for the body-worn camera statewide project. The general revenues support the 2.6 full-time equivalent positions responsible for the program. This is \$14.6 million less than enacted and reflects the exclusion of the \$15.0 million from general revenues for purchasing cameras for State Police and municipalities. It also includes \$0.4 million from federal funds reflecting an award from the United States Department of Justice to purchase body-worn cameras for 11 police departments and \$40,000 from general revenues to train troopers on body-worn camera use.

The enacted budget provides \$15.0 million from general revenues to purchase body cameras for the State Police and municipalities, but prevents any funding being spent prior to rules and regulations being promulgated and states that any unspent balances as of June 30, 2023, will be reappropriated to FY 2024. The required rules and regulations took effect on October 19, 2022. *The Governor recommends funding as requested.*

Central Management

Salaries and Benefits. The Department requests \$1.8 million from all sources for 12.0 full-time equivalent positions in the Central Management Division. This is \$0.1 million more than enacted, including \$42,450 more from general revenues, \$32,648 more from federal funds, and \$5,157 more from restricted receipts. The increase reflects current service adjustments. The request fully funds the staffing allocation consistent with the enacted budget.

The Department's constrained request proposed removing one full-time equivalent position, the chief financial officer, for \$0.2 million in general revenue savings. The Department's request assumes that the State Budget Office would assume the responsibilities of the chief financial officer, including budget development, reporting, and fiscal analysis. *The Governor recommends \$1,254 more from all sources, almost entirely from general revenues, based on updated medical benefit rates.*

COVID Related Expenses. The Department requests \$0.2 million from unexpended federal Coronavirus Emergency Supplemental funds from the Department of Justice to grant awards to government agencies and local law enforcement agencies to support a broad range of activities to prevent, prepare for, and respond to the coronavirus. Identified agencies include the Office of the Public Defender for its case management system, Judicial Department, Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, the Office of the Attorney General, and the Municipal Police Training Academy. These funds would typically appear in the receiving state agency. No funding was included in the enacted budget as the Department anticipated exhausting the funds during FY 2022, but reports slow spending by awardees. The request assumes that \$2.4 million will be spent during FY 2023. *The Governor recommends funding as requested.*

ARPA - Support for Survivors of Domestic Violence. The Department requests \$3.5 million from State Fiscal Recovery funds, consistent with the enacted budget, to provide awards to nonprofits to provide housing, clinical, and mental health services to victims of domestic violence and assault. Funding will supplement the federal Victims of Crime Act funding the Department of Public Safety receives, which has decreased in recent years due to changes in federal settlement agreements. The 2022 Assembly provided \$3.5 million for FY 2023 and programmed \$3.5 million for FY 2024 and FY 2025 for a total of \$10.5

million, after which federal grants are expected to return to historic levels. The Department indicates that a competitive request for proposals would be published in October and that funds should be disbursed in January 2023. *The Governor recommends the enacted level of \$10.5 million from State Fiscal Recovery funds authorized, but advances the \$3.5 million scheduled for FY 2025 to FY 2024 to ensure timely obligation of the federal funds. This provides a total of \$7.0 million for FY 2024.*

Other Federal Funds. The Department requests \$9.8 million from other federal grants to award to local organizations and municipalities, which is \$0.2 million less than enacted. The request reflects updated awards and remaining federal balances, including \$3.6 million less from the Crime Victim Assistance grant program, offset by \$2.2 million more from the Edward Bryne Memorial Justice Assistance Grant Program, \$0.7 million more from the Juvenile Justice and Delinquency Prevention Program, \$0.3 million more from the Project Safe Neighborhoods Program, and \$0.2 million more from the Sexual Assault Services Formula Grant Program. *The Governor recommends funding as requested.*

E-911

Salaries and Benefits. The Department requests \$6.7 million from restricted receipts for salaries and benefits for the authorized 56.6 full-time equivalent positions, which is \$0.3 million more than enacted. The increase reflects current service adjustments, and would fund 55.7 full-time equivalent positions, 1.5 positions more than the enacted budget. As of the pay-period ending November 5, 2022, the Division had 11.0 vacancies. The Department notes its continued difficulty keeping positions filled. The request includes the six positions authorized to help with the implementation of the emergency medical dispatch system. Three new telecommunicators started in early October and four candidates are currently undergoing background checks. *The Governor recommends \$5,009 more than requested to account for an updated estimate of medical benefit rates.*

Technology Upgrades. The Department requests \$2.1 million from restricted receipts, \$0.3 million more than enacted for technology upgrades. It includes \$0.2 million to complete the upgrade of E-911's inbound and outbound networks and implementation of INdigital's Next-Gen i3 optical fiber network. The increase also includes \$0.2 million to replace four laser projectors that are utilized in the Public Safety Answering Point System that are approaching the end of their useful life, and under continuous use. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$0.3 million from restricted receipts for all other expenses. The largest expenditures include staff training, janitorial services, snowplowing, utilities, insurance, and cellular and mobile expenses. While the request is \$137,730 more than enacted, it is only \$28,921 more than spent during FY 2022. *The Governor recommends \$1,512 less than requested for utilities to reflect updated expenditure projections.*

Sheriffs

Sheriff Work Week - 40 Hours. The Department requests \$0.6 million from general revenues to transition all sheriffs to the 40-hour work week. Currently, there are two sheriffs still on the 35-hour work week who will transition to the 37.5-hour work week by January 1, 2023, and 98 sheriffs on the 37.5-hour work week. All 100 sheriffs will transition to the 40-hour work week if funding is approved. The Department believes that this will increase security and reduce overtime by approximately three percent. The request does not reflect the estimated overtime savings. By transitioning to a uniform 40-hour work week, the Department can streamline the bidding process that currently involves multiple entities and paperwork. The enacted budget assumed only 12 positions would be shifted to the longer work week, but the Department used turnover savings to shift 62. The Department also indicates this would address high turnover, low recruitment, and demands from the Judiciary to increase safety in the courtrooms. The Department's constrained request excludes this funding.

The request is consistent with the labor contract between the Sheriffs and the state signed May 14, 2014. This obligated the state to make all reasonable efforts to propose and offer an additional twelve 37.5-hour assignments per fiscal year funding permitting, subject to final approval of the budget by the General Assembly, until all current 35-hour assignments have been upgraded to 37.5-hour assignments, or until all remaining employees have successfully bid to 40-hour assignments, whichever comes first. *The Governor does not recommend funding.*

Other Salaries and Benefits. The Department requests \$21.7 million from general revenues for 181.0 authorized full-time equivalent positions for the Sheriffs Division, which is \$0.4 million more than enacted. The request reflects current service adjustments and updated medical benefit selection. The enacted budget and the Department's request fully fund the Division; as of November 5, 2022, it had 42.0 vacancies. The Department's constrained request proposed \$0.7 million in general revenue savings by keeping 12.0 full-time equivalent positions vacant. *The Governor recommends \$0.1 million less than requested to reflect additional turnover savings equivalent to 0.8 positions.*

Motor Vehicles. The Department requests \$0.3 million from general revenues for vehicle maintenance and repayment to the State Fleet Replacement Revolving Loan Fund. The request excludes \$0.3 million originally anticipated for repayment to the loan fund as the Department bought seven vehicles outright during FY 2022. Vehicle maintenance is kept at the enacted level. *The Governor recommends adding \$22,145 for state fleet based on updated cost projections.*

Other Operations. The Department requests \$2.3 million from general revenues for all other expenses, including \$0.8 million for building maintenance and repairs, \$0.4 million for tactical equipment and supply purchases, \$0.1 million each for out-of-state travel, and staff uniforms, and \$0.9 million for other expenses. This is \$1,861 more than enacted. *The Governor recommends funding as requested.*

Capitol Police

Capitol Police Officers (2.0 FTE). The Department requests \$0.2 million from general revenues for the salaries and benefits for two new capitol police officers for the State House Complex. One officer will be assigned exclusively to the parking lots by the State House and the other officer will patrol outside of the complex, all of the state house parking lots, and the surrounding areas. The Department indicates the new officers will improve security on the State House Complex and will allow for compliance with a longstanding state law, that requires a member of the Capitol Police to be on duty in the legislative parking lot during all sessions of the General Assembly. The request includes a full-year of funding. The Department's constrained request excludes the positions and funding. *The Governor does not recommend the positions.*

Capitol Police Sergeant (1.0 FTE). The Department requests \$0.1 million from general revenues for the salaries and benefits for one new capitol police sergeant to enhance the supervisory oversight of line officers and security services. The additional supervisor will allow for a clear chain of command for each building by assigning this position to oversee the evening shifts during the legislative session. The request includes a full-year of funding. The Department's constrained request excludes the position and funding. *The Governor does not recommend the position.*

Screeners (1.0 FTE). The Department requests \$0.1 million from general revenues for the salaries and benefits for one new screener stationed at the State House. The Department plans to replace the Capitol Police Officers who currently provide screening services with dedicated civilian screeners. The Department believes this will allow for a more secure building for visitors and employees as the Capitol Police will provide enhanced security rounds and provide savings to the state as civilian screener positions are less expensive than Capitol Police Officers. The Department's request includes a full-year of funding. The

Department's constrained request excludes the position and funding. *The Governor does not recommend the position.*

Other Salaries and Benefits. The Department requests \$5.3 million from general revenues for 40.0 full-time equivalent positions for Capitol Police staff not allocated to internal service funds, which is \$0.3 million more than enacted and reflects current service adjustments. The Capitol Police also have 12.0 full-time equivalent positions allocated to internal service funds. Those expenses appear as operating costs in the agencies billed. The enacted budget provides full funding for staff and as of November 5, 2022 pay period, there are 3.0 vacancies, which the request assumes are allocated to internal service funds. *The Governor recommends \$3,794 more than requested to account for an updated estimate of medical benefit rates.*

Other Operations. The Department requests \$0.5 million from general revenues for all other expenses, \$7,788 more than enacted. This includes \$154,541 for tactical equipment, \$59,815 for furniture, \$40,000 each for vehicle expenses and for safety equipment, \$16,675 for contracted medical services, and \$0.1 million for all remaining expenses. *The Governor recommends \$17,425 more than requested for state fleet expenses based on updated cost projections.*

Municipal Police Training Academy

Salaries and Benefits. The Department requested \$0.2 million from general revenues for staffing costs associated with the Division's 2.0 full-time equivalent employees, which is \$11,524 more than enacted and reflects current service adjustments. The constrained request proposes reducing 1.0 full-time equivalent position, providing \$0.1 million in general revenue savings; both positions are filled. *The Governor recommends \$150 more than requested to account for an updated estimate of medical benefit rates.*

Drug and Field Sobriety Training. The Department requests \$0.3 million from federal State and Community Highway Safety grant funds to conduct drug recognition expert and standardized field sobriety testing training programs. This is \$0.1 million less than the enacted budget and reflects an updated award. The enacted budget includes \$0.4 million from this grant and during FY 2022 the Department spent \$0.2 million. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$0.2 million from all sources for all other operations of the Municipal Police Training Academy. This includes \$60,570 from general revenues and \$0.1 million from federal funds, which is \$0.1 million less than enacted from federal funds for expenditures related to the cost of conducting the training academy. The decrease reflects available balances of federal grant awards. This includes \$30,000 less from the Minimum Penalties for Repeat Offenders for Driving While Intoxicated Grant program, \$32,793 less from the Edward Bryne Memorial Formula Grant, and \$25,000 less from a State and Community Highway Safety grant. These grants support lecturers. *The Governor recommends funding as requested.*

State Police

Diversity and Equity Unit. The Department requests \$85,000 in new general revenue spending for the State Police Community, Diversity, and Equity Unit. The Unit engages in community outreach and recruitment activities, and the Department anticipates that the requested funding will improve community relations and recruit a more diverse candidate pool for the 59th State Police Training Academy. Funding will support overtime for the participating Troopers and supplies for community outreach events. The Department requests \$105,000 for this initiative in its revised request. *The Governor recommends funding as requested.*

Job Task Analysis. The Department requests \$0.1 million from general revenues for a job task analysis that will provide a detailed overview of the knowledge, tasks, and responsibilities that must be performed by State Troopers and police officers in the state. The findings will be used to update curriculum, as needed, at the State Police Training Academy and the Municipal Police Training Academy. The current curriculum was developed from the 2009 job task analysis; International Association of Directors of Law Enforcement Standards and Training recommend a new job task analysis every five to seven years. The Department requests \$50,000 for this analysis in the revised request, bringing the total cost to \$150,000, funded entirely from general revenues. *The Governor recommends funding as requested.*

Trainee Trooper Compensation. The Department requests \$0.6 million from general revenues to provide raises to trainee troopers by increasing the bi-weekly pay from \$1,300 to \$2,175, consistent with the region's state police training academies. It also requests to eliminate the provision of Section 42-28-25 of the General Laws that requires trainees at the State Police and Municipal Training Academies reimburse the Department for meals consumed during the academy. Based on 58th Training Academy reimbursements, the Department projects that this change will result in a decrease of general revenue collections of \$0.2 million in FY 2024, assuming a 40-person class. The Department's constrained request excludes this funding. *The Governor recommends \$0.3 million less than requested which reflects his proposal to raise trainee troopers pay to \$1,800 instead of the requested \$2,175 and includes language in Article 3 to remove the meal reimbursement provision.*

59th Training Academy. The Department requests \$1.6 million from all sources including \$1.2 million from general revenues and \$0.4 million from federal forfeiture funds for the 59th State Police Training Academy. This is \$1.5 million more than enacted. The enacted budget includes \$120,000 from general revenues for advertising, hiring and training contracted lecturers, and providing the necessary uniforms and gear for the lecturers while the request includes funding for the operations of the training academy such as equipment, physical and psychological evaluations, and food. The Department is planning for a 40-person training academy that begins during FY 2024 and will graduate troopers in April 2024. *The Governor recommends funding as requested.*

Education Reimbursement. Rhode Island General Law, Chapter 42-28.1 establishes an incentive pay program for members of the state, city, town police departments, deputy sheriffs, capitol police and others for college education credits in the field of police work. Additionally, current law makes qualified expenditures reimbursable to members once a course is successfully completed. The Department requests \$0.4 million from general revenues for education reimbursements, which is \$0.1 million more than enacted based on expected utilization.

The constrained request excludes funding the reimbursement of college education credits and provides \$0.3 million in general revenue savings. This would shift the cost of education to the officers. *The Governor recommends funding as requested.*

Drug Recognition Training. The Department requests \$0.2 million from general revenues for drug recognition training. The request proposes to train 15 troopers in FY 2024, which brings the total number of drug recognition experts to 23. The plan is to continue to train additional troopers in even years at an average cost of \$9,500 per trooper and recertify troopers in odd years, which will cost a total of \$12,000. Recreational marijuana sales began in Rhode Island on December 1, 2022. *The Governor recommends funding as requested.*

Fleet Operations Civilian. The Department requests \$0.1 million from general revenues for a new civilian position to manage the Division's fleet. A sworn member is currently responsible for this duty, but will be retiring soon. Recently, retirements and promotions have resulted in high turnover for this position. The Department believes that a civilian position would bring stability, industry-knowledge, and cost less than a sworn member. The Department's constrained request excludes the positions and funding. *The Governor*

recommends funding as requested, but for the Department to fill the position within its current staffing authorization.

Digital Forensic Analyst. The Rhode Island State Police Computer Crimes Unit was founded in 2003 and was created to conduct and provide expert assistance to the State Police, and other law enforcement agencies, with investigations pertaining to the criminal use of computers and related technologies. The Unit is responsible for three operational areas: The Internet Crimes Against Children Task Force, the Cyber Disruption Task Force, and the Computer Forensic Laboratory. Last year, the Computer Forensic Laboratory conducted hundreds of forensic examinations, assisting 14 state police units, and 29 outside agencies. Cases are triaged and prioritized as they are processed into the laboratory and evidence room, but the current case backlog is over 10 months long and continues to grow. Currently, the Department has one forensic analyst, acting as the laboratory and evidence room manager as well, analyzing the evidence. *The Governor recommends \$0.1 million for a new digital forensic analyst within the Department's current staffing authorization. He includes \$0.1 million in his revised recommendation for this initiative as well.*

Fusion Center (3.0 FTE). The Department requests \$0.5 million from all sources, including \$0.4 million from general revenues and \$0.1 million from federal Homeland Security Fusion Center Grant funding for 3.0 new full-time equivalent positions for the Rhode Island State Fusion Center. This is \$0.3 million more than enacted, including \$0.4 million more from general revenues, \$74,852 less from federal funds. The Rhode Island State Fusion Center is the point for the gathering, receipt, analysis, and sharing of threat-related information between federal, state, local, tribal, and private sector partners to enhance homeland security.

Staffing currently consists of 2.0 state police detectives, 2.0 intelligence analysts, and 2.0 temporary contract intelligence analyst positions. The request proposes transitioning the contracted positions to full-time equivalent employees and adding an intelligence analyst. By shifting the contracted positions to general revenue funded full-time equivalent positions and supporting a full-time equivalent position with federal Homeland Security Fusion Center Grant funds, the Department would experience \$0.1 million in savings from federal funds, which will be carried forward for use in FY 2025. Two of the requested positions will be supported by general revenues and the remaining position will be supported by federal Homeland Security Fusion Center Grant funding.

The Department anticipates that the new positions will provide for longer retention of employees within the Center, more robust training and work output, and an overall increase in capabilities and performance between the State Police and other state law enforcement.

The Department's constrained request excludes the positions and funding. *The Governor does not recommend funding.*

Other Salaries and Benefits. The Department requests \$82.8 million from all sources for salaries and benefits for 324.0 full-time equivalent positions, which is \$3.4 million less than enacted and includes \$2.7 million less from general revenues, \$0.5 million less from federal funds, \$46,069 less from restricted receipts, and \$0.2 million less from other funds. The request reflects estimated turnover savings, an increase in overtime, and current service adjustments. Based on the average cost per position, the requested turnover savings is equivalent to 15.9 positions. As of the pay-period ending on November 5, 2022, the Department has 35.0 vacancies. Additional turnover savings could be expected as the Department averaged 49.4 vacant positions as of the pay-period ending November 5, but some costs are likely being offset by increased overtime. The Department reports that there are 24 members from the 1997 class eligible to retire in calendar year 2024 and required to retire by 2026.

The constrained request proposes to reduce personnel by 3.0 full-time equivalent employees and keep an additional 3.0 full-time equivalent positions vacant providing \$0.6 million in savings. *The Governor*

recommends \$25,616 more than requested, almost entirely from general revenues, to account for an updated estimate of medical benefit rates.

Professional Development Initiative. Consistent with its revised request, the Department requests \$0.1 million from general revenues to expand professional development and create an officer wellness program. Professional development will focus on supporting cross unit training, which the Department anticipates will provide a broader understanding of the State Police that will allow troopers to become more effective and provide more insight into career planning. The program will focus on mental and emotional health, resiliency, and critical incident stress management training, physical fitness, and nutrition. By expanding professional development and wellness opportunities, the Department indicates morale, job satisfaction, performance, and community interactions will improve. Funding will support all troopers who want to participate in the program. *The Governor recommends funding as requested.*

Computers and Software. The Department requests \$3.1 million from all sources, including \$2.6 million from general revenues, \$0.4 million from federal funds, \$20,000 from restricted receipts, and \$35,010 from other funds for software and computer maintenance, supplies, equipment, and repairs. This is \$0.3 million more than enacted, including \$0.2 million more from general revenues, \$0.1 million more from federal funds, and \$4,802 more from other funds. The increase reflects the cost of contracts for computer supplies and maintenance, support for the Rhode Island Law Enforcement Telecommunications Systems, and the Department's desire to replace computers and computer equipment for the Patrol, Detectives, and Management Information Systems Unit. The Department requests \$3.5 million for these expenses in its revised request, \$0.4 million more than FY 2024. *The Governor recommends adding \$32,550 for additional software maintenance agreements inadvertently excluded from the request.*

Motor Vehicles. The Department requests \$3.6 million from all sources, including \$2.9 million from general revenues and \$0.7 million from road construction reimbursement funds, which is \$0.5 million more than enacted from all sources for motor vehicles, state fleet expenditures, and repayment to the State Fleet Replacement Revolving Loan Fund. State fleet expenditures are \$0.9 million more than enacted and reflect the increased cost of vehicle maintenance. Repayment to the State Fleet Replacement Revolving Loan Fund is \$0.4 million less than enacted and reflects savings as the Department purchased vehicles outright in FY 2022 and proposes to purchase vehicles outright in its revised request. The request includes \$0.6 million to purchase nine motor vehicles outright and acquire 64 vehicles in FY 2024 utilizing the State Fleet Revolving Repayment Loan Fund. *The Governor recommends \$1.6 million more than requested from general revenues based on updated cost projections for state fleet expenses including gas, vehicle repairs, and insurance.*

Vehicle Technology. The Department requests \$0.3 million from general revenues for the second year of a five-year plan to install vehicle camera systems in all State Police patrol vehicles. This is \$47,590 more than enacted, which reflects the quoted cost of the contract from Axon, the selected vendor, which is \$1.9 million paid over five years. Vehicle camera systems are needed to provide a complete picture of the engagement and interaction with the suspect, which cannot be done with body cameras alone. *The Governor recommends funding as requested.*

Federal Forfeitures (Google Settlement). The enacted budget includes \$469,037 for equipment, supplies, and medical services for the completed 58th Training Academy and for furniture from federal forfeiture funds. No funding is requested for FY 2024 but the Department is projecting a balance of \$0.8 million after FY 2024. *The Governor recommends funding as requested.*

Maintenance. Consistent with the revised request, the request includes \$0.5 million nearly all from general revenues for building and grounds maintenance and repairs. This is \$0.2 million more than enacted from general revenues and reflects increased costs based on FY 2022 spending. *The Governor recommends funding as requested.*

Aquidneck Island Study. The Department's request includes \$2.0 million from Rhode Island Capital Plan funds to rehabilitate the Portsmouth Barracks, consistent with the enacted budget. The architectural and engineering process revealed that a more comprehensive rehabilitation would be needed. *The Governor recommends \$0.1 million from general revenues to examine the appropriate operational presence of the State Police on Aquidneck Island.*

Capital Projects. The Department requests \$21.1 million from Rhode Island Capital Plan funds for five capital projects, which is \$3.9 million more than enacted, consistent with the capital request. This primarily reflects \$4.1 million more for the Portsmouth Barracks, offset by \$2.5 million less for the Southern Barracks. The total capital request for the Portsmouth Barracks is \$5.8 million more than the approved plan. *The Governor recommends \$7.0 million less than requested, primarily reflecting the exclusion of funding for the Portsmouth Barracks project. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Federal Funds. The Department requests \$1.1 million from all other federal grants to reflect estimated federal awards for FY 2024, which is \$0.1 million more than enacted. This includes \$0.2 million more from the Minimum Penalties for Repeat Offenders for Driving While Intoxicated Grant, \$0.1 million more from the Motor Carrier Safety Assistance Grant Program, and \$0.1 million more for other grants. This increase is partially offset by \$0.1 million less from the HOPE Initiative, which ended in FY 2021, and \$0.1 million less from the Support for Adam Walsh Act Implementation Grant program.

The Department utilizes these federal funds for a variety of expenditures. The request includes \$0.5 million for training services and contracted lecturers, \$0.3 million for indirect cost charges, \$0.1 million for staff training, \$42,298 for out-of-state travel, and \$0.2 million for all other expenses. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$4.2 million from all sources, including \$3.9 million from general revenues, \$0.2 million from restricted receipts, and \$45,000 from State Police Weight and Measurement reimbursements for all other expenses. This is \$20,217 less than the enacted budget, including \$65,217 less from general revenues and \$45,000 more from State Police Weight and Measurement reimbursements. The request reflects anticipated expenditures based upon FY 2022 spending; the largest expenses are for utilities, internet, mobile phone and janitorial services. *The Governor recommends \$6,584 more from general revenues based on updated utility expenses.*

Office of the Public Defender

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 13,189,661	\$ 13,094,767	\$ 13,893,660	\$ 13,848,935
Contracted Services	225,508	259,190	259,440	226,758
Subtotal	\$ 13,415,169	\$ 13,353,957	\$ 14,153,100	\$ 14,075,693
Other State Operations	1,262,803	1,294,411	1,311,679	1,292,336
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	35,000	65,000	70,000	70,000
Capital	61,500	81,500	70,500	70,500
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 14,774,472	\$ 14,794,868	\$ 15,605,279	\$ 15,508,529
Sources of Funds				
General Revenue	\$ 14,708,807	\$ 14,699,203	\$ 15,504,614	\$ 15,407,864
Federal Aid	65,665	95,665	100,665	100,665
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 14,774,472	\$ 14,794,868	\$ 15,605,279	\$ 15,508,529
FTE Authorization	100.0	100.0	102.0	102.0

Summary. The Office of the Public Defender requests FY 2024 expenditures of \$15.6 million, which is \$0.8 million more than the enacted budget, primarily from general revenues. The Office requests 102.0 full-time equivalent positions, 2.0 more than the enacted level. *The Governor recommends \$15.5 million from all sources, including \$15.4 million from general revenues and 102.0 positions. This is \$0.7 million more than enacted and \$0.1 million less than requested.*

Target Issues. The Budget Office provided the Office with a general revenue target of \$14.4 million. The amount includes current service adjustments of \$0.4 million, adjusted for certain exclusions, and a 5.0 percent target reduction of \$0.7 million. The constrained budget submitted by the Office is \$308 less than the target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$1.0 million more than the target.*

FY 2024 Budget	Budget Office	Office of the Public Defender	Difference
FY 2023 Enacted	\$ 14,708,807	\$ 14,708,807	-
Current Service Adjustments	439,059	542,233	103,174
New Initiatives	-	253,574	253,574
Change to FY 2023 Enacted	\$ 439,059	\$ 795,807	\$ 356,748
FY 2024 Current Service/Unconstrained Request	\$ 15,147,866	\$ 15,504,614	\$ 356,748
Target Reduction/Initiatives	(718,261)	(1,075,317)	(357,056)
FY 2024 Constrained Target/Request	\$ 14,429,605	\$ 14,429,297	\$ (308)
<i>Change to FY 2023 Enacted</i>	<i>\$ (279,202)</i>	<i>\$ (279,510)</i>	<i>\$ (308)</i>

Assistant Public Defenders (2.0 FTE). The Office requests \$0.3 million from general revenues for two new assistant public defender positions in FY 2024 as part of an ongoing effort to alleviate caseload burden. The requested amount includes \$244,244 for salaries and benefits, \$5,330 for parking, and \$4,000 for computers. The request assumes these full-time attorneys will be hired at the beginning of FY 2024. In its previous year's request, the Office requested three new positions and the Assembly provided one; the request seeks authorization for the remaining two.

The Public Defender notes its caseload for each attorney was cited in a November 2017 report from the *Rhode Island Project* which intended "to establish public defender workload standards for the State of Rhode Island." As noted in that report, one way to address the caseload burden is an increase in staffing levels to move closer to a workload standard. The constrained request excludes the positions. *The Governor recommends funding and authorization for the new positions as requested.*

Other Salaries and Benefits. The Office requests \$12.2 million from general revenues for salaries and benefits, which is \$0.5 million more than enacted and fully funds its 100.0 authorized positions. The request primarily reflects step and pay grade increases, positions being filled at lower costs than assumed in the enacted budget, and changes consistent with planning values. As of the final pay period in October, the Office has 8.0 vacancies.

The Office's constrained request proposes eliminating eight full-time positions and three part-time data input clerks for savings of \$0.8 million. The Office indicates if this proposal is approved, its cases would be referred to the Judiciary's Indigent Defense fund for representation by private contracted attorneys at a potentially higher cost to the state. *The Governor recommends \$44,725 less than requested, reflecting an additional \$52,946 in turnover savings, partially offset by \$8,221 more for changes in benefit rates.*

Contracted Legal Support. Consistent with its revised request, the Office requests \$0.1 million from all sources, including \$71,663 from general revenues for its use of contracted legal support services. This is \$32,682 more than enacted from general revenues for additional paralegal services for its adult trial division to meet expected demand. FY 2022 expenses were \$13,999 which the Office indicates was lower because of the pandemic. *The Governor recommends funding consistent with the enacted budget. He recommends the additional costs for the FY 2023 revised budget only.*

Student Loan Forgiveness. The Office requests \$70,035, or \$35,000 more than enacted, from federal John J. Justice Incentive Grant funds for the student loan repayment assistance program. Annual funding is contingent upon federal appropriations and assists public defender and prosecution attorneys in repaying certain direct federal student loans. A borrower's requirement to repay a loan was suspended during the pandemic so grant funds were not needed. The request splits unspent funding from previous years between FY 2023 and FY 2024. *The Governor recommends funding as requested.*

Other Operations. The Office requests \$1.5 million, or \$49,796 more than enacted, largely from general revenues for all other operations. This includes \$0.6 million for rent, \$0.2 million for office maintenance and repairs, \$0.2 million for technology purchases and maintenance, and \$0.5 million for all remaining expenses. Changes include \$26,170 for technology purchases and services, including enhanced memory for discovery information storage, laptop replacement, telephone services which were upgraded as a part of the Department of Administration's phone system upgrade, and enhanced internet services. Other changes include \$15,796 for various increases such as parking rates, janitorial fees, sewage, and water, and \$7,830 for all other expenses. *The Governor recommends \$19,343 less than requested, excluding the \$15,796 increase requested and \$6,089 less for other expenses based on updated cost projections.*

Department of Environmental Management

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Office of the Director	\$ 13,149,766	\$ 41,682,153	\$ 13,350,157	\$ 13,645,953
Bureau of Natural Resources	74,666,658	78,210,834	74,493,648	73,507,341
Bureau of Environmental Protection	34,186,220	35,010,525	34,976,716	34,330,826
Total	\$ 122,002,644	\$ 154,903,512	\$ 122,820,521	\$ 121,484,120
Expenditures by Category				
Salaries and Benefits	\$ 60,596,980	\$ 59,369,930	\$ 64,548,552	\$ 61,858,323
Contracted Services	10,201,502	11,129,990	9,851,953	9,606,177
Subtotal	\$ 70,798,482	\$ 70,499,920	\$ 74,400,505	\$ 71,464,500
Other State Operations	19,454,361	20,291,057	19,554,583	20,961,187
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	7,995,025	8,565,149	5,631,858	6,231,858
Capital	23,754,776	27,047,386	23,233,575	22,826,575
Capital Debt Service	-	-	-	-
Operating Transfers	-	28,500,000	-	-
Total	\$ 122,002,644	\$ 154,903,512	\$ 122,820,521	\$ 121,484,120
Sources of Funds				
General Revenue	\$ 53,097,245	\$ 82,430,393	\$ 55,799,888	\$ 55,287,605
Federal Aid	34,749,860	34,487,566	31,070,454	30,738,283
Restricted Receipts	17,395,663	17,678,392	17,907,451	17,771,478
Other	16,759,876	20,307,161	18,042,728	17,686,754
Total	\$ 122,002,644	\$ 154,903,512	\$ 122,820,521	\$ 121,484,120
FTE Authorization	417.0	417.0	444.0	425.0

Summary. The Department requests \$122.8 million from all sources, which is \$0.8 million more than enacted and includes \$2.7 million more from general revenues. The Department requests 444.0 full-time equivalent positions, which is 27.0 more than authorized. The Department also submitted a constrained request that totals \$119.9 million and includes \$1.9 million less from general revenues than the unconstrained request and 11.0 fewer positions. *The Governor recommends \$121.5 million, including \$55.3 million from general revenues. This is \$1.3 million less than requested, including \$0.5 million less from general revenues. He recommends 425.0 full-time equivalent position, 8.0 more than enacted.*

Target Issues. The Budget Office provided the Department with a general revenue target of \$51.2 million. The amount includes current service adjustments of \$0.4 million and a 5.0 percent target reduction, adjusted for certain exclusions, of \$2.3 million. The constrained request is consistent with the target when \$2.7 million in revenue enhancements are coupled with \$1.9 million in expenditure reductions. The proposals to achieve the reductions are noted among the items described below where appropriate.

The Governor's budget is \$4.1 million more than the target.

FY 2024 Budget	Budget Office		DEM	Difference		
FY 2023 Enacted	\$	53,097,245	\$	53,097,245	\$	-
Current Service Adjustments		388,121		388,121		-
New Initiatives		-		2,314,522		2,314,522
Change to FY 2023 Enacted	\$	388,121	\$	2,702,643	\$	2,314,522
FY 2024 Current Service/ Unconstrained Request	\$	53,485,366	\$	55,799,888	\$	2,314,522
Target Reduction/Initiatives		(2,325,409)		(1,948,011)		377,398
FY 2024 Constrained Target/Request	\$	51,159,957	\$	53,851,877	\$	2,691,920
<i>Change to FY 2023 Enacted</i>	\$	<i>(1,937,288)</i>	\$	<i>754,632</i>	\$	<i>2,691,920</i>

Staffing (27.0 FTE). The Department requests \$64.5 million from all sources, including \$41.7 million from general revenues for 444.0 full-time equivalent positions, 27.0 positions more than authorized. This is \$4.0 million more from all sources than enacted, including \$3.0 million more from general revenues. The request adds \$0.4 million for three new positions in the Office of the Director and \$0.8 million for eight new positions in the Bureau of Natural Resources.

The request also increases the Department’s full-time staffing authorization cap by 16.0 positions, with no associated increase in funding. The Department believes that the current staffing authorization is too low to fulfill its statutory obligations and hire staff when new federal funding is awarded. The positions would be implemented based on available funding and programmatic needs. The 2019 Assembly eliminated 5.0 vacancies; the 2022 Assembly added authorization for 7.0 positions with no associated funding. The Department averaged 373.4 filled positions in FY 2019, 389.1 filled positions in FY 2020, 385.5 filled positions in FY 2021, and 385.6 filled positions in FY 2022. As of the pay period ending December 3, 2022, the Department has 16.0 vacancies and is averaging 393.5 filled positions for FY 2023.

Full-Time Equivalent Positions	FY 2023 Enacted	FY 2024 Request	Chg. to Enacted	FY 2024 Governor	Chg. To Enacted
Office of the Director	38.0	41.0	3.0	41.0	3.0
Bureau of Natural Resources	200.0	208.0	8.0	205.0	5.0
Bureau of Environmental Protection	179.0	179.0	0.0	179.0	-
Unidentified	-	16.0	16.0	-	-
Total	417.0	444.0	27.0	425.0	8.0

The Governor recommends \$2.7 million less than requested for 425.0 full-time equivalent positions. He recommends 8.0 positions more than authorized, but not funding. This includes 3.0 position in the Director’s Office and 5.0 for the Bureau of Natural Resources. The positions include engineers, scientists, policy staff, and development crew to improve capacity for public use of management areas. It appears that the recommendation underfunds intent for the other 417.0 authorized positions.

Centralized Services. Consistent with current service estimates, the Department requests \$3.9 million from all sources for centralized services provided through the Department of Administration, including \$2.9 million for information technology services, \$0.2 million for facilities management, and \$0.9 million for human resources. This is \$0.3 million more than enacted and spent in FY 2022 for all centralized services; however, funding specifically for human resources is \$0.1 million less than spent in FY 2022. *The Governor recommends \$0.9 million more, almost entirely from general revenues, to reflect updated cost projections for centralized services. This includes \$0.7 million more for human resources and \$0.2 million more for information technology.*

Office of the Director

The Office of the Director develops and implements the agency’s wide range of programs to protect Rhode Island’s environment, protect the citizens of the state from public health threats resulting from pollution,

and provide facilities that support a diversity of outdoor recreational activities.

Environmental Education & Workforce Development (1.0 FTE). The Department requests \$0.2 million from general revenues and authorization for a new position to support environmental education and workforce development initiatives across its programs. The request includes \$142,752 for a chief of program development to work with programmatic staff to develop, coordinate, and lead a cohesive environmental education program. Responsibilities would include creating online education resources for educators and the public including environmental resources data, opportunities to engage in science, technology, engineering and math-based learning, and general information; evaluating barriers to proper environmental educational resources; and identifying the current needs of partner organizations and educators, among others. The request also includes \$10,000 to purchase materials as needed.

The Department's constrained request excludes the funding and authorization. *The Governor does not recommend the position or the funding.*

Data Analyst (1.0 FTE). The Department requests \$154,361 from general revenues and authorization for 1.0 new full-time equivalent data analyst. This position would coordinate department-wide data collection and analysis that would be used to advise program decision making and resource allocation, as well as develop and track program performance measurements.

The constrained request excludes the funding and authorization. *The Governor does not recommend the position or the funding.*

Federal Aid Program Coordinator (1.0 FTE). The Department requests \$133,793 from general revenues and authorization for a new full-time equivalent federal aid program coordinator. The position would be responsible for identifying new federal funding opportunities, coordinate grant activities across multiple programs, manage existing federal funds, and assist with reporting requirements. The Department noted that the position could be supported through federal funds and indirect cost recovery restricted receipts, which could limit the position's flexibility; including some general revenue support would reportedly help the position maintain flexibility.

The constrained request excludes the funding and authorization. *The Governor does not recommend the position or the funding.*

Other Salaries and Benefits. The Department requests \$6.4 million from all sources for salaries and benefits for the remaining 38.0 positions within the Office of the Director, which is \$0.5 million more than enacted including \$0.1 million from general revenues. This reflects current service adjustments and restoration of turnover savings equivalent to three full-time positions. The enacted budget included authorization for seven full-time equivalent positions but no funding; the request includes funding for three of those positions.

In September, the Governor announced salary increases for many cabinet-level positions, including the Director of the Department of Environmental Management. The enacted budget assumes a base salary of \$135,000, which the Governor increased to \$160,473. Increasing the Director's base salary also has associated benefit costs. The request does not include funding for the raise as it had not been approved at the time of the request. The Department assumes that the Governor will include the additional funding in his recommended budget to cover this increase. *The Governor recommends \$0.1 million less than requested, almost entirely from general revenues. His budget funds the cabinet-level salary increase but increases turnover savings, which more than offsets the salary increase.*

Litter Removal Initiative. In April 2022, Governor McKee announced a new Litter-Free Rhody initiative to encourage citizens, state agencies, and businesses to remove trash and litter from state parks, beaches

and management areas. The Department's budget request contains no expenditures related to this. *The Governor recommends new spending of \$100,000 from general revenue to support this initiative including adopt-a-roadway programs and marketing campaigns.*

World Ocean Race. The enacted 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 Department is responsible for providing security, general clean-up and other operating support. Funding includes \$140,000 in overtime costs for state employees, \$10,000 for operating expenses, and \$700,000 for Sail Newport. As this is a one-time expense, the FY 2024 request excludes the funding. *The Governor recommends funding as requested.*

Conservation Districts. Consistent with the enacted budget, the Department requests \$50,000 from general revenues for regional conservation districts. Rhode Island General Law, Section 2-4-3 establishes the State Conservation Committee, which provides assistance to the Eastern, Northern, and Southern Rhode Island Conservation Districts to assist landowners and municipalities on issues concerning land and water. The Districts are quasi-public subdivisions of state government, governed by a volunteer Board of Directors from the communities. *The Governor recommends funding as requested.*

Wildlife Clinic of Rhode Island. Consistent with the enacted budget, the Department requests \$100,000 from general revenues for the Wildlife Rehabilitators Association of Rhode Island for a veterinarian at the Wildlife Clinic of Rhode Island. The clinic is dedicated to the veterinary care and treatment of all wild animals native to Rhode Island and serves more than 5,000 wild animals annually. *The Governor recommends funding as requested.*

Abandoned Vessel Removal. Consistent with the revised request, the Department requests \$85,000 from restricted receipts for abandoned vessel removal. This is \$35,000 more than enacted and consistent with the revised request. The increase attempts to align the final appropriation with annual revenues; however, there were no expenses in FY 2022. In its revised FY 2022 request, the Department noted that additional funding was needed to cover the costs of a newly planned removal for a large vessel in Providence, which did not occur. The project was reportedly rebid because of timing issues, though it has identified a source of federal funding that may be able to cover removal of that vessel. As of November, the Department is actively pursuing federal funding for this removal; regardless of funding sources, the removal is likely to be an FY 2024 expense though significant funding is not included in the request.

Funding comes from a derelict and abandoned vessel and obstruction removal fee that is assessed biennially with vessel registration fees. Fees range from \$2 to \$20 based on the overall vessel length. *The Governor recommends funding as requested.*

Bays, Rivers, and Watersheds Fund. The Department requests \$326,100 from the Bays, Rivers and Watershed restricted receipts for efforts relating to watershed and marine monitoring, water pollution abatement, and climate change. The fund is derived from fees collected for the disposal of septage from a \$1 per hundred gallons charge on septage disposal in the state. This is \$350 more than enacted. The Department spent \$325,919 in FY 2022. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$3.8 million for all other expenses including \$2.6 million for lease costs for the Foundry building, \$0.5 million to award as grants, \$0.3 million for utilities, and \$0.4 million for office, communication, travel and training. The request is \$0.1 million less than enacted from all sources, including \$16,669 more from restricted receipts. This primarily reflects lower information technology expenses and \$20,450 more for utilities. *The Governor recommends \$3,371 less from general revenues than requested based on updated state fleet costs.*

Bureau of Natural Resources

The Bureau of Natural Resources protects, manages, and restores the state's wide array of historic parks, beaches, recreational facilities, and green spaces. The Bureau includes nine divisions: Agriculture, Coastal Resources, Law Enforcement, Forestry, Fish and Wildlife, Parks and Recreation, Planning and Development, Marine Resources, and the Narragansett Bay Estuarine Research Reserve. It also includes the Department's Warehouse and Service Center.

Environmental Police Officers (2.0 FTE). The Department requests \$0.2 million from general revenues and authorization for 2.0 new full-time equivalent environmental police officer positions. The Department indicates that it is unable to maintain a suitable presence at its facilities and cannot meet program goals for fish and wildlife enforcement, boating and safety education and commercial and recreational saltwater fisheries. These positions would primarily support enforcement activities on the south shore, including beach support during the summer. The request also includes \$25,000 for supplies and equipment for the new officers.

The Department's constrained request excludes the funding and authorization. *The Governor does not recommend the positions or the funding.*

Parks and Recreation Maintenance Staffing (2.0 FTE). The Department requests \$0.2 million from general revenues and authorization for two new maintenance technicians to support the division of Parks and Recreation. Staff would provide additional maintenance and upkeep of facilities, an increased presence at facilities, and better supervision and oversight of seasonal staff. Staff would be assigned to state parks in regions IV and V, which currently have three and two filled full-time equivalent maintenance technicians, respectively. Region IV includes Fishermen's Memorial State Park and region V includes Burlingame State Park and Campground; both also include several beaches. The request includes funding for an entire fiscal year, though the budget submission notes the positions would be filled by October 2023.

The 2021 Assembly provided \$0.2 million for 4.0 new parks positions, including a maintenance technician, plumber, clerk and civil engineer. The Department had requested \$0.5 million for 6.0 new full-time equivalent positions. This included three new maintenance positions, a plumber supervisor, a senior reconciliation clerk and a civil engineer. By December 2021, the four authorized positions had been filled.

The constrained request excludes the funding and authorization. *The Governor does not recommend the positions or the funding.*

Forestry Staffing (2.0 FTE). The Department requests \$0.2 million from general revenues and authorization for two new full-time equivalent forest ranger positions. It reports that the additional staff would improve the stewardship of state management areas, coordinate responses to forest fires, and improve its ability to prevent forest fires. The Department currently has four staff that support this program, two are stationed in the Arcadia Management Area and two are stationed in the George Washington Wildlife Management Area. The request would add one new forest ranger to each area, bringing total staffing to three in the Northern District and three in the Southern District. The request includes funding for an entire fiscal year, though the budget submission notes the positions would be filled by October 2023.

The constrained request excludes the funding and authorization. *The Governor does not recommend the positions or the funding.*

Agriculture Staffing (2.0 FTE). The Department requests \$0.2 million from general revenues and authorization for 2.0 new full-time equivalent positions for the Division of Agriculture. This includes an agricultural marketing specialist that will work on pesticides, produce safety and plant health. It also includes an environmental scientist that will respond to invasive pests, diseases, and other emergency issues

as they arise. The positions would reportedly help address the impact that climate change has had on the agricultural community through pest management and food safety, and marketing undervalued species and expanding the workforce for the state's seafood sector. The request includes funding for an entire fiscal year, though the budget submission notes that the positions would be filled by October 2023.

The constrained request removes the positions and the funding. *The Governor does not recommend the positions or the funding.*

Other Salaries and Benefits. The Department requests \$32.0 million from all sources for the salaries and benefits of the Bureau of Natural Resources' 200.0 full-time equivalent positions. This is \$1.4 million more than enacted, including \$1.1 million more from general revenues. This includes current service adjustments and appears to shift \$0.2 million of expenses from federal grants to general revenues and available restricted receipts. *The Governor recommends \$0.6 million less than requested which appears to underfund intent.*

Parks and Recreation Operations. The Department requests \$5.1 million from all sources for other Parks and Recreation expenses, which is \$0.3 million more than enacted. This includes \$2,000 more from Eisenhower House restricted receipts for maintenance and repairs. In accordance with state law, all proceeds from rental fees for the use of the Eisenhower House and its surrounding grounds shall be deposited into this account and used for reinvestment and maintenance of the facility.

The request includes \$3.9 million from general revenues, \$251,142 more than the enacted level. The Parks and Recreation Division is responsible for the operation and maintenance of the state's campgrounds, parks and beaches. The Division consists of a property control and supply section, a construction crew, a planning section and a fiscal and administration section, which coordinates all the activities of the Division. Expenditures include \$1.4 million for maintenance of buildings and roads, \$1.0 million for utilities, \$1.0 million for general office and operating supplies, and \$0.5 million for state fleet maintenance and gas. Compared to the enacted budget, the request includes new funding of \$85,000 to conduct water safety lessons at state parks, including swimming lessons and operating small water crafts. It also includes \$75,000 more for routine maintenance of facilities and equipment because of rising material costs, \$50,000 more for fleet maintenance, \$25,366 more for electricity, and \$15,776 more for janitorial services.

The Department's constrained request excludes additional funding for maintenance and water safety lessons. *The Governor recommends \$0.2 million more than requested. This includes \$0.3 million more based on updated state fleet and utility costs. He does not recommend the \$75,000 for routine maintenance or the \$15,776 for janitorial services.*

RI Seafood Marketing Initiative. The request includes \$200,000 from general revenues for a new local seafood marketing initiative. Funding would support a major statewide promotion and marketing campaign to increase consumer awareness of, and demand for, local seafood products with an emphasis on undervalued species. This includes developing promotional content, point-of-sale support and consumer education, and paid media. Local seafood products would be promoted under RI Seafood, a centralized webpage, and social media.

The constrained budget excludes the new funding. *The Governor does not recommend funding.*

Local Agriculture and Seafood Grants. The enacted budget includes \$0.7 million from general revenues for the Local Agriculture and Seafood Act grant program, including annual funding of \$200,000 and a one-time appropriation of \$500,000. The Department's FY 2024 request includes the annual amount of \$200,000 only. This program provides grants to local agriculture and food businesses to support the growth, development and marketing of local food and seafood in the state. Established in 2012, the Local Agriculture and Seafood Act (LASA) Grants Program has been funded from general revenues and private contributions from the van Beuren Charitable Foundation, the Henry P. Kendall Foundation, and the Rhode

Island Foundation. *The Governor recommends \$700,000 for FY 2024 to continue the extra \$500,000 for another year.*

Water Chestnut Eradication. The enacted FY 2023 budget includes a one-time appropriation of \$100,000 from general revenues for the Department to assist the City of Central Falls in implementing aerial spraying and other methods to inhibit the growth and spread of water chestnuts and other invasive species along the Blackstone River and nearby residual ponds. The Department excludes the one-time funding from its FY 2024 request. *The Governor concurs.*

Host Beach Communities. The Department requests \$0.7 million from general revenues for anticipated payments to host beach communities, which is consistent with the enacted budget. The Department collects fees for daily and seasonal parking at seven facilities across the state and reimburses the four host communities of Charlestown, Westerly, Narragansett, and South Kingstown 27 percent of all daily parking fees collected from Memorial Day to Labor Day. Receipts collected in 2022 totaled \$2.5 million. The 2021 Assembly authorized the Department to increase beach, park, and recreational fees at state facilities located in Westerly. *The Governor recommends funding as requested.*

Other Federal Grants. The Department requests \$12.9 million from its remaining federal grants, which is \$3.5 million less than enacted and reflects current federal awards administered by the Bureau of Natural Resources. Expenditures include \$4.0 million for professional services, mostly designers and engineers, \$3.5 million for operating costs for programmatic expenses, \$1.3 million to distribute as grants and \$4.1 million in large purchases, including ongoing construction, heavy equipment, land, boats, and motor vehicles. Funding comes from a variety of federal grants to support programs aimed at outdoor recreation, fish and wildlife, wildlife and habitat restoration, marine fishing and monitoring, and animal health and behavior. It should be noted, the Department typically requests all of its available funding only to significantly underspend at the end of the year. In FY 2022, the Department spent \$10.7 million from all of its federal grants, \$6.9 million less than budgeted. *The Governor recommends \$0.1 million more than requested to reflect updated state fleet and utility costs.*

Capital Projects. The Department requests \$16.2 million from Rhode Island Capital Plan funds for 11 capital projects, which is \$1.3 million more than enacted. The Department's request does not include the \$250,000 requested for a new facilities master plan or \$1.0 million for farmland acquisition, but is consistent with the remainder of the capital budget request. *The Governor recommends \$0.9 million more than enacted and \$0.4 million less than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Department requests \$6.3 million from all sources, including \$2.3 million from general revenues, for all other expenses of the Bureau of Natural Resources. Expenditures include \$2.7 million for purchasing maintenance vehicles, boats, and heavy machinery, \$0.3 million for utilities, \$1.0 million for contracted services including \$0.4 million for a new survey of ventless traps near the state's windfarm, \$1.7 million for program and office supplies, and \$0.6 million for maintenance of equipment, buildings and roads. This is \$64,125 less than enacted from all sources, including \$163,747 more from general revenues offset by \$227,872 less from restricted receipts. From general revenues, the request primarily reflects additional state fleet and utility expenses, as well as \$25,000 to respond to invasive pests, diseases, and other emergency issues as they arise. The Department reports that avian flu and rise of spotted lanternflies are currently areas of concern.

The constrained request excludes the additional funding to address invasive pests, diseases and other emergency issues. *The Governor recommends \$0.1 million more than requested, about half of which is from general revenues, based on updated state fleet and utility costs.*

Commercial Feed Registration Fees. The Department currently collects \$0.7 million annually from commercial feed registrations. The current fee is \$60 and the Department is proposing to increase the fee by \$20 which would align it with Connecticut’s level, which would generate an additional \$0.2 million of revenue. Connecticut’s fee is \$80 and Massachusetts’s fee is \$100. The Department submitted the same proposal as part of its FY 2023 constrained request, as well as a similar proposal for FY 2022. The constrained FY 2022 request included a \$40 increase in the commercial feed registration, \$100 increase in the pesticide product registration fee and a \$28 increase in the commercial fertilizer registration fee. The Governor recommended the proposal with his FY 2022 budget; the Assembly did not concur with the commercial feed registration fee but concurred with the rest of the increases. *The Governor did not recommend this proposal.*

Bureau of Environmental Protection

The Bureau of Environmental Protection is responsible for preventing and minimizing pollution, and monitoring the quality and overseeing the restoration of water, air, and land. The Bureau includes six regulatory offices:

- The Offices of Water Resources, Air Resources, and Waste Management evaluate applications, issue permits that meet state and federal requirements, and oversee permit compliance.
- The Office of Compliance and Inspection investigates citizen complaints that are within the Bureau’s responsibility and is the centralized administrative office for enforcement.
- The Office of Customer and Technical Assistance coordinates the review of projects requiring multiple applications and permits and is the centralized administrative office for the receipt of applications.
- The Office of Emergency Response responds to spills of oil and chemicals.

Staffing. The Department requests \$25.0 million from all sources for the salaries and benefits of the Bureau of Environmental Protection’s 185.0 full-time equivalent positions. This is \$1.0 million more than enacted, including \$0.6 million more from general revenues. This includes turnover savings equivalent to approximately two full-time positions and current service adjustments essentially consistent with Budget Office planning values.

The constrained request includes general revenue turnover savings \$0.3 million from maintaining three full-time equivalent positions vacant for the entire fiscal year. *The Governor recommends \$0.8 million less than requested which appears to underfund intent.*

Volkswagen Settlement. The Department requests \$136,110 or \$248,708 less than enacted from Volkswagen Settlement funds based on projected spending. In 2018, Volkswagen agreed to settle allegations that it violated the federal Clean Air Act by selling vehicles that emit air pollution over the legal limit, and by cheating on federal emission tests to hide the excess pollution. As part of the settlement, states were eligible to receive funds to pay part of the cost of projects to reduce diesel emissions from vehicles, to install electric vehicle infrastructure, and conduct other environmentally beneficial projects; the state received a total of \$18.5 million. The total award to the Department for its mitigation plan was \$14.4 million to be used during a ten-year period, and to be included in different years’ budgets. The remaining \$4.1 million in settlement funds were awarded to the Office of Attorney General and will be spent on “environmentally beneficial projects” as directed by the Attorney General.

The Department may use up to 15.0 percent of the funds it was awarded from the settlement for program administration, including personnel costs, construction of associated facilities for electric vehicles, and training. The Department was also awarded \$0.4 million from the Office for five projects, including two hazardous waste, fish, solar, and technology. *The Governor recommends funding as requested.*

Rose Hill Landfill. The Department requests \$175,000 from general revenues for maintenance and monitoring activities at the state’s superfund site located at the former Rose Hill Landfill in South Kingstown, which is \$10,000 more than enacted. The Department noted the unpredictable nature of landfill gases makes it difficult to estimate annual maintenance costs. *The Governor recommends \$165,000, the enacted level.*

Oil Spill Prevention, Administration, and Response Fund. The Department requests \$1.1 million from the Oil Spill Prevention, Administration and Response Fund restricted receipts, which are derived from a \$0.05 per barrel fee on petroleum products received at marine terminals in Rhode Island. This is \$6,800 less than enacted. The funding is used to promptly respond to, contain and remediate oil spills, maintain a state of emergency response readiness through responder training and equipment acquisition, and pay emergency loans to workers affected by a spill, as well as damage compensation for legitimate claims that cannot otherwise be compensated by responsible parties or the federal government. The Department spent \$1.0 million in FY 2017 and FY 2018, \$0.7 million in FY 2019, \$0.6 million in FY 2020, \$0.4 million in FY 2021, and \$0.8 million in FY 2022. The Department acknowledged that it over budgets for oil spill expenditures because the occurrence and costs are hard to predict. *The Governor recommends \$0.1 million less than requested based updated state fleet and utility costs.*

Environmental Response Fund. The Department requests \$1.2 million from the Environmental Response fund. The Fund is generally supported by hazardous waste transport violation fees, as well as any settlements or penalties allowed under Rhode Island General Law. The state recently settled lawsuits against Coastal Corporation and British Petroleum over soil and groundwater contamination from the gasoline additive methyl tertiary-butyl ether (MTBE), which was banned in 2007. The request is \$0.5 million more than enacted reflecting remediation activities associated with the settlement terms. *The Governor recommends \$6,000 less than requested based on updated state fleet costs.*

Underground Storage Tank. Consistent with its revised request, the Department requests \$0.8 million or \$50,300 more than enacted from restricted receipts assessed to environmental protection regulatory fees collected on every one cent per gallon of motor fuels sold to owners of underground storage tanks. Pursuant to Rhode Island General Law, Section 46-12.9-5, “the fund shall provide reimbursement to responsible parties for the eligible costs incurred by them as a result of releases of certain petroleum from underground storage tanks or underground storage tank systems.” The reduction was made to more closely align the budget with projected expenditures. While leaks from these tanks are unpredictable, expenditures from the fund have declined from \$1.3 million in FY 2018 to \$0.9 million in FY 2019 and FY 2020, and \$0.7 million in FY 2021 and FY 2022.

The Department’s constrained request includes a proposal to transfer \$2.5 million from this fund to general revenues to achieve a budget savings target; this was proposed as part of the Department’s FY 2022 and FY 2023 constrained budget requests. It was included as a proposal in the Governor’s FY 2022 budget recommendation and in previous years but has not been approved by the Assembly. The last time there was a transfer was \$2.0 million in FY 2006. As of December 19, the fund has a balance of \$1.0 million. *The Governor recommends funding as requested.*

Federal Grants. The Department requests \$4.8 million from federal funds under the Bureau of Environmental Protection, \$0.6 million less than enacted to reflect current awards. Expenditures include \$1.8 million for design and engineering services, \$1.3 million to award as grants, and \$1.6 million for operating and program expenditures. Federal grants support prevention and abatement programs for water and air pollution, managing superfund sites as determined by the Comprehensive Resource Conservation and Liability Act, and waste management. The Department has typically requested all of its available funding only to significantly underspend at the end of the year. The FY 2022 final budget included \$5.3

million and the Department spent \$2.7 million. *The Governor recommends \$0.1 million more than requested based on updated state fleet costs.*

Other Operations. The Department requests \$0.9 million from all sources for all other expenses, which is \$62,200 more than enacted, primarily from general revenues. This includes \$77,000 more to purchase new vehicles for Compliance and Inspection and the Office of Waste Management, offset by adjustments to other operating expenses, including professional design and engineering services. The new vehicle would replace existing vehicles which are reportedly unsafe to drive and costly to repair. *The Governor recommends \$57,404 more than requested, almost entirely from general revenues, which includes \$123,954 more based on updated state fleet costs offset by various reductions to keep expenses at current service levels.*

Coastal Resources Management Council

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 4,343,448	\$ 4,333,172	\$ 4,542,074	\$ 4,493,649
Contracted Services	481,770	582,270	481,770	481,770
Subtotal	\$ 4,825,218	\$ 4,915,442	\$ 5,023,844	\$ 4,975,419
Other State Operations	313,361	462,430	358,111	346,150
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	351,000	1,041,134	521,200	521,200
Capital	2,068,000	2,068,000	2,068,000	68,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 7,557,579	\$ 8,487,006	\$ 7,971,155	\$ 5,910,769
Sources of Funds				
General Revenue	\$ 3,327,275	\$ 3,272,397	\$ 3,447,794	\$ 3,396,395
Federal Aid	1,980,304	2,964,609	2,273,361	2,264,374
Restricted Receipts	250,000	250,000	250,000	250,000
Other	2,000,000	2,000,000	2,000,000	-
Total	\$ 7,557,579	\$ 8,487,006	\$ 7,971,155	\$ 5,910,769
FTE Authorization	32.0	32.0	32.0	32.0

Summary. The Coastal Resources Management Council requests \$8.0 million from all sources, which is \$0.4 million more than the enacted budget, including \$0.1 million from general revenues and \$0.3 million from federal funds. The Council requests 32.0 full-time equivalent positions, consistent with the enacted budget. *The Governor recommends \$1.7 million less than enacted, including \$0.1 million more from general revenues. The recommendation is \$2.1 million less than requested, including \$0.1 million less from general revenues.*

Target Issues. The Budget Office provided the Council with a general revenue target of \$3.3 million. The amount includes current service adjustments of \$0.1 million and a 5.0 percent target reduction, adjusted for certain exclusions of \$0.2 million. The Council did not submit a constrained budget. *The Governor's recommendation is \$0.1 million above the target.*

FY 2024 Budget	Budget Office	CRMC	Difference
FY 2023 Enacted	\$ 3,327,275	\$ 3,327,275	\$ -
Current Service Adjustments	101,870	105,519	3,649
New Initiatives	-	15,000	15,000
Change to FY 2023 Enacted	\$ 101,870	\$ 120,519	\$ 18,649
FY 2024 Current Service/Unconstrained Request	\$ 3,429,145	\$ 3,447,794	\$ 18,649
Target Reduction/Initiatives	(170,172)	-	170,172
FY 2024 Constrained Target/Request	\$ 3,258,973	\$ 3,447,794	\$ 188,821
<i>Change to FY 2023 Enacted</i>	<i>\$(68,302)</i>	<i>\$ 120,519</i>	<i>\$ 188,821</i>

Salaries and Benefits. The Council requests \$4.5 million from all sources, including \$3.2 million from general revenues, to fully fund its 32.0 authorized full-time equivalent positions. The \$0.2 million increase from the enacted budget includes \$0.1 million each from general revenues and federal funds. The general revenue changes are \$5,641 more than expected current service adjustments and also inadvertently maintains one-time stipend payments of \$16,500. As of the pay period ending November 19, 2022, the Department has 29.0 positions filled. The Assembly provided a hearing officer and a costal policy analyst position, both of which were still vacant at the time of the request. There does not appear to be a timeframe in place to fill the hearing officer position. *The Governor recommends \$48,425 less than requested from all sources, including \$37,222 less from general revenues, reflecting additional turnover savings and correcting the errors in the request.*

Public Records System Software. The Council requests \$15,000 from general revenues to purchase software to assist it with providing requested public records to more efficiently meet increased demand. The Council notes that pre-pandemic increases were infrequent and easily managed. They have increased considerably since, and the new software would be used to handle general records and other access to public records requests. *The Governor does not recommend funding.*

Offshore Wind Farm Pilot. The Council requests \$250,000 from a new federal grant to conduct an offshore wind pilot program. The Council will use these funds to gain insight into wind farm systems design and issues, including meetings with stakeholders to advance offshore wind plan technologies and develop solutions to issues being experienced at wind farms. Federal resources indicate that these funds can be used to conduct technical research to satisfy information needs on energy development on the outer continental shelf and to support research to enhance understanding of marine energy sources with a specific focus on offshore wind. The Council expects the project to be complete in summer 2024 and requests \$500,000 for use in its revised request. *The Governor recommends funding as requested.*

Shoreline Access Education Plan. The Council requests \$50,000 from a new federal grant from the National Oceanic and Atmospheric Administration to evaluate rights-of-way shoreline access. It also includes \$156,300 in its revised request. The funding will be used to gather information on issues with public access to the shore and use its findings to develop a five-year management plan to implement solutions to these issues. *The Governor recommends funding as requested.*

Other Federal Grants. The Council requests \$0.6 million from federal funds for other grant funded expenditures. The request is \$0.1 million less than enacted, reflecting the closing out of the Block Island Wind Farm Monitoring grant, as the Council assumes use of remaining grant funds in its FY 2023 revised request. These funds were for a research project to examine the engineering of the Block Island Wind Farm's jacketed support structure. Other funding includes \$0.1 million for its aquatic invasive species management plan and \$0.5 million for coastal resilience projects. *The Governor recommends \$2,216 more than requested from its coastal resiliency grant for updated state fleet expenses.*

Capital Projects. Consistent with the enacted budget, the Council requests \$2.3 million from all sources, including \$250,000 from restricted receipts and \$2.0 million from Rhode Island Capital Plan funds, for capital projects. The request does not include the \$35.6 million requested in its capital request submitted in August 2022; it is unclear why this is the case. *The Governor recommends \$250,000 from restricted receipts. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. Consistent with the enacted budget, the Council requests \$0.2 million from general revenues, for all other operations. Larger expenses include \$126,000 for legal expenses, \$50,000 for technology maintenance agreements, \$23,715 for centralized services, and \$15,000 for temporary staff services. *The Governor recommends \$823 more than requested from general revenues for updated centralized service expense projections.*

Department of Transportation

	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
Expenditures by Program				
Central Management	\$ 25,695,815	\$ 22,935,103	\$ 23,702,437	\$ 23,706,807
Management and Budget	3,761,946	4,032,893	4,302,113	4,210,497
Infrastructure Program	767,256,705	869,511,746	770,458,187	799,366,410
Total	\$ 796,714,466	\$ 896,479,742	\$ 798,462,737	\$ 827,283,714
Expenditures by Category				
Salaries and Benefits	\$ 98,710,052	\$ 98,531,320	\$ 104,895,459	\$ 102,369,149
Contracted Services	64,827,851	66,886,525	67,604,820	67,604,820
Subtotal	\$ 163,537,903	\$ 165,417,845	\$ 172,500,279	\$ 169,973,969
Other State Operations	66,346,965	51,342,329	30,460,661	36,587,301
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	18,949,701	18,999,701	18,999,701	18,999,701
Capital	313,911,018	400,460,052	299,580,656	286,964,550
Capital Debt Service	315,050	330,050	330,050	330,050
Operating Transfers	233,653,829	259,929,765	276,591,390	314,428,143
Total	\$ 796,714,466	\$ 896,479,742	\$ 798,462,737	\$ 827,283,714
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	456,552,574	471,825,401	437,727,081	439,359,663
Restricted Receipts	5,949,070	6,164,531	6,210,256	6,210,256
Other	334,212,822	418,489,810	354,525,400	381,713,795
Total	\$ 796,714,466	\$ 896,479,742	\$ 798,462,737	\$ 827,283,714
FTE Authorization	755.0	755.0	781.0	755.0

Summary. The Department of Transportation requests FY 2024 expenditures of \$798.5 million from all sources, including \$437.7 million from federal funds. The request is \$1.7 million more than enacted, including \$18.8 million less from federal funds; \$21.5 million of this is from a one-time stimulus award. The request includes \$32.1 million less from toll revenues, based on a recent court ruling. These expenses are offset by increases of \$38.2 million from Rhode Island Capital Plan funds, \$11.9 million from gas tax proceeds, \$2.1 million from highway maintenance funds, and \$0.5 million from restricted receipts and other sources. The Department requests staffing of 781.0 full-time equivalent positions, 26.0 positions more than authorized. As of the last pay period in October, there were 65.0 vacancies.

The Governor recommends FY 2024 expenditures of \$827.3 million from all sources, which is \$30.6 million more than enacted and \$28.8 million more than requested. He includes staffing consistent with the authorized level. As of the January 14, there were 74.0 vacancies. The Governor proposes legislation, pausing the gas tax inflation indexing to avoid the scheduled 3-cent increase in FY 2024.

The Governor's revised budget transfers an additional \$242.4 million from surplus general revenues to the Rhode Island Capital Plan Fund to enhance resources available for pay-go capital projects. The budget allocates \$182.4 million to transportation projects to backfill both lost toll revenues and the impact of

pausing gas tax inflation indexing to avoid the scheduled 3-cent increase as well as funding to provide more years of state match for federal infrastructure funds. He also proposes legislation dedicating the revenues generated from the fee for duplicate licenses into the Highway Maintenance Account. Net of current law allocations, the Department will receive an additional \$0.9 million annually.

The following table shows available gasoline tax proceeds and other non-federal funds included in the FY 2023 and FY 2024 budgets. Additional information regarding the sources of funds is included in the Special Reports section of this publication.

Non Federal Sources	FY 2023 Enacted	FY 2023 Revised	FY 2024 Request	FY 2024 Recommended
<i>Gas Tax Yield per Cent</i>	4.593	4.236	4.625	4.133
<i>RIDOT Cents</i>	20.25	20.25	21.25	20.25
<i>RIPTA Cents</i>	9.75	9.75	9.75	9.75
<i>Turnpike and Bridge Authority Cents</i>	3.50	3.50	3.50	3.50
Transportation Revenues				
Balance Forward	\$ 39,152,445	\$ 139,445,943	\$ 25,706,861	\$ 32,611,679
Gas Tax	153,872,636	141,912,399	159,556,394	138,452,552
Motor Vehicles Fees, Surcharges & Transfer	102,647,711	97,892,740	104,826,164	103,954,280
Toll Revenue	45,000,000	-	-	-
Surplus Property & Outdoor Advertising	226,000	226,000	226,000	226,000
Restricted Receipts	3,684,360	3,684,360	1,730,283	1,730,283
Land Sales	2,050,000	2,050,000	3,400,000	3,400,000
Rhode Island Capital Plan Funds	77,859,628	112,885,373	116,023,428	164,058,312
Total Revenues	\$ 424,492,780	\$ 498,096,815	\$ 411,469,130	\$ 444,433,106
Transportation Expenses				
Winter Maintenance	\$ 14,466,500	\$ 17,999,921	\$ 15,000,881	\$ 15,000,881
Vehicles & Maintenance	8,666,360	11,949,608	8,405,490	8,406,082
General Maintenance	40,521,714	49,331,127	42,002,638	40,999,237
Pay-go/Capital & Other	158,863,017	227,838,440	177,539,270	216,156,249
GARVEE Bond Debt Service	9,186,426	8,472,342	9,186,426	8,265,824
G.O. Debt Service*	39,366,374	39,366,374	34,223,952	34,103,952
State Match - Gas Tax	395,743	394,999	410,998	411,298
Internal Service Funds Transparency*	1,942,417	1,464,421	1,991,387	1,559,164
Restricted Receipts	5,949,070	6,164,531	6,210,256	6,210,256
Interstate 195 Land Sales	1,500,000	1,500,000	1,500,000	1,500,000
Land Sales	7,760,141	7,983,563	8,023,299	8,023,299
Equipment Replacement	1,500,000	2,999,462	1,800,000	1,800,000
Facilities	20,714,628	24,240,911	19,914,628	16,452,012
RIPTA - Gas Tax	44,686,281	41,302,863	44,686,281	40,295,892
RIPTA - Highway Maintenance Account	9,875,766	9,649,905	9,979,243	9,937,829
Turnpike and Bridge Authority	16,076,246	14,826,669	16,076,246	14,465,192
Total Expenditures	\$ 381,470,683	\$ 465,485,136	\$ 396,950,995	\$ 423,587,167
Surplus/Deficit	\$ 43,022,097	\$ 32,611,679	\$ 14,518,135	\$ 20,845,939

*Shown in the Department of Administration's budget

Target Issues. The Department did not receive general revenue funding and was not required to meet a target reduction set by the State Budget Office; however, based on anticipated resources from gas tax proceeds and transportation related fees and surcharges collected by the Division of Motor Vehicles, it was provided with a current service budget of \$229.0 million. This is \$18.1 million less than enacted, reflecting toll revenues. It includes \$5.7 million more from gas tax proceeds, primarily from an additional \$0.01 tax based on changes in the Consumer Price Index, commonly referred to as inflation. The target includes \$34.2 million for debt service, or \$5.1 million less than enacted. This expense is included in the Department of Administration's budget. It should be noted that a more recent estimate suggests a \$0.03 tax increase.

FY 2024 Budget	Budget Office	Department of Transportation	Difference
FY 2023 Enacted	\$ 247,093,053	\$ 247,093,053	\$ -
Current Service Adjustments	(18,114,380)	(19,171,137)	(1,056,757)
New Initiatives	-	1,056,757	1,056,757
Change to FY 2023 Enacted	\$ (18,114,380)	\$ (18,114,380)	\$ -
FY 2024 Current Service/Unconstrained Request	\$ 228,978,673	\$ 228,978,673	\$ -
Target Reduction/Initiatives	-	-	-
FY 2024 Constrained Target/Request	\$ 228,978,673	\$ 228,978,673	\$ -
<i>Change to FY 2023 Enacted</i>	\$ (18,114,380)	\$ (18,114,380)	\$ -

The recommended budget is \$20.8 million below the target. This includes \$20.1 million less from gasoline tax proceeds. Based on the November 2022 estimate, it is projected to generate \$16 million less.

Centralized Services. Consistent with the revised request, the request includes \$3.5 million from all sources, or \$2.8 million less than enacted for the Department’s share of centralized services provided by the Department of Administration. The request includes \$29,421 more for facilities management and \$160,438 less for human resources support. It also includes \$2.6 million less for information technology services, which the Department subsequently indicates was included in error. Expenditures in FY 2022 were \$6.1 million and through the first quarter of FY 2023, they totaled \$1.5 million. *The Governor recommends \$6.7 million, or \$0.5 million more than enacted, reflecting anticipated billing increases. The recommendation is \$40,302 more than the revised recommendation.*

Highway Maintenance (12.0 FTE). The request includes \$0.7 million from gas tax proceeds to fund 12.0 new highway maintenance operator positions. It assumes \$0.3 million from turnover savings; the annualized cost of the positions would be \$1.0 million. The Maintenance Division is responsible for the maintenance of over 1,100 miles of state highways, 779 bridges, winter operations, safety and civil defense maintenance, litter control, sweeping, mowing, roadside repairs, drainage system cleaning and repair, and weed control. It is also responsible for pothole patching, drainage structure cleaning and repair, tree trimming and removal, brush removal, graffiti cleanup, large debris and litter pickup, sign installation and repair, and traffic signal maintenance. The enacted budget appears to include 160.0 highway maintenance related positions. As of the last pay period in October 2022, the Department has 65.0 vacancies, 24.0 of which are from the Maintenance Division. *The Governor does not recommend the positions.*

Engineering Technicians and Project Manager (9.0 FTE). The request includes \$0.6 million from all sources, including \$0.1 million from gas tax proceeds and \$0.5 million from federal funds to support 8.0 new engineering technicians and 1.0 project manager. The request includes \$0.3 million in turnover savings, assuming that the positions would be vacant for four months. The Department notes that with the additional funding authorized in the Infrastructure Investment and Jobs Act for capital projects, additional staffing to assist with inspection of all materials going to bridge or road construction or maintenance projects are needed. Additionally, the positions would inspect the workmanship and practices of contractors against plan specifications. The enacted budget appears to include 120 engineering technician positions; 4.0 of them were vacant at the time of the Department’s budget submission. *The Governor does not recommend the positions.*

Other New Positions (5.0 FTE). The request includes \$0.4 million from gas tax proceeds and federal funds to support 5.0 new full-time equivalent positions. This includes three data and records analyst positions who would help digitize contracts and financial records. The remaining two positions would assist with day to day operations. The request assumes \$0.2 million in turnover savings. *The Governor does not recommend the positions.*

Student Internship Program. The Department requests \$1.5 million from federal funds and gas tax proceeds for the student internship program. This is \$0.8 million more than enacted and \$0.1 million less

than the revised request. Expenditures were \$0.9 million in FY 2019, \$0.7 million in FY 2020, and \$0.4 million for 48 interns in FY 2022. The Department did not offer the program in FY 2021. Traditionally, the Department welcomes approximately 100 students to its internship program each summer and students generally work from May through the end of August. Interns are required to work between 35 and 40 hours per week on weekdays, with salaries ranging from \$14.00 to \$25.00 per hour based upon experience and job classification in the areas of: policy, planning, project management, construction, maintenance, traffic, highway safety, transit, materials, financial management, information technology, legal, environmental, and public affairs. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Department requests \$101.7 million from all sources to fund salary and benefit expenses for the authorized 755.0 full-time equivalent positions. This is \$3.6 million more than enacted, including \$1.0 million less from gas tax proceeds and increases of \$4.6 million from federal funds and \$67,717 from restricted receipts. The request includes \$2.2 million in turnover savings, which is equivalent to approximately 20 vacancies; 3.0 fewer positions than the enacted budget assumed. As of the last pay period in October 2022, there were 65.0 vacancies. The request includes benefit rates consistent with FY 2024 planning values and is \$0.3 million more than the current service estimate provided by the Budget Office, primarily to restore turnover savings for three positions.

The Governor recommends \$101.0 million, which is \$0.8 million less than requested from all sources, including \$0.1 million more for statewide medical changes, based on updated estimates of rates. This is offset by \$0.9 million in turnover savings, which appear to be the amounts associated with the new positions that were requested but not recommended.

GARVEE Debt Service. The request includes the enacted amount of \$75.0 million from all sources, including \$65.8 million from federal funds and \$9.2 million from gas tax proceeds for debt issued through the GARVEE Program. The 2019 Assembly adopted legislation in Article 6 of 2019-H 5151, Substitute A, as amended, authorizing \$200.0 million to fund construction costs for the Interstate 95 Northbound Providence Viaduct project; other debt was authorized in 2003 and refinanced in FY 2016. The request is \$63,220 less based on the Office of Revenue Analysis' May 2022 estimated per penny yield of \$4.625 million. *The Governor recommends \$74.1 million from all sources, \$0.9 million less than enacted from gasoline tax proceeds, reflecting a downward revision to the yield.*

Federal Discretionary Projects. The request includes the enacted amount of \$72.5 million from federal funds for six ongoing projects funded with discretionary grants, which are awarded on a competitive basis and for which a state match is required for their uses. The projects include: Interstate 95 Northbound Providence Viaduct, Route 37 Corridor, Newport Pell Ramps Realignment, Route 146 Reconstruction, Washington Bridge Repairs, and a study for the Route 4 project. Subsequently, the Department indicates that its FY 2024 request from discretionary grant funds should be \$42.1 million and based on additional guidance it received, \$30.4 million of these expenses should be reflected as part of highway improvements, discussed separately. *The Governor concurs with the subsequent estimate and includes \$30.4 million less than enacted.*

Capital - Highway Improvement Projects. The Department requests \$375.7 million from all sources, including \$204.2 million from federal funds for highway improvement projects included in the Department's ten-year plan for FY 2024. This is \$13.6 million more than enacted and includes increases of \$2.2 million from federal funds, \$7.2 million from gas tax proceeds, and \$38.7 million from Rhode Island Capital Plan funds, consistent with the approved plan. These expenses are partially offset by \$2.4 million less from highway maintenance funds, and \$32.1 million less from toll revenue.

In June 2021, the Department proposed the federal FY 2022 through FY 2031 plan. It went through the planning process and was adopted late September 2021. On November 15, 2021, President Biden signed the \$1.2 trillion Infrastructure Investment and Jobs Act into law. It authorizes the Federal-Aid Highway

Program for federal FY 2022 through FY 2026. It contains increased funding for surface transportation and establishes new grant programs. In February 2022, the Department proposed an amendment to the adopted plan to incorporate the additional funds authorized in the federal act. With the additional funds, the Department was able to accelerate many projects that were in the plan.

The plan had fully allocated \$130.0 million of toll revenue from FY 2023 through FY 2025 to several projects, including \$95.0 million for the Route 6/10 Interchange Reconstruction project. The Department's first quarter report states that "no active construction projects will be impacted." *The Governor recommends \$69.5 million more than requested, and adjusting for the aforementioned federal discretionary grant funds display, it is \$39.1 million more than requested. This includes \$51.5 million more from Rhode Island Capital Plan funds, of which \$40.0 million is to backfill lost toll revenues. A detailed description of the projects is included in the Capital Budget section of this publication.*

Capital - Facilities Projects. The request includes \$19.7 million from Rhode Island Capital Plan funds or \$0.8 million less than enacted for eight previously approved projects. This includes \$2.6 million for five projects under the Department's purview, or \$0.1 million more than the approved plan, including \$55,000 for maintenance facilities and \$45,000 for the Train Station Maintenance and Repairs project. The request is \$45.7 million less than the capital budget request, which had included funding for new projects which are not requested in the operating budget. The request also includes the enacted amount of \$17.4 million for three projects for the Rhode Island Public Transit Authority. This is \$3.7 million more than the approved plan; the request retains funding meant for one-time projects, including the Pawtucket Bus Hub Facilities Enhancement.

The Governor recommends \$3.5 million less than requested, essentially consistent with the approved plan and adds \$80,000 to construct a salt storage shed in Block Island. A detailed description of the projects is included in the Capital Budget section of this publication.

ARPA - RIPTA R-Line Free Service. The request includes the enacted amount of \$2.5 million from State Fiscal Recovery funds that the 2022 Assembly provided to support a free fare bus route service pilot program along the R-Line. Though expenses will likely cross two fiscal years; the majority of them are expected to occur in FY 2023. This one-year pilot program started on September 1, 2022. The 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. *The recommendation removes these one-time expenses.*

Capital - URI Mobility Hub. The Authority's capital budget request includes \$8.8 million from all funds, including \$7.0 million from federal sources to construct a new bus hub at the University of Rhode Island Kingston Campus. The project will create a mobility hub for the campus that will allow for improved access within and around the campus by bus, bike, or foot. Matching funds include \$0.9 million from Rhode Island Capital Plan funds, including \$0.6 million in FY 2022 and \$0.3 million for FY 2023. Reflecting a project delay, the Authority did not incur any expense in FY 2022 and the request retains the enacted amount of \$0.3 million. Consistent with the approved plan, it removes one-time funding of \$0.5 million from highway maintenance funds. *The Governor concurs. A detailed description of the projects is included in the Capital Budget section of this publication.*

RI Public Transit Authority - Bus Match. The request includes new expenditures of \$4.7 million from the Department of Transportation's share of the Highway Maintenance Account to the Rhode Island Public Transit Authority to match federal funds for bus purchases. The Authority's capital budget request assumes a total of \$28.4 million in the five-year period. This is \$7.5 million more than the approved plan, reflecting the Authority's updated replacement plan. It should be noted that the Department of Transportation's share of the highway maintenance funds are fully allocated for projects in the Transportation Improvement Program. The Department indicates that the Transportation Improvement Program will be amended to reflect this updated plan. *The Governor concurs; however, the recommended five-year plan does not*

include expenses in FY 2028 for which the Authority had assumed \$32.0 million, including \$6.4 million from Department of Transportation sources. This is pending a long-term transportation funding proposal.

RI Public Transit Authority. Currently, the Rhode Island Public Transit Authority receives 9.75 cents of the 35-cent gas tax. The funds are transferred to the Authority but reflected in the Department of Transportation's budget as a grant to the Authority in order to account for the gas tax in the state's accounting structure, since the Authority is a quasi-public corporation. The Authority also receives its share of funding from the Highway Maintenance Account, which is based on 5.0 percent of all fines and fees collected into the account. The 2019 Assembly adopted legislation to permanently provide the Authority with an additional \$5.0 million from highway maintenance funds. The request includes \$54.7 million to the Authority, including \$10.0 million from highway maintenance funds and \$44.7 million from gas tax proceeds. This is \$0.1 million more than enacted from highway maintenance funds. The Department's request uses the FY 2023 enacted per penny yield, in lieu of the Office of Revenue Analysis' May 2022 projection of \$45.0 million for FY 2024.

It should be noted that the CARES Act includes funding for Transit Infrastructure grants to help transit agencies prevent, prepare, and respond to COVID-19. The Authority received \$91.2 million; two subsequent federal acts provided the Authority with an additional \$36.5 million, for a total of \$128.7 million. From FY 2020 through FY 2022, the Authority used \$65.3 million and its budget includes \$30.2 million and \$29.6 million for FY 2023 and FY 2024, respectively. This would leave a balance of \$3.6 million for FY 2025. Once these funds are exhausted, the Authority is projecting deficits of \$33.0 million for FY 2025, increasing to \$47.0 million for FY 2028.

The Authority's FY 2024 proposed budget of \$149.1 million is \$17.8 million more than the FY 2023 enacted budget. It includes \$101.8 million for salary and benefit expenses for 873.0 full-time equivalent positions, \$5.9 million and 8.0 positions more than enacted. The increase will fund 12 positions, including 11 bus drivers and potential labor settlements. Operating and utility expenses are \$6.5 million more, including \$2.7 million for diesel fuel, and \$1.3 million to create a Self-Insurance Reserve Fund for legal claims and settlements. The Authority notes that the goal is have a \$5.0 million reserve. All other expenses are \$5.4 million more, including \$5.0 million for contracted planning development services for the Dorrance Street Transit Center; this project is funded with approved general obligation bonds. It also includes \$1.2 million from federal funds that are passed through the Authority for infrastructure improvements to the Fast Ferry facility at Quonset Point. *The Governor recommends \$50.2 million, \$4.4 million less than requested, based on November 2022 estimates. This includes \$4.4 million less from gas tax and \$41,414 less from highway maintenance funds.*

Transit Projects. Excluding salaries and benefits, the request includes \$8.4 million from federal funds, or \$58,296 more than enacted for transit related projects. The additional funds will be used for engineering services. Subsequently, the Department indicates that its request is understated by \$2.6 million for ongoing capital improvements to maintain fixed guideway infrastructure, including layover facilities, stations, and track, in a state of good repair. The adopted plan assumes \$2.8 million for these expenses in FY 2024. The request also includes the enacted amount of \$2.5 million for the Pawtucket/Central Falls Train Station; this project is scheduled to be completed in December 2022. *The Governor recommends \$2.9 million more than requested to correct for expenses that were omitted.*

Rail Infrastructure and Safety Improvements. In 2019, the Department received a \$2.8 million grant from the Federal Railroad Administration for preliminary engineering and environmental assessment for an Amtrak stop at the Rhode Island T.F. Green International Airport. The Department had been in contract negotiations with Amtrak and in FY 2022 a consultant was hired to conduct the study. In FY 2022, it incurred expenses of \$0.6 million, resulting in \$2.2 million in available funding. The Department indicates that the study will likely be completed in FY 2023; however, both the FY 2023 revised and the FY 2024

requests assume the enacted amount of \$0.4 million. As of January 25, expenditures in the current year are \$141,918 more than enacted. *The Governor concurs.*

ARPA - TBA Safety Barriers Study. The request retains one-time funding of \$1.0 million from State Fiscal Recovery funds provided in FY 2023 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. The Assembly had required that the selection of a vendor to conduct the study be done through a request for proposals process; a vendor has been selected. The Authority indicates that the cost of study for the four main bridges is \$1.8 million; to stay within its authorized amount, it is proposing that the study include only the Mount Hope and Jamestown Bridges. *The recommendation removes these one-time expenses.*

Turnpike and Bridge Authority. The request includes the enacted amount of \$16.1 million from gas tax revenue to be transferred to the Rhode Island Turnpike and Bridge Authority for operations related to the four bridges under its purview: Newport Pell, Sakonnet River, Mount Hope, and Jamestown. Funding was provided by the 2014 Assembly in lieu of placing a toll on the newly constructed Sakonnet River Bridge. The funding is generated from 3.5 cents of the gas tax previously dedicated to the Department, which is able to make the transfer based on additional fund sources made available for infrastructure. The request is based on the Office of Revenue Analysis' May 2022 estimated per penny yield of \$4.625 million, and is \$0.1 million less than estimated for FY 2024. *The Governor recommends \$14.5 million, which is \$1.6 million less than requested, reflecting a downward revision to the gas tax yield.*

Third Party Projects Reimbursement. The Department receives funds when it performs work for municipalities and other entities which are used to fund personnel costs for employees who work on those projects and other expenses. The request includes \$5.9 million, or \$0.2 million more than enacted from this source. However, at the end of FY 2022, the Intermodal Surface Transportation Fund shows a restricted receipts negative account balance of \$3.5 million. The Department attributed this to two reimbursements it has not received for the Pawtucket/Central Falls Train Station project. This includes \$3.0 million from the City of Pawtucket and the City of Central Falls, and \$3.7 million from the Rhode Island Public Transit Authority. The Authority indicates that there was a compliance issue that needed to be resolved with the Federal Transit Administration before it can receive the funds. The Federal Transit Administration approved the expense and the Department should be getting the reimbursement from the Authority. Adjusting for these reimbursements, it does not appear that the account would have sufficient resources to support the request. The Department anticipates \$1.5 million in revenues and budgeted \$6.0 million in expenses for FY 2024. The Federal Transit Administration approved the expense and the Department was reimbursed in November 2022. The reimbursement issue concerning the two municipalities is unresolved. *The Governor recommends funding as requested.*

Real Estate Funded Projects. Excluding salaries and benefits, the request includes \$9.1 million, or \$0.2 million more than enacted for projects and expenses supported by land sales and rental of certain department-owned properties. These receipts can be used to purchase land and equipment, or to offset operating costs throughout the Department, including personnel and information technology expenses. At the end of FY 2022, the Department had \$18.4 million of available resources and projects new receipts of \$2.9 million in FY 2023 and \$3.4 million for FY 2024. The Department indicates that use of these funds requires approval from the Federal Highway Administration, which has hindered its ability to spend them. Reported expenditures for FY 2022 were \$3.5 million or \$7.8 million less than budgeted. *The Governor recommends funding as requested.*

Winter Maintenance Operations. Excluding salaries and benefits, the Department requests \$12.9 million from gas tax proceeds for operating expenses related to the winter maintenance program for FY 2024. Funding is used to pay for vendor contracts, as well as to purchase salt, sand and liquid de-icers. The request is \$0.5 million more than enacted and \$3.0 million less than the FY 2023 revised request. It is also

\$2.4 million less than the average annual cost for winter maintenance operations from FY 2018 through FY 2022. *The Governor recommends funding as requested.*

Vehicles/Equipment and Maintenance. The Department requests \$10.0 million from all sources to purchase heavy trucks, sweepers, loaders, backhoes and tractors to replace the Maintenance Division's existing fleet, and maintenance expenses. This is \$257,942 more than enacted, including \$42,058 less from gas tax proceeds, and \$300,000 more from Rhode Island Capital Plan funds, consistent with the approved amount for FY 2024. The request includes \$6.5 million, or \$547,942 more for capital purchases, and \$3.5 million, or \$290,000 less for fleet and maintenance expenses. *The Governor concurs.*

288 Allens Avenue Lease. In 2019, the Department entered into a long-term agreement to lease a 33,000 square foot building on 288 Allens Avenue in Providence to house equipment and vehicles. Since RhodeWorks started, the Department has spent approximately \$52 million for new equipment and vehicles. The Department indicated that these vehicles and equipment cannot be left out in unfavorable conditions. The lease costs \$0.6 million annually and contains an option provision to purchase, which the Department's revised request assumes; however, the FY 2024 request inadvertently retains \$0.3 million for the lease expense. *The Governor recommends funding as requested.*

Stimulus - Highway Infrastructure Funds. The Consolidated Appropriations Act for federal FY 2021 authorized additional funding for Highway Infrastructure Programs. Allowable uses included preventative maintenance, operations, personnel, debt service payments, and coverage for revenue losses. The Department received a total of \$54.3 million, \$24.1 million was spent in FY 2022 on preventative maintenance projects, in lieu of using highway maintenance funds. This allowed the Department to preserve these funds for use as state match. The remaining \$30.1 million is included in the Department's FY 2023 revised request. The FY 2024 request assumes these federal resources are exhausted. *The Governor recommends funding as requested.*

Other Maintenance Division Expenses. The Department requests \$22.5 million from all sources or \$3.8 million more than enacted for all other expenses for the Maintenance Division. This includes \$6.2 million, or \$0.2 million more than enacted for highway drainage projects. The Department is currently required by a consent decree with the U.S. Department of Justice to maintain storm drains and address pollutants that are going into the Narragansett Bay and other waterways. Remaining expenses of \$16.3 million are supported by gas tax proceeds and are used for activities such as electricity, landscaping, and trash, sand, and graffiti removal. Of the increase, \$3.1 million is for maintenance projects, \$0.5 million is for contracted engineering and other services, and \$0.4 million is for electricity and fuel costs. *The Governor concurs.*

National Highway Safety Grants. Excluding salaries and benefits, the request includes \$14.1 million or \$1.9 million less than enacted from the National Highway Transportation Safety Administration for FY 2024. Consistent with the revised request, the request includes \$2.0 million less for media buys for various campaigns for which the enacted budget included \$3.9 million. Consistent with the enacted budget, the request includes \$11.0 million for grant funds that are used to encourage safety on highways and provide funding for risk reduction programs to lower instances of impaired driving, and to increase seatbelt use. Though the request is less than enacted, historically the Department overestimates its ability to spend these funds. The request of \$14.1 million is \$7.1 million more than FY 2022 expenses. *The Governor recommends funding as requested.*

Other Expenses. The request includes \$8.1 million from gasoline tax proceeds, or \$40,029 less than enacted for all remaining expenses. Of the requested amount, \$3.4 million is for contracted legal services relating to the tolling program. The request includes \$0.2 million less for contracted information technology support, reflecting FY 2022 expenses. It also includes \$0.1 million more for record storage and retrieval, and \$18,000 for training expenses. *The Governor concurs.*