Section VI

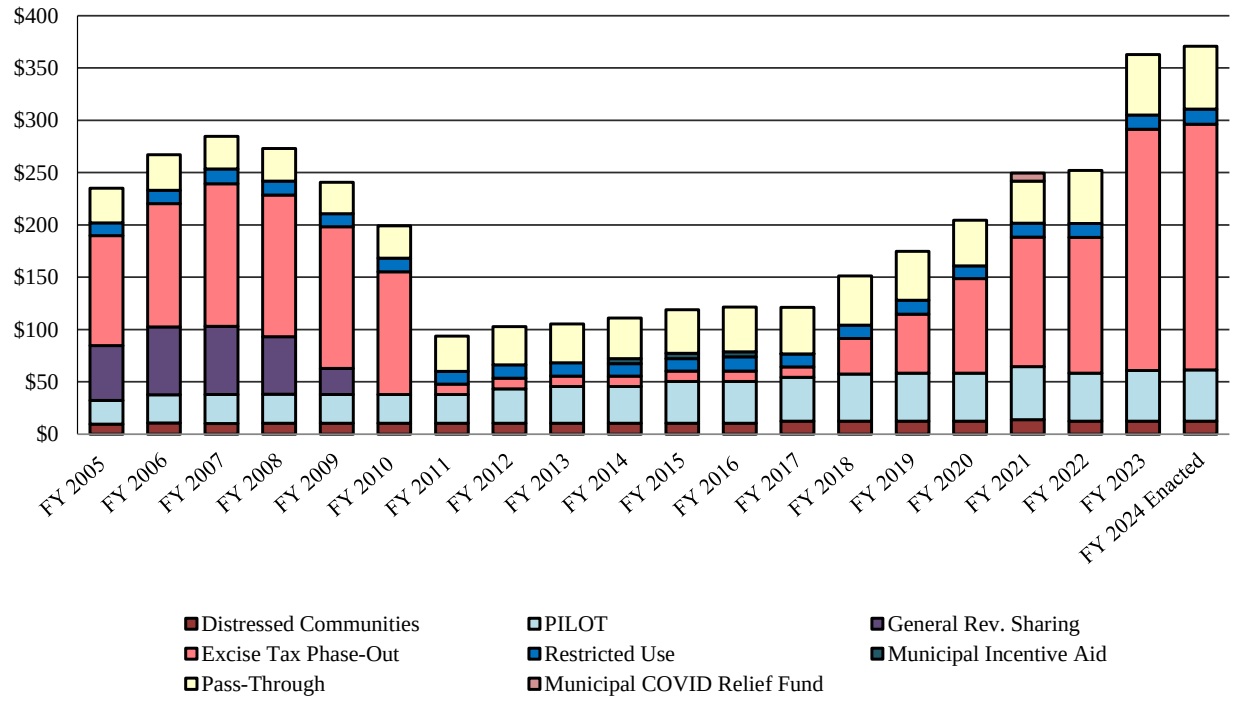
Special Reports

State Aid to Local Governments

Introduction

The Assembly provided state aid to cities and towns totaling $304.9 million for FY 2023 and $310.6 million for FY 2024. Funding for general aid programs is $291.4 million and $296.3 million, fully funding all programs for FY 2023 and FY 2024, respectively. The Assembly also authorized a new general state aid program to reimburse local governments for lost revenues from a $50,000 exemption from local tangible taxes. Reimbursements are not shown in the FY 2024 totals for aid or community distributions because they are expected to be paid in FY 2025. For restricted use programs, the Budget includes $13.5 million and $14.3 million for those respective years. Local communities also receive revenues from other local taxes, which the state collects and passes through to the communities. This is estimated to be $58.0 million for FY 2023 and $60.1 million for FY 2024; however, it should be noted that public service corporation amounts for FY 2024 are estimated based on FY 2023 actuals, as updated data is not yet available.

The following graph shows historical funding data, in millions, and includes the allocation by program from FY 2005 through the FY 2024 enacted budget.



The major changes included in the FY 2024 enacted budget are discussed on the following pages, followed by tables that show the enacted distribution of general aid and restricted aid programs by community. Though not state aid programs, there are also tables for the public service corporation, and local 1.0 percent meals and beverage and hotel tax collections, which are collected at the state level for efficiency purposes and returned to local governments.

General. The Assembly provided $291.4 million for FY 2023 and $296.3 million for FY 2024 for general state aid programs to local governments.

Fiscal Year	2005	2010	2020	2023 Enacted	2023 Final	2024 Governor	2024 Enacted	Chg. To Enacted
General Aid								
Distressed Communities	$ 9.5	$ 10.4	$ 12.4	$ 12.4	$ 12.4	$ 12.4	$ 12.4	$ -
PILOT	22.7	27.6	46.1	48.4	48.4	50.2	49.2	0.8
Excise Tax Phase-Out	105.0	117.2	90.3	231.0	230.6	234.7	234.7	3.8
General Rev. Sharing	52.4	-	-	-	-	-	-	-
Subtotal	**$ 189.7**	**$ 155.1**	**$ 148.7**	**$ 291.8**	**$ 291.4**	**$ 297.3**	**$ 296.3**	**$ 4.5**
Restricted Use Aid								
Library Resource Aid	$ 8.1	$ 8.8	$ 9.6	$ 11.0	$ 11.0	$ 11.5	$ 11.5	$ 0.5
Library Const. Aid	2.5	2.6	1.9	1.9	1.9	2.1	1.9	0.0
Police & Fire Incentive	1.1	-	-	-	-	-	-	-
Prop. Val. Reimb.	0.6	1.6	0.6	0.4	0.6	0.9	0.9	0.5
Oversight Reimb.	-	-	0.1	-	-	-	-	-
Subtotal	**$ 12.3**	**$ 13.0**	**$ 12.2**	**$ 13.3**	**$ 13.5**	**$ 14.5**	**$ 14.3**	**$ 1.0**
Total Appropriated Aid	**$ 202.0**	**$ 168.2**	**$ 160.9**	**$ 305.0**	**$ 304.9**	**$ 311.8**	**$ 310.6**	**$ 5.6**
Other Aid - Pass-Through								
Public Service Corp.	$ 14.6	$ 10.2	$ 13.2	$ 12.6	$ 13.1	$ 13.1	$ 13.1	$ 0.5
Meals and Beverage Tax	17.8	19.0	26.2	33.1	38.5	37.7	40.2	7.1
Local Hotel Tax	0.6	1.7	4.3	5.6	6.4	6.7	6.9	1.3
Total Other Aid	**$ 33.1**	**$ 30.9**	**$ 43.6**	**$ 51.3**	**$ 58.0**	**$ 57.5**	**$ 60.1**	**$ 8.9**

$ in millions

- ***Distressed Communities Relief Fund.*** The Assembly provided $12.4 million for the Distressed Communities Relief Fund. Communities' aid distribution is based on updated qualifying tax levies. For both the first year of a community's qualification as a distressed community and the year that a community no longer qualifies, it receives a transition payment of half its proportional share; there is a redistribution of funding among qualifying communities based on the recommended total. No community is newly qualified for FY 2024.

- ***Payment in Lieu of Taxes Program.*** The Assembly provided $49.2 million to fully fund the payment in lieu of taxes program for FY 2024, based on updated data. The Governor included a preliminary estimate of $50.2 million; finalized data lowered necessary resources by $1.0 million. This reimburses municipalities for property taxes that would have been due on real property exempted from taxation by state law, including property owned by private nonprofit higher educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility, or correctional facility. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. If the appropriation is less than the necessary amount, reimbursements are ratably reduced. FY 2023 includes $48.4 million to fully fund the program, consistent with the enacted budget.

- ***Motor Vehicle Excise Tax Phase-Out.*** The Assembly fully funds the Motor Vehicle Excise Tax Phase-Out program, including $234.7 million for FY 2024 and $230.6 million for FY 2023. The FY 2023 enacted budget includes $0.5 million for distribution to communities for which the levy is above the 2018 baseline. Finalized data lowered necessary resources by $0.3 million. Compared to the enacted assumptions, some community distributions change to reflect the allocation. The 2022 Assembly accelerated the motor vehicle phase-out by one year compared to the schedule anticipated by the 2017 Assembly. The FY 2024 total primarily reflects eliminating the tax for East Providence, which entered the phase-out one year behind other communities and is exiting the same way.

- ***Tangible Tax Exemption.*** The Assembly provided $28.0 million for a new general state aid program authorized under Rhode Island General Law, Chapter 44-5.3. This establishes a statewide exemption of $50,000 from the tangible taxes levied by municipalities and fire districts, except the public service corporation

and renewable energy resources and equipment taxes. The exemption applies as of the December 31, 2023 assessment date, or effectively for all tax years beginning on or after January 1, 2024.

Municipalities and fire districts will be reimbursed for all foregone revenues and the value of all uniformly applied exemptions; however, individualized exemptions are not eligible for reimbursement. Each community is required to annually send its certified tax rolls to the Division of Municipal Finance by August 15, for the initial September 30, 2024 reimbursement. Subsequent reimbursements occur annually thereafter. Article 1 of 2023-H 5200 Substitute A, as amended, includes language to reappropriate the authorized funding to FY 2025, the year reimbursements are anticipated to be paid; accordingly, that funding is not included in the totals for aid tables or community distributions for FY 2024.

- ***Library Resource Sharing Aid.*** The Assembly provided $11.5 million for library aid, $0.5 million more than enacted. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The appropriation fully funds state support of public libraries for both years, consistent with the Governor's recommendations.

- ***Library Construction Aid.*** The Assembly provided $1.9 million each for FY 2023 and FY 2024 to fully fund library construction aid requirements, based on updated project timelines. The state reimburses libraries up to half of the total costs for eligible projects on an installment basis, for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. The Governor recommended $2.1 million for FY 2024; however, repayment is delayed for one community's project, based on an updated timeline.

- ***Property Valuation Reimbursement.*** The Assembly provided $0.6 million for FY 2023 and $0.9 million for FY 2024 to reimburse communities conducting property valuation updates.

- ***Oversight Reimbursement.*** The Budget does not provide funding for oversight reimbursement to communities exiting state Fiscal Stability Act oversight as no communities are eligible.

- ***Public Service Corporation Tax.*** The Budget assumes the state will collect and distribute $13.1 million of property tax revenues from public service corporations on behalf of municipalities and pass that back to them. The FY 2024 amount is estimated; updated data is not yet available.

- ***Meals and Beverage Tax.*** The Budget assumes the state will collect and distribute an estimated $38.5 million and $40.2 million from local meals and beverage taxes for FY 2023 and FY 2024, respectively. This reflects the May 2023 revisions to the December 2022 Office of Revenue Analysis forecast.

- ***Local Hotel Tax.*** The Budget assumes the state will collect and distribute an estimated $6.4 million and $6.9 million for FY 2023 and FY 2024, respectively, from the 1.0 percent local hotel tax. This reflects the May 2023 revisions to the December 2022 Office of Revenue Analysis forecast.

State Aid

State aid can be classified into *general* state aid and *restricted use* aid. *General* aid payments made to municipalities can be used for general budget use or as reimbursement for costs incurred. Examples include: distressed communities relief, payments in lieu of taxes, and Motor Vehicle Excise Tax Phase-Out payments; beginning in FY 2025, this will also include the tangible property tax exemptions. The general purpose of these programs is to relieve pressure on local property taxes by providing revenues from the state's broad-based taxes to local governments.

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

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

Pass-through aid in the form of the Public Service Corporation, and 1.0 percent local hotel, and meals and beverage taxes are listed as state aid. These funds are not paid from state sources. For efficiency of collections, the Division of Taxation collects this local levy at the state level and returns the collections back to the local governments.

General State Aid

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

Rankings	Central Falls	Cranston	North Providence	Pawtucket	Providence	West Warwick	Woonsocket
FY 2021							
Levy/Full Value	4	5	7	6	3	2	1
Per Capita Income 2018	1	7	9	4	3	5	2
Personal Income/Full Value	1	6	4	3	17	5	2
Full Value Per Capita	1	6	7	3	5	4	2
Qualifying Rankings	4	4	3	4	3	4	4
FY 2022							
Levy/Full Value	4	7	5	6	2	1	3
Per Capita Income 2019	1	7	8	4	3	5	2
Personal Income/Full Value	1	13	5	3	14	4	2
Full Value Per Capita	1	8	6	3	5	4	2
Qualifying Rankings	4	3	4	4	3	4	4
FY 2023							
Levy/Full Value	3	10	5	11	2	1	8
Per Capita Income 2019	1	7	8	4	3	5	2
Personal Income/Full Value	1	11	4	3	9	5	2
Full Value Per Capita	1	7	6	3	4	5	2
Qualifying Rankings	4	2	4	3	3	4	4
FY 2024							
Levy/Full Value	8	9	3	12	1	2	13
Per Capita Income 2021	1	10	5	3	4	6	2
Personal Income/Full Value	1	12	5	2	6	4	3
Full Value Per Capita	1	7	6	3	4	5	2
Qualifying Rankings	4	1	4	3	4	4	3

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

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

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

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

The 2016 Assembly enacted legislation requiring that all communities qualifying as distressed participate in the Division of Taxation's refund offset program to collect taxes owed. Current law provides that if the Assembly appropriates more than the enacted level for the program, distressed communities will receive shares, even if they are receiving a transition payment. The 2020 Assembly provided an enhanced level of $13.8 million, reflecting $1.4 million provided using one-time COVID relief federal funds.

The Assembly provided the enacted level of $12.4 million for the Distressed Communities Relief program for FY 2024. Communities' aid distribution is based on updated qualifying tax levies and population data from 2021, consistent with current law for the most recent data available. Most funds are distributed based on the ratio of an eligible municipality's tax levy to the total tax levy of all eligible municipalities. However, when a new community qualifies, that community receives 50.0 percent of current law requirements the first year it qualifies. The remaining 50.0 percent is distributed to the other distressed communities proportionately. When a community falls out of the program, it receives a one-time transition payment of 50.0 percent of the prior year requirement exclusive of any reduction for first year qualification. No community is newly qualified for FY 2024.

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

The Assembly provided $49.2 million, to fully fund the program for FY 2024. The Governor included a preliminary estimate of $50.2 million; finalized data lowered necessary resources by $1.0 million. If the appropriation is less than the necessary amount, reimbursements are ratably reduced. The FY 2023 final budget fully funds the program at $48.4 million, consistent with the enacted budget.

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

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

The 2017 Assembly enacted legislation to restart the phase-out. As enacted, that law exempted cars older than 15 years from taxation, and incrementally reduced the maximum tax rate levied and percentage of value assessed, while annually increasing the minimum exemption. East Providence's fiscal year operates

one year behind the state and the other communities; therefore, it entered the phase-out one year later than other communities. After the phase-out is complete, reimbursement growth is tied to the growth of sales tax revenue, and distributed in a proportion equal to the funds distributed to each municipality in the year after the phase out, to the nearest 0.01 percent. The 2022 Assembly accelerated the phase-out by one year; for all communities this reflects ending the tax collection as of FY 2023. With respect to East Providence's lagging fiscal year, it was accelerated to its FY 2022 aid year; as it enters its FY 2023 aid year the tax is ended, consistent with other communities. Comparative changes by component are shown in the following table.

		2017 Assembly			2022 Assembly Except East Providence			2022 Assembly East Providence[1]		
Fiscal Year	No Tax After Age	% of Retail Value	Cap on Rate per $1,000	Exemption Floor	% of Retail Value	Cap on Rate per $1,000	Exemption Floor	% of Retail Value	Cap on Rate per $1,000	Exemption Floor
2017	25	100.0%	$ -	$ 500	100.0%	$ -	$ 500	100.0%	$ -	$ 500
2018	15	95.0%	$ 60	$ 1,000	95.0%	$ 60	$ 1,000	95.0%	$ 60	$ 1,000
2019	15	90.0%	$ 50	$ 2,000	90.0%	$ 50	$ 2,000	90.0%	$ 50	$ 2,000
2020	15	85.0%	$ 35	$ 3,000	85.0%	$ 35	$ 3,000	85.0%	$ 35	$ 3,000
2021	15	80.0%	$ 35	$ 4,000	80.0%	$ 35	$ 4,000	80.0%	$ 35	$ 4,000
2022	15	75.0%	$ 30	$ 5,000	75.0%	$ 30	$ 5,000	70.0%	$ 20	$ 6,000
2023	15	70.0%	$ 20	$ 6,000	*No Tax*					
2024					***Levied***					

[1] *East Providence's FY 2022 is the state's FY 2023; this results in entering and leaving the phase-out later.*

The Assembly provided $234.7 million to fully funds the next phase of the Motor Vehicle Excise Tax Phase-out program for FY 2024. The FY 2023 enacted budget provides $0.5 million for distribution to communities for which the levy is above the 2018 baseline. Finalized data lowered necessary resources by $0.3 million. Compared to the enacted assumptions, some of community distributions change to reflect the allocation. The 2022 Assembly accelerated the motor vehicle phase-out by one year compared to the schedule anticipated by the 2017 Assembly. The FY 2024 total primarily reflects eliminating the tax for East Providence, which entered the phase-out one year behind other communities and is exiting the same way.

Tangible Tax Exemption. The 2022 Assembly authorized a new general state aid program under Rhode Island General Law, Chapter 44-5.3. This establishes a statewide exemption of $50,000 from the tangible taxes levied by municipalities and fire districts, except the public service corporation and renewable energy resources and equipment taxes. The exemption applies as of the December 31, 2023 assessment date, or effectively for all tax years beginning on or after January 1, 2024.

Municipalities and fire districts will be reimbursed for all foregone revenues and the value of all uniformly applied exemptions; however, individualized exemptions are not eligible for reimbursement. Each community is required to provide its certified tax rolls to the Division of Municipal Finance by August 15, for the initial September 30, 2024 reimbursements. Required certifications and reimbursements occur annually thereafter. Article 1 of 2023-H 5200 Substitute A, as amended, includes $28.0 million to support the program and language to reappropriate the authorized funding to FY 2025.

Municipal Incentive Aid. The Municipal Incentive Aid program, which encouraged sustainable funding of retirement plans and reduction of unfunded liabilities, was conceived as a three-year program. Aid was distributed on the basis of the most recent estimate of population of each municipality as a share of the total state population, as reported by the Bureau of the Census in the year the payment is made. Program payments were made in March of each year. If a municipality was not eligible to receive aid, its share may have been reappropriated to the following fiscal year. To receive the prior and current years' share of aid,

the municipality had to meet the funding requirements for both years. FY 2016 was the third and final year. For FY 2016, Johnston did not meet the requirements for eligibility and its payment was reappropriated to FY 2017. Its share was ultimately redistributed amongst the other communities in May 2017.

Municipal COVID Relief Fund. The 2020 Assembly provided an enhanced level of local aid support for FY 2021 from the state's one-time allocation of $1,250.0 million from the Coronavirus Relief Fund, provided under the CARES Act. The budget had proviso language for cities and towns to comply with all applicable federal laws and regulations under Section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136. The FY 2021 budget included $136.5 million from Coronavirus Relief federal funds, using the enacted distribution methodology based on four formulas, including the distressed communities relief, payment in lieu of taxes, and Motor Vehicle Excise Tax Phase-Out programs, distributed based on those formulas, and a per capita funding formula.

General Revenue Sharing. Beginning in FY 1994, a portion of total state tax revenues from the second prior fiscal year have been earmarked as state aid to cities and towns and distributed based on per capita income and local tax burdens for public purposes. The FY 1999 budget began increasing the percentage of shared revenues as a mechanism for reimbursing municipalities for lost local revenues from the ten-year phase-out of the inventory tax. Legislation in 2005 and 2006 dedicated a portion of video lottery net terminal income, up to $10.0 million for the non-distressed communities program. The 2009 Assembly adopted the Governor's recommendation to subject the program to appropriation. It has not been funded since FY 2009.

Restricted Use State Aid

Library Resource Sharing Aid. Current law requires the state to support local libraries via grants-in-aid at a level equivalent to 25.0 percent of the amount appropriated and expended from local tax revenues in the second prior fiscal year by the municipalities in which the libraries are located, provided that if the total exceeds the appropriation, the aid amounts to each municipality be proportionately reduced.

Aid remained relatively stable from FY 1991 through FY 1997. For FY 1998, the General Assembly appropriated an additional $1.0 million to begin increasing funding to meet the 25.0 percent program requirement by FY 2000. The state is also required to fund 100 percent of the administrative and operating costs of the Rhode Island Library Network. It should be noted that the 25.0 percent requirement also applies to institutional libraries.

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

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

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

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

For FY 2024, the Assembly provided $11.5 million for library aid, $0.5 million more than the enacted amount; the revised recommendation is consistent with the enacted budget. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The appropriation fully funds state support of public libraries.

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

The state grants-in-aid are limited to a maximum of 50.0 percent of total eligible costs, as determined by the Office of Library and Information Services. The grants are paid on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of a project. During the repayment period, the state share may include the costs of interest on the state share of the project costs if the municipality or free public library was required to borrow the state's share of the project costs.

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

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

The 2011 Assembly adopted legislation to impose a three-year moratorium on the acceptance of applications for library construction aid projects through July 1, 2014. The Assembly provided $1.9 million for FY 2024 based on expected reimbursements, essentially consistent with the enacted budget, based on updated project timelines.

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

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

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

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

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

Fiscal Year	Expenditures	Fiscal Year	Expenditures
2012	$ 905,250	2019	$ 1,023,245
2013	$ 889,640	2020	$ 585,632
2014	$ 436,537	2021	$ 853,931
2015	$ 681,508	2022	$ 665,795
2016	$ 1,300,849	*2023**	*$ 620,163*
2017	$ 446,302	*2024**	*$ 906,329*
2018	$ 732,812		

**FY 2023 Final/FY 2024 Enacted*

The Assembly provided $0.6 million for FY 2023 and $0.9 million for FY 2024. The changes reflect current law adjustments, including $0.2 million of unspent FY 2022 funding reappropriated to FY 2023, and anticipated expenses for maximum allowable reimbursements for communities scheduled to complete revaluations. The state does not reimburse non-distressed municipalities for complete revaluations, only for updates. Expenditures fluctuate annually; the previous table includes actual expenditures since FY 2012, and enacted amounts for FY 2023 and FY 2024.

Oversight Reimbursement. Current law requires that the state reimburse 50.0 percent of the cost of an official to act as a financial advisor to municipalities no longer subject to state Fiscal Stability Act oversight. No funding is provided; the final eligible community exited oversight on March 20, 2020.

Pass-Through Revenues

Public Service Corporation Tax. The Budget assumes the state will collect $13.1 million of property taxes from public service corporations on behalf of municipalities and pass that back to them in FY 2024. This reflects the FY 2023 amount; a final figure will be calculated when updated data is available later in 2023. The 2009 Assembly adopted the Governor's recommendation to require the tax rate applied to the tangible personal property of public service corporations not be less than the prior year. Annual tax collections had dropped from $16.6 million in FY 2004 to $10.2 million in FY 2010. The statute allows for the use of up to 0.75 percent for administrative expenses; these funds are deposited as general revenues.

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

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

Other Local Revenues

Meals and Beverage Tax. The 2003 Assembly enacted a one percent additional tax on gross receipts from sale of food and beverages sold in or from eating and drinking establishments, effective August 1, 2003. Meals are defined as food sold ready for immediate consumption, regardless of when or where consumed. Eating establishments include all entities preparing these foods, including caterers. The Division of Taxation collects the tax and distributes it to the city or town where the meals and beverages were delivered. Collections for the last five fiscal years are shown in the following table.

Fiscal Year	Total Collections
2022	$ 32,516,283
2021	$ 26,005,401
2020	$ 26,153,929
2019	$ 28,297,063
2018	$ 28,896,727

While not a direct appropriation, the Budget assumes these revenues will total $38.5 million and $40.2 million for FY 2023 and FY 2024, respectively. This reflects the May 2023 revisions to the December 2022 Office of Revenue Analysis forecast.

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

Fiscal Year	Total Collections
2022	$ 5,856,253
2021	$ 3,749,642
2020	$ 4,299,317
2019	$ 5,072,892
2018	$ 5,070,279

While not a direct appropriation, the Budget assumes these revenues will total $6.4 million and $6.9 million for FY 2023 and FY 2024, respectively. This reflects the May 2023 revisions to the December 2022 Office of Revenue Analysis forecast.

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

Federal Stimulus Local Aid

On March 11, 2021, President Biden signed into law the American Rescue Plan Act, which provides $360.0 billion to assist states and local governments to cover expenditures incurred from, and provide government services impacted by, coronavirus related revenue losses until December 31, 2024. On May 10, 2021, the U.S. Department of the Treasury announced that the allocation to Rhode Island totals $1,780.2 million including $536.8 million for local governments from the Local Fiscal Recovery Fund. The act provides that half of these funds be disbursed within 60 days of certified attestation from the state regarding the use of funds, with the remainder not to be paid within one year of the first disbursement.

Communities receive funding from up to three distinct distributions from county, non-entitlement, and entitlement allocations. The entitlement community allocation does not flow through the state; Cranston, East Providence, Pawtucket, Providence, Warwick, and Woonsocket receive those funds directly. For those communities, only the county allocation is passed through the state budget. For the county government funds, the state is required to disburse those funds to each government within each county on a per capita basis with respect to the county population. The FY 2023 enacted budget includes the $132.0 million to reflect the second funding tranche; the first was paid in FY 2022. The final disbursements for non-entitlement communities and counties were provided during July and October 2022, respectively. The Local Fiscal Recovery Fund allocations anticipated are shown in the following table; the distribution by community and allocation type is located in tables at the end of this section.

Local Fiscal Recovery Fund			
Disbursement Type	**FY 2022**	**FY 2023**	**Total**
Entitlement	**$ 136,459,865**	**$ 136,459,865**	**$ 272,919,729**
Cranston	*13,385,229*	*13,385,229*	*26,770,457*
East Providence	*9,268,337*	*9,268,337*	*18,536,674*
Pawtucket	*22,131,140*	*22,131,140*	*44,262,279*
Providence	*65,686,983*	*65,686,983*	*131,373,965*
Warwick	*11,848,880*	*11,848,880*	*23,697,760*
Woonsocket	*14,139,297*	*14,139,297*	*28,278,594*
Non-Entitlement	**$ 29,073,366**	**$ 29,073,366**	**$ 58,146,731**
County	**$ 102,884,228**	**$ 102,884,228**	**$ 205,768,455**
Grand Total	**$ 268,417,458**	**$ 268,417,458**	**$ 536,834,915**

Distribution by Community

General Aid Total

Includes Distressed Communities, PILOT, & Motor Vehicle Excise Tax

City or Town	*FY 2023 Enacted*	*FY 2023 Gov. Rev.* [1]	*FY 2023 Final* [1]	*Change to Enacted*
Barrington	$ 5,912,955	$ 5,912,955	$ 5,912,955	$ -
Bristol	4,314,103	4,314,103	4,314,103	-
Burrillville	5,159,175	5,159,175	5,159,175	-
Central Falls	2,313,437	2,313,437	2,313,437	-
Charlestown	1,020,877	1,020,877	1,020,877	-
Coventry	5,872,396	5,872,396	5,872,396	-
Cranston	28,659,187	28,659,187	28,659,187	-
Cumberland	6,073,469	6,073,469	6,073,469	-
East Greenwich	3,191,464	3,191,464	3,191,464	-
East Providence	7,484,283	7,485,624	7,485,624	1,341
Exeter	2,241,381	2,241,381	2,241,381	-
Foster	1,652,251	1,652,251	1,652,251	-
Glocester	2,381,941	2,381,941	2,381,941	-
Hopkinton	1,629,259	1,629,259	1,629,259	-
Jamestown	622,793	622,793	622,793	-
Johnston	10,382,785	10,382,785	10,382,785	-
Lincoln	5,683,015	5,683,015	5,683,015	-
Little Compton	366,775	366,775	366,775	-
Middletown	1,976,448	1,976,448	1,976,448	-
Narragansett	1,707,362	1,831,251	1,831,251	123,889
Newport	3,912,632	3,912,632	3,912,632	-
New Shoreham	163,298	163,298	163,298	-
North Kingstown	5,379,966	5,379,966	5,379,966	-
North Providence	10,694,732	10,694,732	10,694,732	-
North Smithfield	4,398,531	4,398,531	4,398,531	-
Pawtucket	18,149,792	18,149,792	18,149,792	-
Portsmouth	2,414,242	2,414,242	2,414,242	-
Providence	76,075,289	76,075,289	76,075,289	-
Richmond	1,448,455	1,448,455	1,448,455	-
Scituate	1,977,127	1,977,127	1,977,127	-
Smithfield	8,009,651	8,009,651	8,009,651	-
South Kingstown	4,147,520	4,147,520	4,147,520	-
Tiverton	1,710,494	1,748,175	1,748,175	37,680
Warren	2,090,911	2,090,911	2,090,911	-
Warwick	26,824,689	26,824,689	26,824,689	-
Westerly	5,962,850	5,962,850	5,962,850	-
West Greenwich	1,331,725	1,331,725	1,331,725	-
West Warwick	6,737,346	6,737,346	6,737,346	-
Woonsocket	10,641,694	10,641,694	10,641,694	-
Subtotal	**$ 290,716,302**	**$ 290,879,213**	**$ 290,879,213**	**$ 162,911**
Data Update*	500,000	472,446	-	(500,000)
MV Phase Out - Fire Districts	556,628	421,271	556,628	-
Total	**$ 291,772,931**	**$ 291,772,931**	**$ 291,435,841**	**$ (337,089)**

[1] *Revisions reflect certified levies above the 2018 baseline.*

**FY 2023 Enacted and Gov. Rev. include funds for distribution to certified communities with a levy above the FY 2018 baseline, that budgeted the revenue. FY 2024 Governor contains excess PILOT funding after a data update.*

General Aid Total

Includes Distressed Communities, PILOT, & Motor Vehicle Excise Tax

City or Town	*FY 2023 Enacted*	*FY 2024 Governor* [2]	*FY 2024 Enacted**	*Change to FY 2023 Final*
Barrington	$ 5,912,955	$ 5,913,428	$ 5,913,428	$ 473
Bristol	4,314,103	4,211,775	4,211,775	(102,327)
Burrillville	5,159,175	5,113,416	5,113,416	(45,759)
Central Falls	2,313,437	2,341,921	2,341,921	28,485
Charlestown	1,020,877	1,020,877	1,020,877	-
Coventry	5,872,396	5,872,396	5,872,396	-
Cranston	28,659,187	26,341,875	26,341,875	(2,317,313)
Cumberland	6,073,469	6,073,469	6,073,469	-
East Greenwich	3,191,464	3,221,763	3,221,763	30,299
East Providence	7,484,283	11,720,187	11,720,187	4,234,563
Exeter	2,241,381	2,241,381	2,241,381	-
Foster	1,652,251	1,652,251	1,652,251	-
Glocester	2,381,941	2,381,941	2,381,941	-
Hopkinton	1,629,259	1,629,259	1,629,259	-
Jamestown	622,793	622,793	622,793	-
Johnston	10,382,785	10,382,785	10,382,785	-
Lincoln	5,683,015	5,683,015	5,683,015	-
Little Compton	366,775	366,775	366,775	-
Middletown	1,976,448	1,976,448	1,976,448	-
Narragansett	1,707,362	1,831,251	1,831,251	-
Newport	3,912,632	3,963,337	3,963,337	50,705
New Shoreham	163,298	163,298	163,298	-
North Kingstown	5,379,966	5,378,867	5,378,867	(1,099)
North Providence	10,694,732	10,787,734	10,787,734	93,002
North Smithfield	4,398,531	4,398,531	4,398,531	-
Pawtucket	18,149,792	18,297,672	18,297,672	147,880
Portsmouth	2,414,242	2,414,242	2,414,242	-
Providence	76,075,289	78,715,534	78,715,534	2,640,244
Richmond	1,448,455	1,448,455	1,448,455	-
Scituate	1,977,127	1,977,127	1,977,127	-
Smithfield	8,009,651	8,268,735	8,268,735	259,084
South Kingstown	4,147,520	4,117,506	4,117,506	(30,014)
Tiverton	1,710,494	1,748,175	1,748,175	-
Warren	2,090,911	2,090,911	2,090,911	-
Warwick	26,824,689	26,824,689	26,824,689	-
Westerly	5,962,850	5,917,553	5,917,553	(45,297)
West Greenwich	1,331,725	1,331,725	1,331,725	-
West Warwick	6,737,346	6,841,233	6,841,233	103,888
Woonsocket	10,641,694	10,592,573	10,592,573	(49,121)
Subtotal	**$ 290,716,302**	**$ 295,876,905**	**$ 295,876,905**	**$ 4,997,692**
Data Update*	500,000	978,755	-	-
MV Phase Out - Fire Districts	556,628	421,271	421,271	(135,357)
Total	**$ 291,772,931**	**$ 297,276,932**	**$ 296,298,176**	**$ 4,862,335**

[2] *This distribution reflects an estimate, and may be subject to change based on update data. It excludes any tangible tax exemption reimbursments anticipated for FY 2025.*

**FY 2023 Enacted and Gov. Rev. include funds for distribution to certified communities with a levy above the FY 2018 baseline, that budgeted the revenue. FY 2024 Governor contains excess PILOT funding after a data update.*

Distressed Communities Relief

City or Town	*FY 2023 Enacted*	*FY 2023 Gov. Rev.*	*FY 2023 Final*	*Change to Enacted*
Barrington	$ -	$ -	$ -	$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	235,462	235,462	235,462	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	1,342,778	1,342,778	1,342,778	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,075,446	1,075,446	1,075,446	-
North Smithfield	-	-	-	-
Pawtucket	1,651,225	1,651,225	1,651,225	-
Portsmouth	-	-	-	-
Providence	6,171,331	6,171,331	6,171,331	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	1,063,602	1,063,602	1,063,602	-
Woonsocket	844,614	844,614	844,614	-
Total	**$ 12,384,458**	**$ 12,384,458**	**$ 12,384,458**	**$ -**

Distressed Communities Relief

City or Town	*FY 2023 Enacted*	*FY 2024 Governor*	*FY 2024 Enacted*	*Change to FY 2023 Final*
Barrington	$ -	$ -	$ -	$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	235,462	263,947	263,947	28,485
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	1,342,778	-	-	(1,342,778)
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,075,446	1,168,448	1,168,448	93,002
North Smithfield	-	-	-	-
Pawtucket	1,651,225	1,799,105	1,799,105	147,880
Portsmouth	-	-	-	-
Providence	6,171,331	7,069,428	7,069,428	898,096
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	1,063,602	1,167,490	1,167,490	103,888
Woonsocket	844,614	916,041	916,041	71,427
Total	**$ 12,384,458**	**$ 12,384,458**	**$ 12,384,458**	**$ -**

Payment in Lieu of Taxes

City or Town	*FY 2023 Enacted* [1]	*FY 2023 Gov. Rev.*	*FY 2023 Final*	*Change to Enacted*
Barrington	$ 18,133	$ 18,133	$ 18,133	$ -
Bristol	1,408,285	1,408,285	1,408,285	-
Burrillville	105,242	105,242	105,242	-
Central Falls	-	-	-	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	5,004,163	5,004,163	5,004,163	-
Cumberland	-	-	-	-
East Greenwich	774,131	774,131	774,131	-
East Providence	282,016	282,016	282,016	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,688,961	1,688,961	1,688,961	-
New Shoreham	-	-	-	-
North Kingstown	1,149	1,149	1,149	-
North Providence	-	-	-	-
North Smithfield	-	-	-	-
Pawtucket	3,061	3,061	3,061	-
Portsmouth	-	-	-	-
Providence	35,772,362	35,772,362	35,772,362	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	910,957	910,957	910,957	-
South Kingstown	217,065	217,065	217,065	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,578,435	1,578,435	1,578,435	-
Westerly	197,328	197,328	197,328	-
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	472,304	472,304	472,304	-
Subtotal	**$ 48,433,591**	**$ 48,433,591**	**$ 48,433,591**	**$ -**
Data Update	-	-	-	-
Total	**$ 48,433,591**	**$ 48,433,591**	**$ 48,433,591**	**$ -**

[1] *Adjusted to reflect rounding errors in the enacted budget*

Payment in Lieu of Taxes

City or Town	*FY 2023 Enacted* [1]	*FY 2024 Governor* [2]	*FY 2024 Enacted*	*Change to FY 2023 Final*
Barrington	$ 18,133	$ 18,606	$ 18,606	$ 473
Bristol	1,408,285	1,305,958	1,305,958	(102,327)
Burrillville	105,242	59,483	59,483	(45,759)
Central Falls	-	-	-	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	5,004,163	4,029,628	4,029,628	(974,535)
Cumberland	-	-	-	-
East Greenwich	774,131	804,431	804,431	30,299
East Providence	282,016	286,708	286,708	4,691
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,688,961	1,739,666	1,739,666	50,705
New Shoreham	-	-	-	-
North Kingstown	1,149	50	50	(1,099)
North Providence	-	-	-	-
North Smithfield	-	-	-	-
Pawtucket	3,061	3,061	3,061	-
Portsmouth	-	-	-	-
Providence	35,772,362	37,514,510	37,514,510	1,742,148
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	910,957	1,170,041	1,170,041	259,084
South Kingstown	217,065	187,050	187,050	(30,014)
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,578,435	1,578,435	1,578,435	-
Westerly	197,328	152,031	152,031	(45,297)
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	472,304	351,755	351,755	(120,548)
Subtotal	**$ 48,433,591**	**$ 49,201,412**	**$ 49,201,412**	**$ 767,821**
Data Update	-	978,755	-	-
Total	**$ 48,433,591**	**$ 50,180,167**	**$ 49,201,412**	**$ 767,821**

[1] *Adjusted to reflect rounding errors in the enacted budget*

[2] *The Governor's budget excludes distribution data. This distribution reflects 3/28 data updates; the unallocated amount represents excess funding after data were finalized.*

Motor Vehicle Excise Phase-Out

City or Town	FY 2023 Enacted	FY 2023 Gov. Rev. [1]	FY 2023 Final [1]	Change to Enacted
Barrington	$ 5,894,822	$ 5,894,822	$ 5,894,822	$ -
Bristol	2,905,818	2,905,818	2,905,818	-
Burrillville	5,053,933	5,053,933	5,053,933	-
Central Falls	2,077,974	2,077,974	2,077,974	-
Charlestown	1,020,877	1,020,877	1,020,877	-
Coventry	5,872,396	5,872,396	5,872,396	-
Cranston	22,312,247	22,312,247	22,312,247	-
Cumberland	6,073,469	6,073,469	6,073,469	-
East Greenwich	2,417,332	2,417,332	2,417,332	-
East Providence	7,202,266	7,203,608	7,203,608	1,341
Exeter	2,241,381	2,241,381	2,241,381	-
Foster	1,652,251	1,652,251	1,652,251	-
Glocester	2,381,941	2,381,941	2,381,941	-
Hopkinton	1,629,259	1,629,259	1,629,259	-
Jamestown	622,793	622,793	622,793	-
Johnston	10,382,785	10,382,785	10,382,785	-
Lincoln	5,683,015	5,683,015	5,683,015	-
Little Compton	366,775	366,775	366,775	-
Middletown	1,976,448	1,976,448	1,976,448	-
Narragansett	1,707,362	1,831,251	1,831,251	123,889
Newport	2,223,671	2,223,671	2,223,671	-
New Shoreham	163,298	163,298	163,298	-
North Kingstown	5,378,818	5,378,818	5,378,818	-
North Providence	9,619,286	9,619,286	9,619,286	-
North Smithfield	4,398,531	4,398,531	4,398,531	-
Pawtucket	16,495,506	16,495,506	16,495,506	-
Portsmouth	2,414,242	2,414,242	2,414,242	-
Providence	34,131,596	34,131,596	34,131,596	-
Richmond	1,448,455	1,448,455	1,448,455	-
Scituate	1,977,127	1,977,127	1,977,127	-
Smithfield	7,098,694	7,098,694	7,098,694	-
South Kingstown	3,930,455	3,930,455	3,930,455	-
Tiverton	1,710,494	1,748,175	1,748,175	37,680
Warren	2,090,911	2,090,911	2,090,911	-
Warwick	25,246,254	25,246,254	25,246,254	-
Westerly	5,765,523	5,765,523	5,765,523	-
West Greenwich	1,331,725	1,331,725	1,331,725	-
West Warwick	5,673,744	5,673,744	5,673,744	-
Woonsocket	9,324,776	9,324,776	9,324,776	-
Subtotal	**$ 229,898,253**	**$ 230,061,164**	**$ 230,061,164**	**$ 162,911**
FY 2023 MV Data Update*	500,000	472,446	-	-
MV Phase Out - Fire Districts	556,628	421,271	556,628	-
Total	**$ 230,954,881**	**$ 230,954,881**	**$ 230,617,792**	**$ 162,911**

[1] *Revisions reflect certified levies above the 2018 baseline.*

**For later distribution to certified communities with FY 2023 levy above the FY 2018 baseline that budgeted the revenue.*

Motor Vehicle Excise Phase-Out

City or Town	FY 2023 Enacted	FY 2024 Governor [2]	FY 2024 Enacted	Change to FY 2023 Final
Barrington	$ 5,894,822	$ 5,894,822	$ 5,894,822	$ -
Bristol	2,905,818	2,905,818	2,905,818	-
Burrillville	5,053,933	5,053,933	5,053,933	-
Central Falls	2,077,974	2,077,974	2,077,974	-
Charlestown	1,020,877	1,020,877	1,020,877	-
Coventry	5,872,396	5,872,396	5,872,396	-
Cranston	22,312,247	22,312,247	22,312,247	-
Cumberland	6,073,469	6,073,469	6,073,469	-
East Greenwich	2,417,332	2,417,332	2,417,332	-
East Providence	7,202,266	11,433,479	11,433,479	4,229,871
Exeter	2,241,381	2,241,381	2,241,381	-
Foster	1,652,251	1,652,251	1,652,251	-
Glocester	2,381,941	2,381,941	2,381,941	-
Hopkinton	1,629,259	1,629,259	1,629,259	-
Jamestown	622,793	622,793	622,793	-
Johnston	10,382,785	10,382,785	10,382,785	-
Lincoln	5,683,015	5,683,015	5,683,015	-
Little Compton	366,775	366,775	366,775	-
Middletown	1,976,448	1,976,448	1,976,448	-
Narragansett	1,707,362	1,831,251	1,831,251	-
Newport	2,223,671	2,223,671	2,223,671	-
New Shoreham	163,298	163,298	163,298	-
North Kingstown	5,378,818	5,378,818	5,378,818	-
North Providence	9,619,286	9,619,286	9,619,286	-
North Smithfield	4,398,531	4,398,531	4,398,531	-
Pawtucket	16,495,506	16,495,506	16,495,506	-
Portsmouth	2,414,242	2,414,242	2,414,242	-
Providence	34,131,596	34,131,596	34,131,596	-
Richmond	1,448,455	1,448,455	1,448,455	-
Scituate	1,977,127	1,977,127	1,977,127	-
Smithfield	7,098,694	7,098,694	7,098,694	-
South Kingstown	3,930,455	3,930,455	3,930,455	-
Tiverton	1,710,494	1,748,175	1,748,175	-
Warren	2,090,911	2,090,911	2,090,911	-
Warwick	25,246,254	25,246,254	25,246,254	-
Westerly	5,765,523	5,765,523	5,765,523	-
West Greenwich	1,331,725	1,331,725	1,331,725	-
West Warwick	5,673,744	5,673,744	5,673,744	-
Woonsocket	9,324,776	9,324,776	9,324,776	-
Subtotal	**$ 229,898,253**	**$ 234,291,035**	**$ 234,291,035**	**$ 4,229,871**
FY 2023 MV Data Update*	500,000	-	-	-
MV Phase Out - Fire Districts	556,628	421,271	421,271	(135,357)
Total	**$ 230,954,881**	**$ 234,712,307**	**$ 234,712,307**	**$ 4,094,514**

[2] *This distribution reflects an estimate, and may be subject to change based on update data.*

**For later distribution to certified communities with FY 2023 levy above the FY 2018 baseline that budgeted the revenue.*

Library Aid

City or Town	*FY 2023 Enacted*	*FY 2023 Gov. Rev.*	*FY 2023 Final*	*Change to Enacted*
Barrington	$ 327,745	$ 327,745	$ 327,745	$ -
Bristol	220,836	220,836	220,836	-
Burrillville	202,102	202,102	202,102	-
Central Falls	36,645	36,645	36,645	-
Charlestown	64,396	64,396	64,396	-
Coventry	224,402	224,402	224,402	-
Cranston	781,617	781,617	781,617	-
Cumberland	337,599	337,599	337,599	-
East Greenwich	135,464	135,464	135,464	-
East Providence	513,132	513,132	513,132	-
Exeter	57,313	57,313	57,313	-
Foster	39,461	39,461	39,461	-
Glocester	95,338	95,338	95,338	-
Hopkinton	42,139	42,139	42,139	-
Jamestown	128,801	128,801	128,801	-
Johnston	131,840	131,840	131,840	-
Lincoln	234,360	234,360	234,360	-
Little Compton	43,716	43,716	43,716	-
Middletown	168,217	168,217	168,217	-
Narragansett	100,000	100,000	100,000	-
Newport	486,280	486,280	486,280	-
New Shoreham	97,282	97,282	97,282	-
North Kingstown	345,378	345,378	345,378	-
North Providence	240,904	240,904	240,904	-
North Smithfield	95,323	95,323	95,323	-
Pawtucket	385,419	385,419	385,419	-
Portsmouth	132,188	132,188	132,188	-
Providence*	2,617,736	2,617,736	2,617,736	-
Richmond	31,429	31,429	31,429	-
Scituate	129,909	129,909	129,909	-
Smithfield	363,908	363,908	363,908	-
South Kingstown	262,022	262,022	262,022	-
Tiverton	146,250	146,250	146,250	-
Warren	76,680	76,680	76,680	-
Warwick	735,072	735,072	735,072	-
Westerly	411,306	411,306	411,306	-
West Greenwich	56,285	56,285	56,285	-
West Warwick	203,446	203,446	203,446	-
Woonsocket	226,504	226,504	226,504	-
Subtotal	**$ 10,928,440**	**$ 10,928,440**	**$ 10,928,440**	**$ -**
Institutional Libraries	62,609	62,609	62,609	-
Total	**$ 10,991,049**	**$ 10,991,049**	**$ 10,991,049**	**$ -**

**Includes the Statewide Reference Library Resource Grant.*

Library Aid

City or Town	*FY 2023 Enacted*	*FY 2024 Governor*	*FY 2024 Enacted*	*Change to FY 2023 Final*
Barrington	$ 327,745	$ 379,347	$ 379,347	$ 51,602
Bristol	220,836	206,100	206,100	(14,736)
Burrillville	202,102	224,266	224,266	22,163
Central Falls	36,645	36,917	36,917	272
Charlestown	64,396	64,266	64,266	(130)
Coventry	224,402	251,550	251,550	27,148
Cranston	781,617	797,557	797,557	15,940
Cumberland	337,599	353,926	353,926	16,328
East Greenwich	135,464	149,839	149,839	14,375
East Providence	513,132	445,181	445,181	(67,951)
Exeter	57,313	56,782	56,782	(531)
Foster	39,461	41,835	41,835	2,375
Glocester	95,338	95,338	95,338	-
Hopkinton	42,139	44,300	44,300	2,161
Jamestown	128,801	120,781	120,781	(8,019)
Johnston	131,840	133,453	133,453	1,613
Lincoln	234,360	259,616	259,616	25,256
Little Compton	43,716	42,594	42,594	(1,123)
Middletown	168,217	180,903	180,903	12,686
Narragansett	100,000	210,276	210,276	110,276
Newport	486,280	486,394	486,394	114
New Shoreham	97,282	108,269	108,269	10,987
North Kingstown	345,378	353,799	353,799	8,421
North Providence	240,904	246,714	246,714	5,811
North Smithfield	95,323	95,325	95,325	2
Pawtucket	385,419	474,735	474,735	89,316
Portsmouth	132,188	134,841	134,841	2,652
Providence*	2,617,736	2,674,644	2,674,644	56,908
Richmond	31,429	32,206	32,206	777
Scituate	129,909	133,807	133,807	3,898
Smithfield	363,908	363,925	363,925	17
South Kingstown	262,022	258,400	258,400	(3,622)
Tiverton	146,250	147,750	147,750	1,500
Warren	76,680	73,963	73,963	(2,717)
Warwick	735,072	778,781	778,781	43,709
Westerly	411,306	441,250	441,250	29,944
West Greenwich	56,285	61,668	61,668	5,383
West Warwick	203,446	201,979	201,979	(1,468)
Woonsocket	226,504	240,870	240,870	14,366
Subtotal	**$ 10,928,440**	**$ 11,404,142**	**$ 11,404,142**	**$ 475,702**
Institutional Libraries	62,609	71,172	71,172	8,563
Total	**$ 10,991,049**	**$ 11,475,314**	**$ 11,475,314**	**$ 484,265**

**Includes the Statewide Reference Library Resource Grant.*

Public Service Corporation Tax

City or Town	FY 2023 Enacted [1]	FY 2023 Gov. Rev.	FY 2023 Final	Change to Enacted
Barrington	$ 192,114	$ 199,439	$ 199,439	$ 7,325
Bristol	263,739	273,410	273,410	9,671
Burrillville	197,557	206,687	206,687	9,130
Central Falls	231,392	240,792	240,792	9,400
Charlestown	92,883	97,025	97,025	4,142
Coventry	412,395	430,457	430,457	18,062
Cranston	967,705	1,006,575	1,006,575	38,871
Cumberland	415,003	433,343	433,343	18,340
East Greenwich	155,790	162,262	162,262	6,472
East Providence	565,505	587,726	587,726	22,222
Exeter	79,366	83,138	83,138	3,772
Foster	56,130	58,498	58,498	2,368
Glocester	120,775	126,386	126,386	5,610
Hopkinton	96,432	100,469	100,469	4,037
Jamestown	65,431	68,061	68,061	2,630
Johnston	349,035	363,300	363,300	14,264
Lincoln	258,808	269,979	269,979	11,170
Little Compton	41,553	43,310	43,310	1,757
Middletown	190,768	197,990	197,990	7,222
Narragansett	184,599	191,412	191,412	6,813
Newport	293,727	305,954	305,954	12,227
New Shoreham	10,909	10,790	10,790	(119)
North Kingstown	312,449	325,676	325,676	13,227
North Providence	387,825	403,017	403,017	15,192
North Smithfield	147,834	154,581	154,581	6,747
Pawtucket	855,635	889,741	889,741	34,106
Portsmouth	206,787	214,714	214,714	7,927
Providence	2,137,706	2,223,355	2,223,355	85,649
Richmond	91,144	95,675	95,675	4,531
Scituate	126,647	132,171	132,171	5,524
Smithfield	258,355	269,260	269,260	10,905
South Kingstown	365,054	379,714	379,714	14,660
Tiverton	187,862	194,868	194,868	7,006
Warren	124,908	129,780	129,780	4,872
Warwick	964,596	1,003,986	1,003,986	39,390
Westerly	268,491	278,749	278,749	10,259
West Greenwich	74,125	78,009	78,009	3,884
West Warwick	344,712	358,481	358,481	13,768
Woonsocket	495,476	515,552	515,552	20,076
Total	**$ 12,591,223**	**$ 13,104,333**	**$ 13,104,333**	**$ 513,110**

[1] *Enacted based on 2022 actual payments.*

Public Service Corporation Tax

City or Town	FY 2023 Enacted [1]	FY 2024 Governor [2]	FY 2024 Enacted [2]	Change to FY 2023 Final
Barrington	$ 192,114	$ 199,439	$ 199,439	$ -
Bristol	263,739	273,410	273,410	-
Burrillville	197,557	206,687	206,687	-
Central Falls	231,392	240,792	240,792	-
Charlestown	92,883	97,025	97,025	-
Coventry	412,395	430,457	430,457	-
Cranston	967,705	1,006,575	1,006,575	-
Cumberland	415,003	433,343	433,343	-
East Greenwich	155,790	162,262	162,262	-
East Providence	565,505	587,726	587,726	-
Exeter	79,366	83,138	83,138	-
Foster	56,130	58,498	58,498	-
Glocester	120,775	126,386	126,386	-
Hopkinton	96,432	100,469	100,469	-
Jamestown	65,431	68,061	68,061	-
Johnston	349,035	363,300	363,300	-
Lincoln	258,808	269,979	269,979	-
Little Compton	41,553	43,310	43,310	-
Middletown	190,768	197,990	197,990	-
Narragansett	184,599	191,412	191,412	-
Newport	293,727	305,954	305,954	-
New Shoreham	10,909	10,790	10,790	-
North Kingstown	312,449	325,676	325,676	-
North Providence	387,825	403,017	403,017	-
North Smithfield	147,834	154,581	154,581	-
Pawtucket	855,635	889,741	889,741	-
Portsmouth	206,787	214,714	214,714	-
Providence	2,137,706	2,223,355	2,223,355	-
Richmond	91,144	95,675	95,675	-
Scituate	126,647	132,171	132,171	-
Smithfield	258,355	269,260	269,260	-
South Kingstown	365,054	379,714	379,714	-
Tiverton	187,862	194,868	194,868	-
Warren	124,908	129,780	129,780	-
Warwick	964,596	1,003,986	1,003,986	-
Westerly	268,491	278,749	278,749	-
West Greenwich	74,125	78,009	78,009	-
West Warwick	344,712	358,481	358,481	-
Woonsocket	495,476	515,552	515,552	-
Total	**$ 12,591,223**	**$ 13,104,333**	**$ 13,104,333**	**$ -**

[1] *Enacted based on 2022 actual payments.*

[2] *FY 2024 estimated, actuals not yet available.*

Meals and Beverage Tax

City or Town	*FY 2021*	*FY 2022*	*FY 2023**	*FY 2024**
Barrington	$ 138,323	$ 31,140	$ 195,705	$ 204,359
Bristol	504,007	590,782	660,969	689,939
Burrillville	173,127	221,419	276,096	288,220
Central Falls	152,992	221,276	209,810	218,991
Charlestown	133,874	187,929	230,489	240,613
Coventry	448,221	506,241	626,368	653,854
Cranston	1,973,740	2,221,497	2,735,532	2,855,559
Cumberland	478,716	623,172	722,159	753,838
East Greenwich	663,808	878,305	962,302	1,004,488
East Providence	1,007,986	1,075,238	1,428,807	1,491,551
Exeter	106,758	132,434	158,021	164,954
Foster	16,695	22,773	27,209	28,405
Glocester	79,222	91,894	109,820	114,636
Hopkinton	48,787	57,936	72,240	75,411
Jamestown	61,145	80,995	105,084	109,704
Johnston	690,602	892,690	1,012,980	1,057,397
Lincoln	567,389	798,570	1,001,077	1,045,056
Little Compton	41,731	47,837	71,303	74,441
Middletown	704,614	844,296	1,064,145	1,110,867
Narragansett	647,984	801,490	939,483	980,698
Newport	2,055,545	3,008,008	3,357,384	3,504,689
New Shoreham	375,627	511,516	520,620	573,700
North Kingstown	594,086	769,378	867,825	905,879
North Providence	474,308	523,939	604,658	631,155
North Smithfield	337,246	394,780	450,797	470,555
Pawtucket	998,076	1,123,138	1,349,047	1,408,212
Portsmouth	274,764	364,059	399,762	417,284
Providence	4,884,912	6,761,100	7,777,385	8,118,710
Richmond	160,791	165,834	204,435	213,403
Scituate	71,894	82,569	94,668	98,819
Smithfield	815,360	989,822	1,161,495	1,212,426
South Kingstown	877,632	981,754	1,255,207	1,310,303
Tiverton	310,989	366,104	410,769	428,764
Warren	379,211	438,503	468,486	489,005
Warwick	2,744,154	3,337,675	4,093,092	4,272,770
Westerly	885,572	1,119,560	1,297,673	1,354,591
West Greenwich	121,169	148,555	173,421	181,025
West Warwick	410,010	446,257	564,363	589,123
Woonsocket	594,333	655,816	805,162	840,481
Total	**$ 26,005,401**	**$ 32,516,283**	**$ 38,465,849**	**$ 40,183,875**

**Projections from Office of Revenue Analysis updated May 2023.*

Local Hotel Tax

City or Town	*FY 2021*	*FY 2022*	*FY 2023**	*FY 2024**
Barrington	$ 1,547	$ 956	$ 2,972	$ 3,106
Bristol	21,358	39,734	42,578	45,249
Burrillville	67	35	126	132
Central Falls	78	93	298	312
Charlestown	56,542	78,806	70,168	73,486
Coventry	25,422	48,317	53,077	56,588
Cranston	9,750	13,342	22,384	23,802
Cumberland	198	365	544	569
East Greenwich	1,153	1,329	1,814	1,903
East Providence	26,036	27,904	38,153	40,615
Exeter	143	374	208	217
Foster	1,624	152	900	958
Glocester	1,140	1,329	2,013	2,141
Hopkinton	1,062	1,173	1,346	1,418
Jamestown	30,825	35,957	33,939	35,548
Johnston	5,119	5,947	6,013	6,407
Lincoln	29,852	75,846	72,147	76,951
Little Compton	22,521	23,786	25,696	26,974
Middletown	367,157	594,725	657,383	699,849
Narragansett	193,292	218,526	246,655	259,483
Newport	1,133,861	1,712,257	1,668,996	1,775,599
New Shoreham	396,332	420,852	517,776	545,853
North Kingstown	45,471	52,934	70,643	74,954
North Providence	928	1,612	2,096	2,189
North Smithfield	1,348	1,760	2,218	2,362
Pawtucket	26,316	40,143	52,850	56,315
Portsmouth	10,034	15,840	17,700	18,616
Providence	362,364	992,454	1,187,879	1,265,427
Richmond	6,914	26,722	11,337	11,974
Scituate	3,077	2,263	4,366	4,649
Smithfield	49,640	89,883	97,246	103,701
South Kingstown	85,890	162,175	148,413	157,346
Tiverton	3,296	5,185	10,373	10,926
Warren	527	1,294	1,226	1,281
Warwick	268,815	493,595	625,922	667,176
Westerly	462,882	536,537	573,435	609,676
West Greenwich	38,361	52,670	70,076	74,730
West Warwick	41,837	54,833	76,217	81,276
Woonsocket	16,864	24,548	32,436	34,572
Total	**$ 3,749,642**	**$ 5,856,253**	**$ 6,449,618**	**$ 6,854,330**

**Projections from Office of Revenue Analysis updated May 2023.*

Local Fiscal Recovery Fund

Local Fiscal Recovery Fund

	Non-Entitlement Communities	*County Allocation*	*FY 2022*	*Entitlement Communities* [1]	*Year One Federal Support*
Barrington	$ 840,122	$ 1,559,053	$ 2,399,176	$ -	$ 2,399,176
Bristol	1,146,906	2,128,366	3,275,272	-	3,275,272
Burrillville	882,042	1,636,846	2,518,888	-	2,518,888
Central Falls	1,024,077	1,900,427	2,924,504	-	2,924,504
Charlestown	409,568	760,054	1,169,622	-	1,169,622
Coventry	1,822,227	3,381,591	5,203,818	-	5,203,818
Cranston	-	7,910,937	7,910,937	13,385,229	21,296,165
Cumberland	1,845,464	3,424,712	5,270,176	-	5,270,176
East Greenwich	686,626	1,274,203	1,960,829	-	1,960,829
East Providence	-	4,624,619	4,624,619	9,268,337	13,892,956
Exeter	341,167	633,120	974,287	-	974,287
Foster	248,326	460,830	709,156	-	709,156
Glocester	540,247	1,002,561	1,542,808	-	1,542,808
Hopkinton	421,814	782,780	1,204,595	-	1,204,595
Jamestown	287,734	533,961	821,695	-	821,695
Johnston	1,542,343	2,862,198	4,404,542	-	4,404,542
Lincoln	1,150,674	2,135,359	3,286,032	-	3,286,032
Little Compton	181,809	337,392	519,201	-	519,201
Middletown	831,487	1,543,029	2,374,516	-	2,374,516
Narragansett	803,279	1,490,682	2,293,960	-	2,293,960
Newport	1,273,502	2,363,297	3,636,799	-	3,636,799
New Shoreham	53,904	100,033	153,937	-	153,937
North Kingstown	1,377,595	2,556,467	3,934,062	-	3,934,062
North Providence	1,710,598	3,174,436	4,885,034	-	4,885,034
North Smithfield	658,470	1,221,953	1,880,423	-	1,880,423
Pawtucket	-	7,003,941	7,003,941	22,131,140	29,135,080
Portsmouth	901,510	1,672,974	2,574,485	-	2,574,485
Providence	-	17,470,082	17,470,082	65,686,983	83,157,065
Richmond	405,120	751,799	1,156,919	-	1,156,919
Scituate	561,547	1,042,088	1,603,635	-	1,603,635
Smithfield	1,145,964	2,126,618	3,272,581	-	3,272,581
South Kingstown	1,588,241	2,947,372	4,535,612	-	4,535,612
Tiverton	819,659	1,521,080	2,340,739	-	2,340,739
Warren	550,086	1,020,819	1,570,905	-	1,570,905
Warwick	-	7,867,039	7,867,039	11,848,880	19,715,919
Westerly	1,171,293	2,173,623	3,344,917	-	3,344,917
West Greenwich	334,259	620,300	954,559	-	954,559
West Warwick	1,515,705	2,812,764	4,328,470	-	4,328,470
Woonsocket	-	4,054,821	4,054,821	14,139,297	18,194,118
Total	**$ 29,073,366**	**$ 102,884,228**	**$ 131,957,593**	**$ 136,459,865**	**$ 268,417,458**

[1] *Entitlement community funding is provided directly; it does not pass through the state budget.*

Local Fiscal Recovery Fund

	Non-Entitlement Communities	*County Allocation*	*FY 2023*	*Entitlement Communities* [1]	*Year Two Federal Support* [2]	*Grand Total* [2]
Barrington	$ 840,122	$ 1,559,053	$ 2,399,176	$ -	$ 2,399,176	$ 4,798,351
Bristol	1,146,906	2,128,366	3,275,272	-	3,275,272	6,550,543
Burrillville	882,042	1,636,846	2,518,888	-	2,518,888	5,037,776
Central Falls	1,024,077	1,900,427	2,924,504	-	2,924,504	5,849,009
Charlestown	409,568	760,054	1,169,622	-	1,169,622	2,339,245
Coventry	1,822,227	3,381,591	5,203,818	-	5,203,818	10,407,637
Cranston	-	7,910,937	7,910,937	13,385,229	21,296,165	42,592,330
Cumberland	1,845,464	3,424,712	5,270,176	-	5,270,176	10,540,352
East Greenwich	686,626	1,274,203	1,960,829	-	1,960,829	3,921,658
East Providence	-	4,624,619	4,624,619	9,268,337	13,892,956	27,785,912
Exeter	341,167	633,120	974,287	-	974,287	1,948,574
Foster	248,326	460,830	709,156	-	709,156	1,418,313
Glocester	540,247	1,002,561	1,542,808	-	1,542,808	3,085,615
Hopkinton	421,814	782,780	1,204,595	-	1,204,595	2,409,189
Jamestown	287,734	533,961	821,695	-	821,695	1,643,390
Johnston	1,542,343	2,862,198	4,404,542	-	4,404,542	8,809,083
Lincoln	1,150,674	2,135,359	3,286,032	-	3,286,032	6,572,065
Little Compton	181,809	337,392	519,201	-	519,201	1,038,402
Middletown	831,487	1,543,029	2,374,516	-	2,374,516	4,749,032
Narragansett	803,279	1,490,682	2,293,960	-	2,293,960	4,587,921
Newport	1,273,502	2,363,297	3,636,799	-	3,636,799	7,273,599
New Shoreham	53,904	100,033	153,937	-	153,937	307,874
North Kingstown	1,377,595	2,556,467	3,934,062	-	3,934,062	7,868,124
North Providence	1,710,598	3,174,436	4,885,034	-	4,885,034	9,770,069
North Smithfield	658,470	1,221,953	1,880,423	-	1,880,423	3,760,846
Pawtucket	-	7,003,941	7,003,941	22,131,140	29,135,080	58,270,161
Portsmouth	901,510	1,672,974	2,574,485	-	2,574,485	5,148,969
Providence	-	17,470,082	17,470,082	65,686,983	83,157,065	166,314,129
Richmond	405,120	751,799	1,156,919	-	1,156,919	2,313,838
Scituate	561,547	1,042,088	1,603,635	-	1,603,635	3,207,270
Smithfield	1,145,964	2,126,618	3,272,581	-	3,272,581	6,545,163
South Kingstown	1,588,241	2,947,372	4,535,612	-	4,535,612	9,071,224
Tiverton	819,659	1,521,080	2,340,739	-	2,340,739	4,681,479
Warren	550,086	1,020,819	1,570,905	-	1,570,905	3,141,810
Warwick	-	7,867,039	7,867,039	11,848,880	19,715,919	39,431,837
Westerly	1,171,293	2,173,623	3,344,917	-	3,344,917	6,689,834
West Greenwich	334,259	620,300	954,559	-	954,559	1,909,118
West Warwick	1,515,705	2,812,764	4,328,470	-	4,328,470	8,656,940
Woonsocket	-	4,054,821	4,054,821	14,139,297	18,194,118	36,388,236
Total	**$ 29,073,366**	**$ 102,884,228**	**$ 131,957,593**	**$ 136,459,865**	**$ 268,417,458**	**$ 536,834,915**

[1] *Entitlement community funding is provided directly; it does not pass through the state budget.*

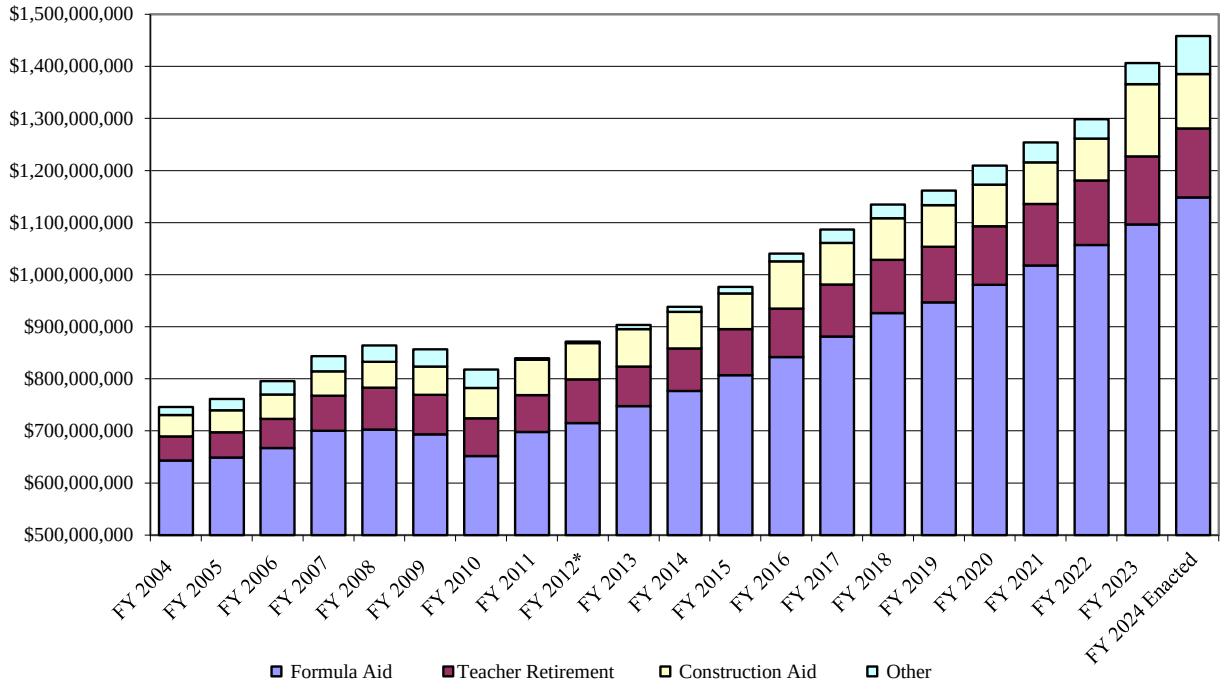
[2] *FY 2023 enacted includes an equal amount of funding based on the statutory distribution requirement.*

Education Aid

Summary

The Budget includes $1,458.6 million for total FY 2024 aid for local school districts. This is $52.6 million more than enacted for FY 2023. Funding includes $1,148.2 million in direct distributions to local school districts, $72.4 million in categorical funding, $1.0 million in other aid for distribution by the Department of Elementary and Secondary Education, $132.7 million for the state's contribution to teacher retirement, and $104.2 million for school construction costs.

State Education Aid



**Davies begins appearing with education aid*

The Governor's budget included several proposals to amend the calculation of funding formula aid to address 2022 Assembly requirements and ongoing demographic challenges facing districts. Absent these proposals, the funding formula calculation under current law would have been $13.4 million less than enacted for FY 2023, with districts receiving $29.2 million less and charter and state schools receiving $15.8 million more.

The Assembly adopted several changes to the funding formula described in this report and reflected in the distribution tables at the end. It concurred with the Department and the Governor's proposal regarding poverty status calculations. It also added two kinds of new support to help districts manage changes in their demographics from one year to the next. The Governor had proposed a fund limited to enrollment shifts to charter schools. The fund replaces the school of choice density aid for traditional school districts with 5.0 percent or more students enrolled in schools of choice.

The Assembly also allowed for an alternate to the share ratio quadratic mean calculation to assist poorer districts. The current formula considers both the district's poverty concentration and its ability to generate revenues. The first component is the percent of children in poverty status. The second component is a measure of a community's per pupil wealth as compared to the per pupil wealth of the rest of the state. It uses property values adjusted for the median family income. This component is the share ratio formula

used prior to FY 2012. The Assembly change allows use of that value alone for districts with more than 50.0 percent poverty status if it is greater.

And finally, the Assembly added new reporting elements for the Department to submit as part of its annual budget submission. Beginning with the FY 2025 budget, it must report on local contributions to education aid and report compliance to each city or town school committee and city or town council, as well as different data on English language learners.

Poverty Data. The 2022 Assembly required the Department of Elementary and Secondary Education 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 Department uses information from lunch forms as one measure for data on student poverty but there are differences in how districts collect this data or if they collect the data at all. Those districts that participate in the community eligibility school meals program use a separate income verification form. The state also ensures it counts students receiving Supplemental Nutrition Assistance Program benefits and other public assistance, since they are automatically eligible to participate in the school meal program.

The Department recommended the use of direct certifications, that is students categorically eligible for free lunch because they receive a means tested benefit, multiplied by a factor of 1.6. The use of that factor is intended to address shortcomings of the direct certification data, including that it relies on voluntary household participation and excludes some non-citizens. These data would also be used in the annual calculation of state share ratios. The Assembly adopted this proposal as recommended by the Department and the Governor but also required that beginning with the FY 2026 budget submission, it must reexamine options for changing the measure for identifying students in poverty using more available data options.

There were other recommendations requested by the Department and recommended by the Governor to assist with the impacts of the change proposed. Those, as well as the ones the Assembly adopted are shown in the table below.

Recommendations	Department	Governor	Assembly
Increase student success factor from 40% to 42%	√	√	
New factor for homeless students	√	√	
Poverty data stabilization fund	√		√
One-time supplemental transition fund	√	√	
New public schools of choice transition fund		√	
Enrollment loss transition fund			√
Share ratio alternate			√

Prior Changes. Since its inception, there have been various proposals to change the education funding formula. Based on the recommendations of a 2015 working group, the Assembly provided a category of aid for English language learners and three years of support for districts with a high incidence of students enrolled in charter or state schools. The 2018 Assembly also established a voluntary three-year pilot program to support school reource officers that ended in FY 2021. The 2021 Assembly enacted legislation to permanently provide transition support for districts with a concentration of students enrolled in charter or state schools.

The 2022 Assembly held districts harmless from the impacts of the coronavirus emergency on student enrollments for FY 2023 by allowing districts to use earlier enrollment data if it was higher with exceptions for transfers to other schools similar to a provision adopted for FY 2022. It also used prior year share ratio data. This was done to avoid the impact of pandemic-related issues that depressed data used to calculate

that metric, including student enrollment and the number of students in poverty, which caused the state share ratios for wealthier communities to grow as it fell for other communities because it is a relative measure.

Trends. The FY 2024 enacted budget includes $1,148.2 million for direct aid to local school districts, an average annual increase of 4.8 percent from the first year of the formula. The funding formula costs are driven by enrollment, poverty measures, and the core instruction amount. Consistent with Rhode Island General Law, the core instruction amount is calculated using average expenditure and enrollment data from Rhode Island, Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics. Specific expenditures used in the calculation are instruction and support services for students, general administration, school administration, and other support services.

Since FY 2012, the per pupil core instruction amount has increased by $3,543, or 42.5 percent, which is an annual increase of 3.5 percent. Aid per student has increased by $3,139, or 61.9 percent during that same period, which is an annual increase of 5.2 percent. The difference there can be attributed to more students in poverty.

The following table shows these changes, as well as changes to enrollment, students in poverty, and average state share ratio since the first year of the funding formula. The formula provides a 40.0 percent weight for each student living at or below 185.0 percent of the federal poverty level. The state share is a relative measure determined using the full value of local property, the median family income as determined by the last five years of census data, and enrollment data, including students in poverty using the new measure. Among all communities, the average state share ratio used for FY 2024 is 38.2 percent.

When multiplying the state share ratio for each community by the number of students used in the calculation, the average weighted state share ratio is 54.6 percent, somewhat higher than the 52.6 percent when the formula began. Table 2 at the end of this report shows the funding formula calculation by community for FY 2024.

	FY 2012	FY 2017	FY 2020	FY 2023 Enacted[1]	FY 2024 Enacted	Chg. to FY 2012	Chg. to FY 2012	% Average Annual Change
Per Pupil Core Amount	$ 8,333	$ 9,100	$ 9,871	$11,050	$11,876	$ 3,543	42.5%	3.5%
Student Enrollment	140,913	141,278	142,306	142,424	136,699	(4,214)	-3.0%	-0.2%
Students in Poverty	63,446	69,630	67,972	68,212	55,430	(8,016)	-12.6%	-0.5%
Highest State Share Ratio	92.6%	94.4%	94.8%	95.4%	97.2%	4.6%	5.0%	0.1%
Average State Share Ratio	38.7%	39.4%	38.4%	38.1%	38.2%	-0.5%	-1.3%	-0.2%
Avg. Weighted State Share Ratio	52.6%	55.5%	55.0%	53.9%	54.6%	2.0%	3.8%	0.1%
Aid Per Student	$ 5,074	$ 6,202	$ 6,737	$ 7,702	$ 8,213	$ 3,139	61.9%	5.2%

[1] *Uses the greater of three years enrollment, adjusted for charter school growth and the FY 2022 state share ratio.*

Education Aid by Component

The Budget includes $1,458.6 million for FY 2024 education aid for distribution to districts, including Central Falls, Davies Career and Technical Center, charter schools and the Metropolitan Career and Technical School. This also includes teacher retirement and school housing aid as well as other formula aid for distribution by the Department. This is $52.6 million more than enacted for FY 2023. The following table compares the FY 2024 enacted funding for the major components of education aid to the enacted FY 2023 budget and the Governor's recommendation. It is followed by an explanation of each of the items in the table.

Education Aid	FY 2023 Enacted	FY 2024 Governor	Change to Enacted	FY 2024 Enacted	Change to Enacted	Change to Governor
Operating Aid						
Local Districts	$ 879,268,671	$ 890,612,307	$ 11,343,636	$ 888,211,414	$ 8,942,743	$ (2,400,893)
Central Falls	48,961,338	50,879,388	1,918,050	48,762,048	(199,290)	(2,117,340)
Met School	9,790,163	11,179,466	1,389,303	10,610,928	820,765	(568,538)
Davies Career & Tech	14,774,827	15,910,071	1,135,244	15,721,293	946,466	(188,778)
Charter Schools	137,712,567	158,576,806	20,864,239	153,888,559	16,175,992	(4,688,247)
UCAP	1,693,977	1,769,015	75,038	1,840,097	146,120	71,082
Youth Build Academy	1,727,458	2,709,604	982,146	1,892,543	165,085	(817,061)
Group Home Funding	2,287,007	1,840,396	(446,611)	1,840,396	(446,611)	-
Subtotal	***$ 1,096,216,009***	***$ 1,133,477,053***	***$ 37,261,045***	***$ 1,122,767,279***	***$ 26,551,270***	***$ (10,709,775)***
Other Adjustments						
Additional Appropriation	$ 698,382	$ 8,543,690	$ 7,845,308	$ -	$ (698,382)	(8,543,690)
Enrollment Transition	-	-	-	19,950,838	19,950,838	19,950,838
Poverty Loss Stabilization*	-	-	-	5,498,796	5,498,796	5,498,796
Adjusted Subtotal	***$ 1,096,914,391***	***$ 1,142,020,743***	***$ 45,106,353***	***$ 1,148,216,913***	***$ 51,302,522***	***$ 6,196,169***
Categorical Funding						
High Cost Special Ed.	$ 4,500,000	$ 9,820,203	$ 5,320,203	$ 15,000,000	$ 10,500,000	$ 5,179,797
Career and Technical	4,500,000	4,500,000	-	4,500,000	-	-
Early Childhood	14,850,000	22,850,081	8,000,081	22,850,081	8,000,081	-
Non-Public Transportation	3,476,076	3,476,076	-	3,476,076	-	-
Regional District Transportation	5,793,117	7,154,527	1,361,410	7,154,527	1,361,410	-
English Language Learner	5,000,000	12,761,546	7,761,546	19,437,941	14,437,941	6,676,395
School Choice Density	520,500	-	(520,500)	-	(520,500)	-
Subtotal	***$ 38,639,693***	***$ 60,562,433***	***$ 21,922,740***	***$ 72,418,625***	***$ 33,778,932***	***$ 11,856,192***
Set-Aside Funds						
Textbook Loans	$ 240,000	$ 240,000	$ -	$ 240,000	$ -	$ -
School Breakfast	270,000	270,000	-	270,000	-	-
Recovery High School	500,000	500,000	-	500,000	-	-
Subtotal	***$ 1,010,000***	***$ 1,010,000***	***$ -***	***$ 1,010,000***	***$ -***	***$ -***
Total	**$ 1,136,564,084**	**$ 1,203,593,176**	**$ 67,029,093**	**$ 1,221,645,538**	**$ 85,081,454**	**$ 18,052,361**
Other Aid						
Teacher Retirement	$ 130,855,471	$ 132,744,129	$ 1,888,658	$ 132,744,129	$ 1,888,658	$ -
Construction Aid	88,536,507	103,462,946	14,926,439	104,162,946	15,626,439	700,000
School Building Authority	50,000,000	-	(50,000,000)	-	(50,000,000)	-
Statewide Total	**$ 1,405,956,062**	**$ 1,439,800,251**	**$ 33,844,190**	**$ 1,458,552,613**	**$ 52,596,551**	**$ 18,752,361**

**Budget is understated by $230,353.*

Operating Aid

Local Districts. The Budget includes $888.2 million for formula aid to locally operated school districts. This is $8.9 million more than enacted.

The final FY 2023 budget shifts $1.2 million from charter school aid to local districts. The FY 2023 enacted budget assumed expansion at Youth Build that did not occur, and the final budget shifted funding back to Providence.

Central Falls. The Budget includes $48.8 million for formula aid for the Central Falls School District. This is $0.2 million less than FY 2023 enacted aid. Beginning with FY 2012, Central Falls is funded pursuant to the funding formula. The formula includes a discretionary stabilization fund to support the district until the city can begin paying its local share. This is the tenth year of stabilization funding and the Budget includes $11.1 million, $1.0 million more than enacted. Support also includes $0.7 million from the enrollment loss transition fund described later in this report.

Metropolitan Career and Technical School. The Budget includes $10.6 million for formula aid for the Metropolitan Career and Technical School. This is $0.8 million more than enacted. The 2016 Assembly

enacted a stabilization fund for the state schools, which were previously fully state supported in order to mitigate some of the losses in funding from the implementation of the funding formula and recognize the additional costs associated with running a stand-alone school that offers both academic and career and technical education. This includes $2.1 million in stabilization funding for the Met School, $1.0 million more than enacted. Table 5 at the end of this report includes estimated enrollment for FY 2024.

Davies Career and Technical School. The Budget includes $15.7 million from general revenues for formula aid to support the Davies Career and Technical School. This is $0.9 million more than the FY 2023 enacted level. The 2016 Assembly enacted a stabilization fund for the state schools in order to mitigate some of the losses in funding from the implementation of the funding formula and recognize the additional costs associated with running a stand-alone school that offers both academic and career and technical education. The Budget includes $6.5 million from stabilization funding for Davies, $0.6 million more than enacted for FY 2023.

Davies was fully state supported until FY 2012, but is now funded like other districts with the state share being that of the sending district for each student plus the local contribution being the local per pupil cost of each sending district, which it must pay to the School. Davies' operating budget is submitted as part of the Department's budget and Davies' employees are still state employees. Table 5 at the end of this report includes estimated enrollment by sending district for FY 2024.

Charter Schools. The Budget includes $153.9 million for formula aid to charter schools. This is $16.2 million more than the FY 2023 enacted level based on the updated per pupil core instruction amount and projected growth for new and existing schools. Charter schools are funded pursuant to the education funding formula, like other districts. The state share is that of the sending district for each student and the local contribution is the local per pupil cost of each sending district, which it must pay to the school. Districts are billed quarterly for students attending charter and state schools.

The final FY 2023 budget shifts $1.2 million from charter school aid to local districts. The FY 2023 enacted budget assumed expansion at Youth Build that did not occur, and the final budget shifted funding back to Providence. There is also $0.3 million less from general revenues for education aid to charter schools based on a mid-year adjustment. State law allows for a mid-year aid adjustment if a charter school's October enrollment data in the current fiscal year shows a 10 percent or greater change from the prior October. Enrollment at Nuestro Mundo decreased 16.5 percent, and this adjustment reflects that.

Charter schools are public schools authorized by the state to operate independently from many state and local district rules and regulations. The 2010 Assembly increased the statewide total to no more than 35 charters; it had previously been no more than 20 charters serving no more than 4.0 percent of the state's school age population. At least half of the 35 total charters are reserved for charter school applications designed to increase the educational opportunities for at-risk pupils. Mayoral academies are charter schools and are included in the total. In FY 2023, there were 24 charter schools in Rhode Island, serving 11.1 percent of public school students. Table 5 at the end of this report includes enrollment used to calculate aid for FY 2024.

Urban Collaborative Accelerated Program. The Budget includes $1.8 million for the Urban Collaborative Accelerated Program (UCAP) for FY 2024. The program which operates as an independent public school dedicated to reducing the dropout rates in Providence, Central Falls and Cranston has been funded through the formula since FY 2014. Table 5 at the end of this report includes enrollment by sending district used to calculate aid for FY 2024.

Youth Build Preparatory Academy. The Budget includes $1.9 million for YouthBuild Preparatory Academy, which opened in the fall of 2022. The program which operates as an independent public school providing an alternative learning environment to students in Providence and Central Falls has been funded

through the formula since FY 2023. Table 5 at the end of this report includes enrollment by sending district used to calculate aid for FY 2024.

Group Homes. The Budget includes $1.8 million for group home aid, based on 212 beds, which is 26 fewer than FY 2023. The current per bed amount is $26,000 for the group home beds associated with Bradley Hospital's residential CRAFT program and $17,000 for all other group home beds. In FY 2024, 12 communities will be hosting group homes. The law requires that the number of group home beds be deducted from enrollment data for the purpose of determining average daily membership. Instead of showing the impact of group home beds on funding formula aid, the impact is shown in group home aid. Increases in beds prior to December 31 of each year are paid as part of the supplemental budget for that year. The revised recommendation adds $119,000 for seven new beds in FY 2023, including one in East Providence and six in Smithfield. Decreases in beds are not reflected until the budget year so any decreases in group home beds during FY 2023 would not be reflected until FY 2024. Table 3 at the end of the report shows the distribution by district.

Other Adjustments

Additional Appropriation. The 2022 Assembly held districts harmless from the impacts of enrollment declines for the purpose of funding formula education aid by using the highest enrollment of the last three years and maintaining the FY 2022 state share ratio for FY 2023. For some entities, the unaltered funding formula calculation would have produced more aid than the amended calculation. To lessen that impact, the FY 2023 enacted budget provides an additional appropriation equivalent to 20.0 percent of the difference in aid that would have been received under the unaltered calculation. The enacted budget includes $0.7 million for the additional appropriation for FY 2023 only; impacted local education agencies include: Barrington, East Greenwich, Exeter, North Smithfield, Richmond, Smithfield, Beacon, Blackstone Academy, Village Green and Davies Career and Technical School.

For FY 2024, the Governor recommended $8.5 million to provide a one-time supplemental transition fund to assist districts with aid declines from enrollment losses or other demographic changes. The Assembly did not adopt this proposal but did enact two kinds of new ongoing support to help districts manage changes in their demographics from one year to the next. These are described below.

Enrollment Transition Fund. The Budget includes $20.0 million for a new category of aid that provides two years of funding to districts experiencing enrollment declines, including from students transferring to charter schools. This includes $0.7 million for Central Falls. Districts will receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year. The Governor had proposed a similar fund limited to enrollment shifts to charter schools. The calculation and distribution of these funds are shown in Table 8 at the end of this report.

Poverty Loss Stabilization Fund. The Budget includes $5.5 million for a new category of aid that will provide funding to help districts transition changes in state aid related to changes in wealth when the foundation formula aid produces less than the prior year and the decrease in the state share ratio is more than 2.0 percent. The fund will provide 50.0 percent of the difference that the formula aid calculation produces under the prior year's share ratio compared to the current year's share ratio. The calculation and distribution of these funds are shown in Table 9 at the end of this report.

COVID-19 Relief

Rhode Island was awarded $599.9 million from the last two major federal stimulus acts to support elementary and secondary education of which at least 90.0 percent is for local education agencies. Total FY 2022 spending was $94.7 million and the final FY 2023 budget includes $308.9 million and the

remaining $196.3 million is for FY 2024. The distribution by district is shown in Table 11 at the end of the report.

Elementary & Secondary School Emergency Relief Funds

	FY 2022 Spent	FY 2023 Final	FY 2024 Enacted	Total
Aid to Districts	$ 88.5	$ 275.3	$ 175.1	$ 538.9
State Schools	*0.1*	*4.2*	*4.4*	*8.7*
Central Falls	*0.0*	*10.0*	*10.9*	*20.9*
All Other Districts	*88.4*	*261.1*	*159.8*	*509.3*
Discretionary Funds	6.2	33.6	21.2	61.0
Total	**$ 94.7**	**$ 308.9**	**$ 196.3**	**$ 599.9**

$ in millions; excludes CARES Act funding

Categorical Funding

For each category of aid, the Department of Elementary and Secondary Education prorates the funds available for distribution among those eligible school districts if the total approved costs for which districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year. There was an expectation that funding for these expenditures would grow annually as the funding formula was phased-in; however, funding has not increased annually. The Governor's out-year estimates assume these costs will remain constant for all categories except high cost special education and early childhood education. High cost special education would be maintained at full funding and early childhood would increase in FY 2025 to expand additional seats for FY 2026 but would remain flat after that.

High Cost Special Education. The funding formula allows for additional funding from the state for high cost special education students when those costs exceed five times the district's combined per pupil core instruction and student success factor amounts. The enacted budget lowers that threshold to costs that exceed four times the district's combined per pupil core instruction and student success factor amounts. The Budget includes $15.0 million for FY 2024, $10.5 million more than enacted. While there was an expectation that funding for these expenditures would grow annually as the funding formula was phased-in, aid remained flat at $4.5 million for FY 2017 through FY 2023.

Career and Technical Programs. The funding formula allows for additional resources from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and career pathways in critical and emerging industries and to help offset the higher than average costs associated with maintaining the quality of highly specialized programs. The Department developed criteria for the purpose of allocating funds. The Budget includes $4.5 million for FY 2024, the same amount as provided from FY 2017 through FY 2023. There was an expectation that funding for these expenditures would grow annually as the funding formula was phased-in; however, funding has only increased twice since it was first funded at $3.0 million in FY 2013. The Governor's out-year estimates assume these costs will remain constant. These funds are not shown in the distribution tables at the end of this report.

Early Childhood Education. The funding formula allows for additional resources from the state to increase access to voluntary, free, high quality prekindergarten programs. Funds are distributed through a request for proposals process and are paid directly to early education programs. The Budget includes $22.9 million from general revenues for FY 2024, $8.0 million more than the FY 2023 enacted budget. All early childhood categorical funds were used as a match for a federal grant from FY 2016 through FY 2019, which allowed the Department to expand the number of prekindergarten classrooms from 17 in FY 2015 to 60 in FY 2018. This was first funded in FY 2013 at $1.5 million. These funds are not shown in the distribution tables at the end of this report.

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 federal preschool development funds and federal funds authorized in response to the public health emergency, the program is supporting 2,370 students in 128 classrooms in FY 2023. This is an increase of 516 seats and 27 classrooms over FY 2021. Federal funds are available through FY 2023.

The 2022 Assembly required the Department to develop an expansion plan for the state prekindergarten program, including annual participation growth and associated costs, in order to achieve 5,000 seats over five years, including children ages three and four. The plan submitted on December 30, 2022, suggested building a pipeline of programs ready to become preschool providers so the state can open between 35 and 40 new classrooms a year from FY 2025 through FY 2028 to reach the 5,000 seats goal. The Department will oversee and administer the funding, in partnership with the Department of Human Services, to support quality investments. Contractors will be hired to assist programs that are interested in applying for a potential future classroom for FY 2025. Supports could include professional development, technical assistance, curriculum purchases, and educator preparation.

The Budget 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, consistent with the plan guidance. 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 despite the plan to double enrollment by FY 2028.

Non-Public School Transportation. The funding formula allows the state to provide resources to mitigate the excess costs associated with transporting students to out-of-district non-public schools. The state assumes the costs of non-public out-of-district transportation for those districts participating in the statewide transportation system. Prior to FY 2018, funding for transportation costs was allocated through a single category of aid. The Budget includes $3.5 million for FY 2024, consistent with the enacted level. FY 2012 funding for this component of the original transportation fund was $0.8 million.

Regional School District Transportation. The funding formula allows the state to provide resources to mitigate the excess costs associated with transporting students within regional school districts. The state shares in the costs associated with transporting students within regional school districts. The state and regional school districts equally share the student transportation cost, net any federal sources of revenue for these expenditures. Prior to FY 2018, funding for transportation costs was allocated through a single category of aid. The Budget includes $7.2 million for FY 2024, $1.4 million more than enacted to fully fund this aid. FY 2012 funding for this component of the original transportation fund was $0.5 million.

English Language Learner Aid. The Budget includes $19.4 million to support English language learners that are in the most intensive programs, $14.4 million more than enacted. The funding is used on evidence-based programs proven to increase outcomes and are monitored by the Department of Elementary and Secondary Education. The calculation is 10.0 percent of the Core Instruction Amount, applied to students in the most intensive English learner programs, and then ratably reduced. The FY 2024 enacted budget increases that calculation to 15.0 percent and removes the allowance for a ratable reduction, requiring full funding. Funding for this category was first provided in FY 2017 for one year only; it was made permanent a year later.

School of Choice Density Aid. The 2017 Assembly enacted a three-year category of education aid to support districts which had at least 5.0 percent of their students enrolled in a charter or state school. Districts were provided $175 per pupil in FY 2017, $100 per pupil in FY 2018, and $50 per pupil in FY 2019 for

every student sent to schools of choice. The 2021 Assembly amended this program to permanently provide transition aid to traditional school districts with at least 5.0 percent of resident students enrolled in schools of choice. For FY 2022, $500 per pupil was provided for any new students that have enrolled in schools of choice since FY 2019, the last year for which there was support from this fund. The FY 2024 Budget discontinues this category of aid and in its place, there is a new enrollment transition fund described earlier in this report.

Set-Aside Funds

Textbook Loans. The Budget includes the enacted level of $240,000 for the textbook loan program. The state currently reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade. The final FY 2023 budget includes $31,585 based on actual expenses.

School Breakfast. The Budget includes $270,000 for FY 2024 for the administrative cost reimbursement to districts for the school breakfast program, which is consistent with the FY 2023 enacted level. State law mandates that all public schools provide a breakfast program and costs, other than transportation, associated with this program in excess of federal money for the meals, shall be borne exclusively by the state, subject to appropriation. As in the lunch program, children from families with incomes at or below 130.0 percent of federal poverty are eligible for free meals, while those from families up to 185.0 percent of poverty are eligible for reduced-price meals.

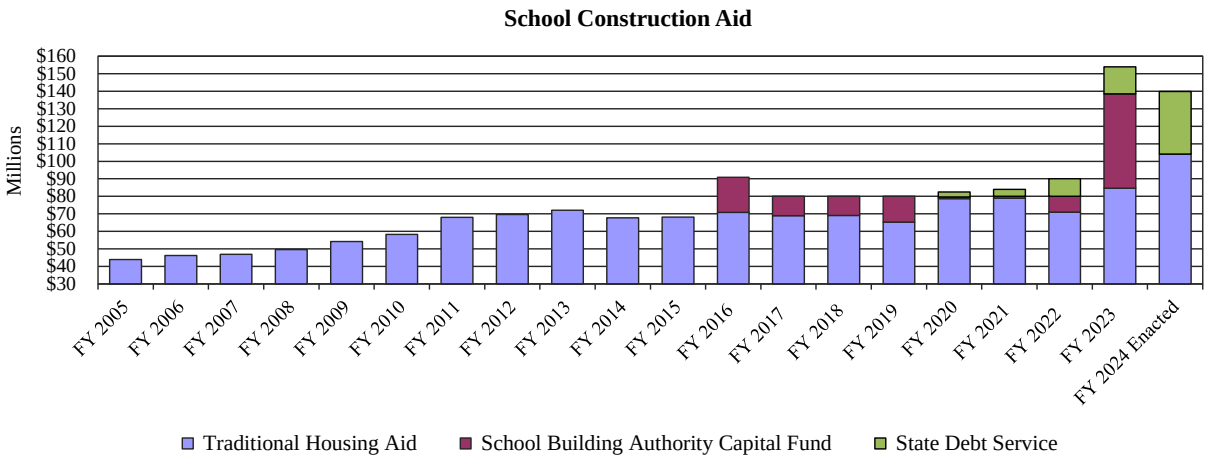
Recovery High School. The 2016 Assembly enacted legislation to provide $500,000 for FY 2017 only to support the state's recovery high school. Recovery high schools are specifically designed for students recovering from a substance abuse disorder. The legislation also removed districts from the enrollment process and changed the local tuition payment from the local per pupil expenditures to the core instruction amount. The 2017 Assembly removed the one year funding limitation. The Budget includes $500,000, consistent with the FY 2023 enacted budget.

Other Aid

Teacher Retirement. The Budget includes $132.7 million to fund the state's 40.0 percent share of the employer contribution for teacher retirement, an increase of $1.9 million or 1.4 percent more than the FY 2023 enacted budget. Prior to changes enacted in 2011, teachers had contributed 9.5 percent of their salaries; as of July 1, 2012, teachers contribute 8.75 percent. That rate is set in the General Laws. Employers contribute the difference between the teachers' share and the amount needed to support the system, as determined annually by the State Employees' Retirement System. For districts that choose not to participate in Social Security, there is an additional 4.0 percent contribution; 2.0 percent is paid by both the employee and the district. The state does not pay a share of this 2.0 percent.

School Construction Aid. The Budget includes $104.2 million for construction aid to local districts. This includes funding for the traditional school housing aid program only, which reimburses school districts for a share of completed projects. The FY 2023 enacted budget includes one-time funding of $50.0 million for the School Building Authority Capital Fund, which provides support for smaller projects that do not require both the full rehabilitation of a school and voter approval.

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



The graph above shows school construction aid appropriations from FY 2005 through the FY 2024 enacted budget. Funding for the program more than doubled over ten years through FY 2002. It doubled again in the next ten-year period through FY 2012 with an average growth rate of 7.8 percent. Over the past ten years, from FY 2013 through FY 2022, the Council on Elementary and Secondary Education approved $2,870.0 million of projects through the traditional school housing aid program. Additionally, it has approved 172 projects totaling $62.9 million through the School Building Authority Capital Fund since FY 2016.

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

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

While the maximum state share increase is 20.0 percent, a district's local share cannot decrease by more than half of its regular share regardless of the incentives earned, nor can a district's state share increase by more than half of its regular share. Also, the third incentive noted in the table cannot be combined with the fourth or fifth incentive. The 2023 Assembly removed the second limitation for the remainder of the incentive period, which would allow minimum share communities the potential to earn an additional 2.5 percent.

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

2023 start deadline; it maintained the five-year completion window. The 2023 Assembly extended all incentives by six months to June 30, 2024, and maintained the five-year completion window.

The 2018 legislation established a permanent incentive for projects that address school safety and established minimum maintenance spending requirements. Districts are required to meet one of three options to meet the requirements. Maintenance spending may either equal $3 per square foot of school building space, 3.0 percent of a building's replacement value, or 3.0 percent of the school's operating budget; the latter two options are phased-in over four years. It also includes additional requirements and oversight throughout projects, which are intended to control project costs, ensure building systems operate correctly, and ensure that projects are executed properly from design through construction. Owners Program Managers and commissioning agents are required for projects exceeding $1.5 million, and state prequalification of prime contractors is required for all projects exceeding $10.0 million. Architects and engineers are also required to go through a prequalification process. A list of prequalified contractors, architects and engineers is required to be publically posted with all other program information. While this does not appear to be available on the Department's website, the information is available through the Department of Administration's Division of Purchases.

Debt Financing. The capital plan includes $500.0 million of general obligation bonds, which were approved by the voters on the November 2018 and November 2022 ballots to provide funding to local education agencies on a pay-as-you-go basis for school construction projects. The capital budget assumes issuance of $25.0 million for FY 2024, $75.0 million for FY 2025, $100.0 million for FY 2026, $46.2 million for FY 2027, and $3.8 million for FY 2028 from the November 2022 bond. The original bond is programmed at $121.7 million in prior spending, $65.5 million for FY 2023, and $62.8 million for FY 2024. The budget includes over $15 million for the debt service on the $121.7 million issued so far and the $65.5 million expected to be issued this year.

The Budget also includes $13.4 million for the first year of debt service for a new high school for Central Falls which was authorized in 2021 to be finance directly by the state. The project cost is $144.0 million, with a state share of $138.2 million. The Budget includes $0.3 million in revenues from Central Falls to reimburse the state for its share of the debt service for FY 2024.

Approvals. Between FY 2019 and FY 2021, the Council on Elementary and Secondary Education approved $1,156.1 million for projects across 17 districts. The Council approved $864.0 million in 2022 and $586.4 in FY 2023, with $1,145.0 million in projects expected to be approved during FY 2024. The projected application surge is anticipated as a result of the pending expiration of the temporary incentives.

The following table includes projects approved from FY 2015 through May 2023, as well as projected approvals for FY 2024. This reflects the state share of the total project costs as presented to the Council. It should be noted that these amounts exclude the impact of the new incentives and, pending calculation and confirmation of those final values, the actual state share of projects will likely be higher.

Approvals	Total Project Costs	Base State Share w/o Incentives	Upfront Bond Reimbursement
FY 2015 to FY 2018	**$ 538,462,880**	**$ 357,460,960**	**$ 39,901,249**
FY 2019	$ 382,996,196	$ 381,869,952	$ 55,487,311
FY 2020	$ 629,519,258	$ 519,859,392	$ 77,938,911
FY 2021	$ 143,541,516	$ 70,505,684	$ 16,688,006
December 2021			
Achievement First	$ 76,500,000	$ 31,014,000	$ 4,652,100
Johnston	215,000,000	114,791,520	17,218,728
Portsmouth	21,439,299	10,655,332	1,598,300
May 2022			
Blackstone Valley Prep	29,754,017	12,675,211	1,901,282
Lincoln	26,036,794	10,258,497	1,538,775
Little Compton	4,976,864	1,741,902	261,285
New Shoreham	9,056,722	4,501,191	675,179
Providence	146,328,771	167,385,077	25,107,762
Scituate	4,951,559	1,843,296	276,494
Smithfield	12,777,550	4,472,143	670,821
Tiverton	2,628,974	920,141	138,021
Warwick	314,559,510	156,336,076	23,450,411
FY 2022 Total	*$ 864,010,060*	*$ 516,594,386*	*$ 77,489,158*
December 2022			
Central Falls	$ 170,049,638	$ 164,778,091	$ 3,740,422
East Providence	107,918,702	51,908,895	11,057,078
Glocester	4,001,911	1,540,735	230,858
Westerly	49,995,000	17,498,250	3,727,127
May 2023			
North Providence	124,809,195	105,931,225	15,889,684
The Greene School	18,543,416	7,899,495	1,184,924
West Warwick	10,895,100	7,155,444	1,073,317
Woonsocket	100,212,584	86,480,654	12,972,098
FY 2023 Total	*$ 586,425,546*	*$ 443,192,789*	*$ 49,875,508*
FY 2024 Projected	*$ 1,145,000,000*	*$ 803,000,000*	*$ 120,450,000*
Total FY 2019- FY 2024	**$ 3,751,492,576**	**$ 2,735,022,203**	**$ 397,928,894**

$ in millions; excludes value of potential incentive points.

The out-year estimates included with the Governor's recommended budget are based on December 2021 projections by the School Building Authority, adjusted for the impact from a second $250.0 million school construction bond and do not reflect the most recent update from the Authority in December 2022. These estimates will change significantly based on actual project activity and do not include debt service for the state bonds or Central Falls direct debt, which is shown in the Department of Administration's budget.

Out-Year Estimates					
Traditional School Construction	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
FY 2023 Enacted	$ 97.7	$ 105.0	$ 110.0	$ 115.0	$ -
FY 2024 Governor	103.5	97.7	105.0	110.0	115.0
School Construction Bond	*15.5*	*22.8*	*29.0*	*37.2*	*41.1*
Central Falls	*13.0*	*11.3*	*11.3*	*11.3*	*11.3*
Governor Total	**$ 132.0**	**$ 131.8**	**$ 145.3**	**$ 158.5**	**$ 167.4**

$ in millions

Calculation and Distribution Tables

The 12 tables on the following pages include the calculation and distribution of the FY 2024 enacted education aid to districts, charter and state schools. Tables 1A and 1B show the total funding and Tables 2 through 9 illustrate different components of the funding formula. Table 10 has education aid to districts for FY 2018 through FY 2022 for comparison purposes. Table 11 shows the distribution of federal stimulus funds authorized under the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act.

Table 1A: Total Education Aid for Districts for FY 2024

Table 1B: Total Education Aid for Charter and State Schools for FY 2024

Table 2: Calculation of Funding Formula for FY 2024

Table 3: Group Home Aid for FY 2024

Table 4: Calculation of State Share Ratio

Table 5: FY 2024 Estimated Charter and State School Enrollment by Sending District

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

Table 7: Categorical Aid for FY 2024

Table 8: Enrollment Transition Fund for FY 2024

Table 9: Poverty Stabilization Fund for FY 2024

Table 10: Education Aid for FY 2018-FY 2022

Table 11: Education Federal Stimulus Funds

Table 1A: Total Education Aid for Districts for FY 2024

A. Column ***A*** is the FY 2024 enacted formula aid for districts. It is based on March 15, 2023 student enrollment data adjusted for charter school growth. As proposed by the Governor and directed by the 2022 Assembly, it changes how poverty status is measured. It uses direct certifications, that is students categorically eligible for free lunch because they receive a means tested benefit, multiplied by a factor of 1.6, intended to address shortcomings of the direct certification data including that it relies on voluntary household participation and excludes some non-citizens. These data are also used in the annual calculation of state share ratios.

B. Column ***B*** shows the amount of group home aid for FY 2024. Group home aid is paid through the funding formula pursuant to current law.

C. The formula allows for additional resources from the state for high-cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. The distribution from high-cost special education, transportation, English language learners, homeless students and public schools of choice transition funds is shown in column ***C***.

D. Column ***D*** shows the new enrollment transition fund. This fund will provide two years of support to districts experiencing enrollment losses. Districts will receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year. The calculation is described in Table 8.

E. Column ***E*** shows the new poverty loss stabilization fund. The fund will provide 50.0 percent of the difference that the formula aid calculation produces under the prior year's share ratio compared to the current year's share ratio if the foundation formula aid calculation produces less than it would using the prior year's state share ratio and the decrease in the state share ratio is greater than 2.0 percent. The calculation is described in Table 9.

F. Column ***F*** shows the total FY 2024 enacted aid.

G. Column ***G*** shows the Governor's total FY 2024 recommended aid.

H. Column ***H*** is the difference between the FY 2024 enacted budget showed in column ***F*** and the Governor's FY 2024 recommended budget shown in column ***G***.

Table 1A: Total Education Aid for Districts for FY 2024

District	*A FY 2024 Enacted Formula Aid*	*B Group Home Aid (Table 3)*	*C Categoricals (Table 7)*	*D Enrollment Transition Fund (Table 8)*
Barrington	$ 10,346,999	$ -	$ 708,927	$ 45,320
Burrillville	12,904,573	-	438,235	386,447
Charlestown	1,347,679	-	-	25,162
Coventry	25,200,762	74,889	449,673	650,727
Cranston	71,840,320	-	2,038,486	543,446
Cumberland	24,039,982	-	319,185	-
East Greenwich	5,386,895	-	673,547	24,573
East Providence	35,844,734	458,072	1,126,403	-
Foster	1,127,337	-	65,389	29,639
Glocester	2,859,443	-	31,062	-
Hopkinton	6,263,725	-	2,359	77,232
Jamestown	319,561	-	460,306	15,051
Johnston	21,291,119	-	1,005,985	131,630
Lincoln	16,694,774	83,789	232,600	-
Little Compton	279,472	-	-	27,542
Middletown	6,842,405	-	194,231	248,440
Narragansett	1,983,316	-	98,445	134,008
Newport	14,077,237	76,500	316,742	741,630
New Shoreham	94,704	-	1,441	4,592
North Kingstown	11,142,827	-	189,541	240,723
North Providence	27,354,244	119,386	1,027,674	37,568
North Smithfield	7,343,688	-	187,815	75,132
Pawtucket	101,240,632	79,743	2,614,268	3,239,496
Portsmouth	2,597,715	275,950	376,765	110,168
Providence	262,261,735	138,359	12,362,518	8,103,721
Richmond	5,664,511	-	4,345	106,015
Scituate	3,410,780	-	203,915	102,902
Smithfield	8,703,479	73,562	149,833	-
South Kingstown	5,063,712	-	593,939	265,354
Tiverton	5,469,710	-	571,616	131,959
Warwick	42,784,774	248,975	1,780,438	1,084,283
Westerly	7,847,731	-	479,376	453,990
West Warwick	37,221,502	-	285,032	477,117
Woonsocket	80,001,773	-	1,713,299	1,157,678
Bristol-Warren	11,040,792	100,921	2,890,042	413,475
Chariho	-	-	3,178,096	-
Exeter-West Greenwich	4,853,740	110,250	2,127,318	122,224
Foster-Glocester	5,463,033	-	1,104,329	91,895
Central Falls*	48,762,048	-	2,229,597	651,703
Total	**$ 936,973,462**	**$ 1,840,396**	**$ 42,232,772**	**$ 19,950,838**
Adjusted Chariho	*13,275,915*	*-*	*3,184,800*	*208,408*

**This includes a $11.1 million stabilization fund payment to Central Falls in FY 2024.*

Table 1A: Total Education Aid for Districts for FY 2024

District	*E Poverty Loss Stabilization Fund (Table 9)***	*F Total FY 2024 Total Aid*	*G FY 2024 Governor Total Aid*	*H Change to Governor*
Barrington	$ -	$ 11,101,246	$ 10,884,701	$ 216,545
Burrillville	395,365	14,124,620	14,088,099	36,521
Charlestown	-	1,372,841	1,404,973	(32,132)
Coventry	-	26,376,051	26,272,494	103,557
Cranston	-	74,422,252	73,800,714	621,538
Cumberland	-	24,359,167	24,070,645	288,522
East Greenwich	-	6,085,014	5,856,408	228,606
East Providence	1,757,349	39,186,558	37,662,898	1,523,660
Foster	-	1,222,365	1,160,017	62,348
Glocester	-	2,890,505	2,746,401	144,104
Hopkinton	-	6,343,316	6,391,852	(48,536)
Jamestown	-	794,918	752,816	42,102
Johnston	-	22,428,734	22,051,276	377,458
Lincoln	710,359	17,721,522	16,879,578	841,945
Little Compton	55,312	362,326	362,903	(577)
Middletown	612,178	7,897,253	7,944,936	(47,682)
Narragansett	40,367	2,256,135	2,244,800	11,335
Newport	-	15,212,110	15,449,904	(237,795)
New Shoreham	51,255	151,991	159,777	(7,786)
North Kingstown	348,269	11,921,360	11,557,376	363,984
North Providence	507,184	29,046,056	28,056,093	989,963
North Smithfield	-	7,606,634	7,419,152	187,482
Pawtucket	-	107,174,138	97,843,673	9,330,465
Portsmouth	233,090	3,593,688	3,497,214	96,474
Providence	-	282,866,333	280,246,236	2,620,097
Richmond	-	5,774,871	5,970,321	(195,450)
Scituate	-	3,717,597	3,593,618	123,979
Smithfield	-	8,926,874	8,810,990	115,884
South Kingstown	-	5,923,005	5,705,098	217,907
Tiverton	788,068	6,961,353	6,923,516	37,837
Warwick	-	45,898,470	45,143,773	754,696
Westerly	-	8,781,097	8,593,805	187,292
West Warwick	-	37,983,651	34,178,731	3,804,920
Woonsocket	-	82,872,750	81,546,192	1,326,558
Bristol-Warren	174,223	14,619,452	14,312,414	307,038
Chariho	-	3,178,096	3,161,873	16,223
Exeter-West Greenwich	56,130	7,269,662	7,109,749	159,914
Foster-Glocester	-	6,659,257	6,516,571	142,685
Central Falls*	-	51,643,349	51,644,656	(1,307)
Total	**$ 5,729,148**	**$1,006,726,619**	**$ 982,016,242**	**$24,710,375**
Adjusted Chariho	-	*16,669,123*	*16,929,019*	*(259,896)*

***Corrected from previous publications*

Table 1B: Total Education Aid for Charter and State Schools for FY 2024

A. Column ***A*** is the FY 2023 formula aid enacted by the 2022 Assembly.

B. Column ***B*** is the final FY 2023 formula aid. It shifts $1.2 million from charter school aid to local districts. The FY 2023 enacted budget assumed expansion at Youth Build that did not occur, and the final budget shifted funding back to Providence. There is also $0.3 million less from general revenues for education aid to charter schools based on a mid-year adjustment. State law allows for a mid-year aid adjustment if a charter school's October enrollment data in the current fiscal year shows a 10 percent or greater change from the prior October. Enrollment at Nuestro Mundo decreased by 16.5 percent, and this adjustment reflects that.

C. Column ***C*** shows the FY 2024 enacted formula aid. It is based on March 15, 2023 student enrollment data adjusted for charter school growth. As proposed by the Governor and directed by the 2022 Assembly, it changes how poverty status is measured. It uses direct certifications, that is students categorically eligible for free lunch because they receive a means tested benefit, multiplied by a factor of 1.6, intended to address shortcomings of the direct certification data including that it relies on voluntary household participation and excludes some non-citizens. These data are also used in the annual calculation of state share ratios.

D. The funding formula provides support for English language learners that are in the most intensive programs. The calculation is 10.0 percent of the Core Instruction Amount, applied to students in the most intensive English learner programs, and then ratably reduced. The enacted budget increases that calculation to 15.0 percent and requires full funding. The distribution is shown in column ***D***.

E. Column ***E*** shows the amount of high cost special education funding. The funding formula allows for additional funding from the state for high cost special education students when those costs exceed five times the district's combined per pupil core instruction and student success factor amounts. The enacted budget lowers that threshold to costs that exceed four times the district's combined per pupil core instruction and student success factor amounts.

F. Column ***F*** shows the total general revenue education aid enacted for FY 2024.

G. Column ***G*** is the difference between the FY 2024 enacted aid shown in column ***F*** and the FY 2023 enacted aid shown in column ***A***.

H. Column ***H*** shows the Governor's original recommendation for FY 2024.

I. Column ***I*** is the difference between the FY 2024 enacted aid shown in column ***F*** and the Governor's original recommendation for FY 2024 shown in column ***H***.

Table 1B: Total Education Aid for Charter and State Schools for FY 2024

School	A FY2023 Enacted Formula Aid	B FY2023 Final Formula Aid	C FY2024 Formula Aid Enacted	D ELL Categorical	E High Cost Special Ed. Categorical
Achievement First	$ 27,806,574	$ 27,806,574	$ 35,689,659	$ 668,071	$ -
Beacon	3,850,125	3,850,125	4,213,494	21,780	-
Blackstone	4,419,542	4,419,542	4,473,015	47,040	545
Charette	2,181,850	2,181,850	2,256,822	28,974	-
Compass	635,349	635,349	722,594	-	-
Excel Academy	1,468,592	1,468,592	2,690,484	-	-
Greene School	1,537,999	1,537,999	1,590,857	6,707	-
Highlander	7,608,381	7,608,381	7,218,745	167,380	-
Hope Academy	3,846,449	3,846,449	4,044,778	86,419	-
International	4,103,563	4,103,563	4,002,278	162,759	-
Kingston Hill	954,530	954,530	1,065,446	273	-
Learning Community	7,771,604	7,771,604	7,964,296	345,685	74,609
New England Laborers	1,458,394	1,458,394	1,509,044	23,115	-
Nowell	1,965,739	1,965,739	2,021,740	58,431	-
Nuestro Mundo	2,607,483	2,293,051	3,420,807	64,048	
Nurses Institute	4,834,906	4,834,906	5,593,497	48,457	-
Paul Cuffee	10,232,454	10,232,454	10,475,053	141,820	32,967
Providence Prepatory	2,429,177	2,429,177	3,511,064	19,824	
RI Mayoral Academies Blackstone Prep.	23,042,044	23,042,044	24,590,996	358,344	61,424
RISE Mayoral Academy	4,393,363	4,393,363	5,593,727	29,924	-
Segue Institute	4,516,589	4,516,589	5,103,707	102,160	-
Southside Elementary	1,834,825	1,834,825	1,928,320	16,774	-
Times2 Academy	9,037,997	9,037,997	8,805,305	97,596	-
Trinity	2,634,325	2,634,325	2,677,613	36,599	-
Village Green	2,575,730	2,575,730	2,725,217	18,287	-
Charter Schools Subtotal	**$ 137,747,583**	**$ 137,433,152**	**$ 153,888,559**	**$ 2,550,468**	**$ 169,545**
Davies Career and Tech	14,774,827	14,774,827	15,721,292	19,116	-
Met School	9,790,163	9,790,163	10,610,928	72,040	-
Urban Collaborative	1,693,976	1,693,976	1,840,097	24,606	-
Youth Build Academy	1,727,458	575,818	1,892,543	-	-
Total	**$ 165,734,008**	**$ 164,267,937**	**$ 183,953,419**	**$ 2,666,230**	**$ 169,545**

Formula aid includes state schools stabilization payments

Table 1B: Total Education Aid for Charter and State Schools for FY 2024

School	F FY2024 Enacted Total Aid	G Change to Enacted	H FY2024 Gov. Recommended Total Aid	I Change to Governor
Achievement First	$ 36,357,731	$ 8,551,156	$ 38,642,325	$ (2,284,594)
Beacon	4,235,274	385,149	4,238,460	(3,186)
Blackstone	4,520,601	101,059	4,453,340	67,261
Charette	2,285,796	103,946	2,342,275	(56,479)
Compass	722,594	87,245	689,510	33,084
Excel Academy	2,690,484	1,221,892	3,747,652	(1,057,169)
Greene School	1,597,564	59,565	1,674,914	(77,350)
Highlander	7,386,125	(222,256)	7,521,767	(135,642)
Hope Academy	4,131,197	284,748	4,213,298	(82,100)
International	4,165,037	61,475	4,033,017	132,020
Kingston Hill	1,065,720	111,189	1,023,716	42,003
Learning Community	8,384,590	612,986	8,324,644	59,945
New England Laborers	1,532,159	73,766	1,648,548	(116,389)
Nowell	2,080,171	114,432	2,263,198	(183,028)
Nuestro Mundo	3,484,855	877,372	4,320,515	(835,660)
Nurses Institute	5,641,954	807,048	5,715,109	(73,156)
Paul Cuffee	10,649,839	417,385	10,558,701	91,139
Providence Prepatory	3,530,888	1,101,711	3,565,728	(34,840)
RI Mayoral Academies				
Blackstone Prep.	25,010,765	1,968,720	23,651,040	1,359,724
RISE Mayoral Academy	5,623,651	1,230,288	5,871,064	(247,414)
Segue Institute	5,205,867	689,278	5,602,878	(397,011)
Southside Elementary	1,945,095	110,270	1,909,190	35,905
Times2 Academy	8,902,902	(135,095)	9,081,390	(178,488)
Trinity	2,714,212	79,887	2,863,948	(149,737)
Village Green	2,743,504	167,774	2,746,397	(2,894)
Charter Schools Subtotal	**$ 156,608,572**	**$ 18,860,988**	**$ 160,702,624**	**$ (4,094,053)**
Davies Career and Tech	15,740,409	965,582	15,922,108	(181,699)
Met School	10,682,968	892,805	11,227,067	(544,098)
Urban Collaborative	1,864,702	170,726	1,785,383	79,320
Youth Build Academy	1,892,543	165,085	2,709,604	(817,061)
Total	**$ 186,789,194**	**$ 21,055,186**	**$ 192,346,786**	**$ (5,557,591)**

Formula aid includes state schools stabilization payments

Table 2: Calculation of Funding Formula for FY 2024

A. The FY 2024 student counts are shown in column ***A*** based on the resident average daily membership as of March 15, 2023, adjusted for new and expanding charter schools. Average daily membership calculates an average of the number of days all students are formally members of a district and/or a school per year.

B. Column ***B*** includes the number of students in prekindergarten through 12th grade that are in "poverty status," which is defined as a child whose family income is at or below 185.0 percent of federal poverty guidelines. 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 Budget 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 as recommended by the Department and the Governor.

C. Column ***C*** includes the percent of students that are in poverty status. This is column ***B*** divided by column ***A***.

D. Column ***D*** is the core instruction funding, which is the student count in column ***A*** times the core instruction per pupil amount of $11,876. Current law requires the core instruction per pupil amount to be updated annually.

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

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

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

H. Column ***H*** includes the state foundation aid under the funding formula. It is the total foundation amount in column ***F*** times the state share ratio in column ***G***.

I. Column ***I*** is the FY 2023 enacted formula aid.

J. Column ***J*** is the difference between the FY 2024 enacted formula aid shown in column ***H*** and the FY 2023 enacted amount of formula aid in column ***I***.

K. Column ***K*** is the difference between the FY 2024 enacted formula aid shown in column ***H*** and the Governor's original recommendation for FY 2024.

Table 2: Calculation of Funding Formula for FY 2024

District	*A FY 2024 PK-12 RADM*	*B FY 2024 Poverty Status*	*C % Poverty Status*	*D Core Instruction Funding*	*E Student Success Factor Funding*	*F Total Foundation*
Barrington	3,379	198	5.9%	$ 40,129,004	$ 942,479	$ 41,071,483
Burrillville	2,057	510	24.8%	24,428,932	2,424,604	26,853,536
Charlestown	707	123	17.4%	8,396,332	585,249	8,981,581
Coventry	4,229	974	23.0%	50,223,604	4,628,790	54,852,394
Cranston	9,941	3,397	34.2%	118,059,316	16,136,159	134,195,475
Cumberland	4,685	768	16.4%	55,639,060	3,648,307	59,287,367
East Greenwich	2,543	187	7.4%	30,200,668	889,275	31,089,943
East Providence	5,066	2,026	40.0%	60,163,816	9,622,410	69,786,226
Foster	213	56	26.3%	2,529,588	266,022	2,795,610
Glocester	576	78	13.6%	6,840,576	372,431	7,213,007
Hopkinton	1,103	232	21.0%	13,099,228	1,102,093	14,201,321
Jamestown	586	35	6.0%	6,959,336	167,214	7,126,550
Johnston	3,235	1,118	34.6%	38,418,860	5,312,847	43,731,707
Lincoln	3,262	797	24.4%	38,739,512	3,785,119	42,524,631
Little Compton	276	43	15.7%	3,277,776	205,217	3,482,993
Middletown	1,994	475	23.8%	23,680,744	2,257,390	25,938,134
Narragansett	1,036	160	15.4%	12,303,536	760,064	13,063,600
Newport	1,845	1,176	63.7%	21,911,220	5,586,470	27,497,690
New Shoreham	132	5	3.6%	1,567,632	22,802	1,590,434
North Kingstown	3,555	848	23.9%	42,219,180	4,028,339	46,247,519
North Providence	3,495	1,299	37.2%	41,506,620	6,171,720	47,678,340
North Smithfield	1,603	267	16.7%	19,037,228	1,269,307	20,306,535
Pawtucket	7,913	5,320	67.2%	93,974,788	25,272,128	119,246,916
Portsmouth	2,075	278	13.4%	24,642,700	1,322,511	25,965,211
Providence	19,625	15,445	78.7%	233,066,500	73,368,978	306,435,478
Richmond	1,090	208	19.1%	12,944,840	988,083	13,932,923
Scituate	1,180	142	12.1%	14,013,680	676,457	14,690,137
Smithfield	2,444	318	13.0%	29,024,944	1,512,527	30,537,471
South Kingstown	2,580	499	19.3%	30,640,080	2,371,400	33,011,480
Tiverton	1,658	336	20.3%	19,690,408	1,596,134	21,286,542
Warwick	8,097	2,365	29.2%	96,159,972	11,233,746	107,393,718
Westerly	2,344	678	28.9%	27,837,344	3,222,671	31,060,015
West Warwick	3,495	1,822	52.1%	41,506,620	8,657,129	50,163,749
Woonsocket	5,639	4,758	84.4%	66,968,764	22,604,303	89,573,067
Bristol-Warren	2,914	723		34,606,664	3,435,489	38,042,153
Chariho	-	-	see table below	-	-	-
Exeter-West Greenwich	1,536	206		18,241,536	980,483	19,222,019
Foster-Glocester	1,104	125		13,111,104	592,850	13,703,954
Central Falls	2,541	1,798	70.8%	30,176,916	8,543,119	38,720,035
Total	**121,753**	**49,798**		**$ 1,445,938,628**	**$ 236,562,319**	**$ 1,682,500,947**
Bristol	*1,800*	*350*	*19.5%*	*21,376,800*	*1,664,540*	*23,041,340*
Warren	*1,114*	*373*	*33.5%*	*13,229,864*	*1,770,949*	*15,000,813*
Exeter	*739*	*115*	*15.6%*	*8,776,364*	*547,246*	*9,323,610*
West Greenwich	*797*	*91*	*11.4%*	*9,465,172*	*433,236*	*9,898,408*
Foster	*352*	*58*	*16.4%*	*4,180,352*	*273,623*	*4,453,975*
Glocester	*752*	*67*	*8.9%*	*8,930,752*	*319,227*	*9,249,979*
Adjusted Chariho	*2,900*	*563*	-	*34,440,400*	*2,675,425*	*37,115,825*

Table 2: Calculation of Funding Formula for FY 2024

District	*G State Share Ratio (Table 4)*	*H FY 2024 Enacted Formula Aid*	*I FY 2023 Enacted Formula Aid*	*J Difference from Enacted*	*K Difference from Governor*
Barrington	25.2%	$ 10,346,999	$ 8,549,881	$ 1,797,118	$ 86,793
Burrillville	48.1%	12,904,573	14,202,416	(1,297,843)	(386,733)
Charlestown	15.0%	1,347,679	1,341,689	5,990	(55,946)
Coventry	45.9%	25,200,762	24,970,883	229,879	(647,127)
Cranston	53.5%	71,840,320	70,899,984	940,337	(293,596)
Cumberland	40.5%	24,039,982	22,111,359	1,928,624	237,101
East Greenwich	17.3%	5,386,895	4,603,415	783,480	4,526
East Providence	51.4%	35,844,734	37,474,788	(1,630,054)	413,735
Foster	40.3%	1,127,337	1,114,963	12,373	(32,680)
Glocester	39.6%	2,859,443	2,525,892	333,551	113,042
Hopkinton	44.1%	6,263,725	5,826,031	437,694	(116,068)
Jamestown	4.5%	319,561	303,379	16,182	(21,434)
Johnston	48.7%	21,291,119	20,222,498	1,068,622	31,290
Lincoln	39.3%	16,694,774	16,848,215	(153,442)	127,822
Little Compton	8.0%	279,472	448,878	(169,406)	2,542
Middletown	26.4%	6,842,405	8,437,018	(1,594,614)	(307,575)
Narragansett	15.2%	1,983,316	2,263,400	(280,084)	(158,668)
Newport	51.2%	14,077,237	15,485,382	(1,408,144)	(745,783)
New Shoreham	6.0%	94,704	219,323	(124,619)	(3,605)
North Kingstown	24.1%	11,142,827	11,488,078	(345,251)	(232,126)
North Providence	57.4%	27,354,244	27,396,781	(42,538)	918,017
North Smithfield	36.2%	7,343,688	6,430,600	913,088	97,739
Pawtucket	84.9%	101,240,632	98,315,617	2,925,015	7,518,116
Portsmouth	10.0%	2,597,715	3,182,030	(584,316)	(77,611)
Providence	85.6%	262,261,735	273,476,553	(11,214,818)	(976,059)
Richmond	40.7%	5,664,511	5,414,352	250,159	(284,811)
Scituate	23.2%	3,410,780	2,447,265	963,516	(110,150)
Smithfield	28.5%	8,703,479	7,203,808	1,499,671	137,909
South Kingstown	15.3%	5,063,712	4,756,321	307,391	(192,893)
Tiverton	25.7%	5,469,710	7,026,480	(1,556,770)	(67,535)
Warwick	39.8%	42,784,774	40,874,590	1,910,184	(1,047,029)
Westerly	25.3%	7,847,731	8,313,966	(466,235)	(351,716)
West Warwick	74.2%	37,221,502	32,061,920	5,159,582	3,264,330
Woonsocket	89.3%	80,001,773	72,118,992	7,882,782	218,305
Bristol-Warren	see table below	11,040,792	11,768,674	(727,882)	(141,957)
Chariho	see table below	-	-	-	-
Exeter-West Greenwich	see table below	4,853,740	4,498,793	354,947	(22,323)
Foster-Glocester	see table below	5,463,033	5,307,321	155,712	(171,287)
Central Falls	97.2%	37,635,874	38,815,845	(1,179,971)	(2,005,243)
Total		**$ 925,847,288**	**$ 918,747,381**	**$ 7,099,907**	**$ 4,721,315**
Bristol	*20.8%*	*4,804,103*	*5,030,850*	*(226,747)*	*(78,143)*
Warren	*41.6%*	*6,236,689*	*6,737,824*	*(501,135)*	*(63,815)*
Exeter	*28.5%*	*2,659,671*	*1,962,884*	*696,786*	*(2,662)*
West Greenwich	*22.2%*	*2,194,069*	*2,429,574*	*(235,505)*	*(19,660)*
Foster	*40.3%*	*1,796,076*	*1,758,566*	-	*(126,890)*
Glocester	*39.6%*	*3,666,957*	*3,548,755*	-	*(44,397)*
Adjusted Chariho		*13,275,915*	*12,582,073*	*693,842*	*(456,825)*

Table 3: Group Home Aid for FY 2024

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

A. Column ***A*** is the number of beds eligible for group home aid. The Department of Children, Youth and Families identified 212 beds eligible for aid as of December 31, 2022.

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

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

D. Column ***D*** shows the enacted FY 2024 group home aid, which is consistent with the Governor's recommendation.

E. Column ***E*** shows the FY 2023 enacted group home aid.

F. Column ***F*** shows the difference in group home aid from the FY 2024 enacted appropriation shown in column ***D*** and the FY 2023 enacted aid shown in column ***E***.

Table 3: Group Home Aid for FY 2024

District	*A* *Beds as of Dec. 31, 2022*	*B* *Total Cost of Beds*	*C* *Funding Formula Reduction*	*D* *FY 2024 Enacted*	*E* *FY 2023 Enacted*	*F* *Change to Enacted*
Barrington	-	$ -	$ -	$ -	$ -	$ -
Burrillville	-	-	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	8	136,000	(61,111)	74,889	79,629	(4,740)
Cranston	-	-	-	-	-	-
Cumberland	-	-	-	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	35	757,000	(298,928)	458,072	463,329	(5,257)
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	-	-	-	-	-	-
Lincoln	8	136,000	(52,211)	83,789	85,944	(2,155)
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	9	153,000	(76,500)	76,500	133,708	(57,208)
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	16	272,000	(152,614)	119,386	127,813	(8,427)
North Smithfield	-	-	-	-	-	-
Pawtucket	19	323,000	(243,257)	79,743	92,961	(13,218)
Portsmouth	18	306,000	(30,050)	275,950	473,573	(197,623)
Providence	50	850,000	(711,641)	138,359	217,663	(79,304)
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	6	102,000	(28,438)	73,562	-	73,562
South Kingstown	-	-	-	-	121,823	(121,823)
Tiverton	-	-	-	-	-	-
Warwick	24	408,000	(159,025)	248,975	271,232	(22,257)
Westerly	-	-	-	-	-	-
West Warwick	-	-	-	-	-	-
Woonsocket	-	-	-	-	-	-
Bristol-Warren	10	170,000	(69,079)	100,921	106,028	(5,107)
Chariho	-	-	-	-	-	-
Exeter-West Greenwich	9	153,000	(42,750)	110,250	113,304	(3,054)
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	-	-	-	-	-
Total	**212**	**$ 3,766,000**	**$ (1,925,604)**	**$ 1,840,396**	**$ 2,287,007**	**$ (446,611)**

Table 4: Calculation of State Share Ratio

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

A. The assessed value of real and tangible personal property for each city and town as of December 31 of the third preceding calendar year in accordance with Rhode Island General Law, Section 16-7-21. The December 31, 2019 value is used for FY 2024 calculations. This is certified annually by the Department of Revenue's Division of Municipal Finance, based on local sales data and appraisals. This is shown in column ***A***.

B. The Division adjusts for differences in local assessment rates to allow the reporting of figures comparable on a statewide basis, resulting in the equalized weighted assessed valuation (EWAV). The valuations are then adjusted by the ratio that the community's median family income bears to the statewide median family income, as reported in the most recent federal census data. Use of both the property value and the median family income is an attempt to compensate for districts that have significant disparity between median family income and the full value of property. Once community wealth is determined, it is divided by pupil counts to calculate the per pupil wealth for each community compared to the per pupil wealth for the state as a whole. This is shown in column ***B***.

C. The FY 2024 student counts are shown in column ***C*** based on the resident average daily membership as of June 30, 2022. This represents the average of the number of days all students are formally members of a district and/or a school per year.

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

E. Column ***E*** includes the percentage of students in poverty status in prekindergarten through 6th grade as of June 2022. 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. This is measured by 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.

F. The calculation in column ***F*** is the square root of the sum of the state share ratio for the community calculation in column ***D*** squared plus the district's percentage of students in poverty status in grades prekindergarten through sixth in column ***E*** squared, divided by two.

$$State\ Share\ Ratio\ (SSR) = \sqrt{\frac{SSRC^{\,2} + \ \%PKDirect\ Cert^{\,2}}{2}}$$

G. Column ***G*** shows the final state share ratio. The Assembly adopted a change to allow districts with more than 50.0 percent poverty status to use the state share ratio for the community calculation alone, if it is greater.

H. Column ***H*** shows the state share ratio used in the FY 2023 enacted budget. It uses property valuations as of December 31, 2017 and student counts as of June 30, 2020, the same as used for FY 2022.

I. Column ***I*** shows the difference between the share ratios for FY 2024 and FY 2023.

J. Column ***J*** is the percent change between the share ratios for FY 2024 and FY 2023 and is used to determine eligibility for the new poverty loss stabilization fund. That calculation is shown in Table 9.

Table 4: Calculation of State Share Ratio

District	A Assessed Value 12/31/19	B Adjusted EWAV 12/31/19	C June 2022 Student Count	D Adjusted EWAV	E June 2022 % Students in Poverty
Barrington	$ 3,255,532,106	$ 4,724,885,806	3,376	35.0%	6.7%
Bristol	3,337,609,184	3,136,651,047	1,817	19.8%	21.8%
Burrillville	1,990,122,115	1,920,238,404	2,215	59.7%	32.5%
Charlestown	2,886,528,647	2,518,644,683	766	0.0%	21.2%
Coventry	4,146,420,979	3,771,032,585	4,416	60.3%	24.2%
Cranston	8,316,550,666	7,986,321,980	10,499	64.7%	39.3%
Cumberland	4,787,157,914	5,131,585,749	5,125	53.5%	20.6%
East Greenwich	2,548,953,972	4,236,859,221	2,564	23.2%	7.9%
East Providence	4,993,006,963	4,609,318,530	5,182	58.7%	42.8%
Exeter	907,601,913	1,039,710,856	768	37.1%	15.8%
Foster	583,250,974	656,300,873	592	48.5%	30.0%
Glocester	1,321,075,227	1,279,067,681	1,312	54.7%	12.3%
Hopkinton	1,106,694,621	1,049,907,058	1,132	56.9%	25.6%
Jamestown	2,654,616,389	3,720,728,853	622	0.0%	6.3%
Johnston	3,293,463,720	3,203,730,010	3,322	55.2%	41.2%
Lincoln	3,357,997,420	3,812,876,915	3,484	49.1%	25.9%
Little Compton	2,172,001,802	2,539,158,220	279	0.0%	11.3%
Middletown	3,327,520,276	3,251,423,260	2,105	28.2%	24.4%
Narragansett	5,251,744,661	7,193,766,382	1,128	0.0%	21.5%
Newport	6,960,463,746	7,417,232,581	1,938	0.0%	72.4%
New Shoreham	1,710,486,857	1,489,959,184	129	0.0%	8.4%
North Kingstown	4,996,330,713	6,390,740,465	3,743	20.7%	27.1%
North Providence	3,208,043,906	2,367,178,151	3,703	70.3%	40.5%
North Smithfield	1,883,131,357	1,900,520,357	1,659	46.8%	20.6%
Pawtucket	4,445,512,911	3,338,216,744	10,303	84.9%	68.2%
Portsmouth	3,912,383,239	4,863,900,789	2,134	0.0%	14.1%
Providence	14,179,787,006	8,973,520,084	27,491	84.8%	86.4%
Richmond	1,055,569,553	1,177,468,807	1,162	52.9%	22.5%
Scituate	1,755,320,996	1,872,129,863	1,221	28.8%	15.8%
Smithfield	3,203,305,185	3,265,452,984	2,427	37.5%	14.8%
South Kingstown	5,401,630,632	6,364,106,606	2,796	0.0%	21.7%
Tiverton	2,440,289,538	2,591,086,308	1,687	28.6%	22.4%
Warren	1,451,827,823	1,337,406,694	1,127	44.9%	38.0%
Warwick	11,039,224,727	9,908,186,558	8,381	45.1%	33.8%
West Greenwich	1,103,934,436	1,247,112,101	818	29.2%	11.4%
Westerly	6,669,733,553	7,176,137,264	2,478	0.0%	35.7%
West Warwick	2,619,919,385	1,988,699,134	3,587	74.2%	58.4%
Woonsocket	2,284,302,962	1,475,027,573	6,199	88.9%	89.7%
Central Falls	632,881,501	265,639,213	4,436	97.2%	73.0%
Total	**$ 141,191,929,575**	**$ 141,191,929,575**	**138,123**		

Table 4: Calculation of State Share Ratio

District	*F FY 2024 State Share Ratio - Step 1*	*G FY 2024 State Share Ratio - Final*	*H FY 2023 Enacted State Share Ratio*	*I Change to FY 2023*	*J % Change to FY 2023*
Barrington	25.2%	25.2%	21.4%	3.8%	17.8%
Bristol	20.8%	20.8%	21.5%	-0.7%	-3.1%
Burrillville	48.1%	48.1%	51.0%	-2.9%	-5.7%
Charlestown	15.0%	15.0%	15.1%	-0.1%	-0.8%
Coventry	45.9%	45.9%	45.3%	0.5%	1.1%
Cranston	53.5%	53.5%	54.5%	-1.0%	-1.9%
Cumberland	40.5%	40.5%	40.1%	0.4%	1.0%
East Greenwich	17.3%	17.3%	15.3%	2.0%	13.1%
East Providence	51.4%	51.4%	56.4%	-5.0%	-8.8%
Exeter	28.5%	28.5%	22.0%	6.5%	29.6%
Foster	40.3%	40.3%	39.5%	0.8%	2.1%
Glocester	39.6%	39.6%	39.1%	0.6%	1.5%
Hopkinton	44.1%	44.1%	42.6%	1.5%	3.5%
Jamestown	4.5%	4.5%	4.1%	0.4%	9.3%
Johnston	48.7%	48.7%	47.7%	1.0%	2.1%
Lincoln	39.3%	39.3%	42.6%	-3.3%	-7.8%
Little Compton	8.0%	8.0%	11.2%	-3.1%	-28.2%
Middletown	26.4%	26.4%	31.1%	-4.7%	-15.2%
Narragansett	15.2%	15.2%	15.8%	-0.6%	-3.7%
Newport	51.2%	51.2%	51.8%	-0.6%	-1.2%
New Shoreham	6.0%	6.0%	12.4%	-6.5%	-52.2%
North Kingstown	24.1%	24.1%	25.6%	-1.5%	-5.9%
North Providence	57.4%	57.4%	59.5%	-2.1%	-3.6%
North Smithfield	36.2%	36.2%	32.8%	3.5%	10.5%
Pawtucket	77.0%	84.9%	80.6%	4.4%	5.4%
Portsmouth	10.0%	10.0%	11.8%	-1.8%	-15.3%
Providence	85.6%	85.6%	86.8%	-1.2%	-1.4%
Richmond	40.7%	40.7%	40.2%	0.5%	1.2%
Scituate	23.2%	23.2%	16.6%	6.6%	39.5%
Smithfield	28.5%	28.5%	25.4%	3.1%	12.3%
South Kingstown	15.3%	15.3%	13.7%	1.6%	11.8%
Tiverton	25.7%	25.7%	33.1%	-7.4%	-22.3%
Warren	41.6%	41.6%	42.9%	-1.3%	-3.1%
Warwick	39.8%	39.8%	37.8%	2.0%	5.3%
West Greenwich	22.2%	22.2%	23.3%	-1.1%	-4.6%
Westerly	25.3%	25.3%	24.6%	0.7%	2.7%
West Warwick	66.8%	74.2%	66.2%	8.0%	12.1%
Woonsocket	89.3%	89.3%	85.2%	4.1%	4.9%
Central Falls	86.0%	97.2%	95.4%	1.8%	1.9%
Total					

Table 5: FY 2024 Estimated Charter and State School Enrollment by Sending District

Sending District	*Greene School*	*Highlander*	*Hope Academy*	*International*	*Kingston Hill*	*Learning Community*
Barrington	-	-	-	6	-	-
Burrillville	1	1	-	-	-	-
Charlestown	2	-	-	-	6	-
Coventry	36	-	-	-	14	-
Cranston	9	39	-	14	10	3
Cumberland	3	-	-	1	-	-
East Greenwich	5	-	-	1	3	-
East Providence	1	8	-	27	-	-
Foster	-	-	-	-		-
Glocester	-	-	-	-	-	-
Hopkinton	1	-	-	-	8	-
Jamestown	-	-	-	-	-	-
Johnston	3	16	-	11	2	1
Lincoln	-	3	-	9	1	-
Little Compton	-	-	-	-	-	-
Middletown	1	-	-	-	1	-
Narragansett	1	-	-	-	1	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	6	-	-	-	71	-
North Providence	3	15	21	18	1	-
North Smithfield	1	-	-	-	-	-
Pawtucket	22	71	-	169	-	143
Portsmouth	-	1	-	-	1	-
Providence	19	426	297	95	8	107
Richmond	2	-	-	-	11	-
Scituate	2	-	-	1	-	-
Smithfield	-	-	-	-	-	-
South Kingstown	4	-	-	-	52	-
Tiverton	-	2	-	-	-	-
Warwick	24	10	1	3	38	-
Westerly	4	-	-	-	8	-
West Warwick	18	6	-	2	11	-
Woonsocket	1	3	-	3	1	-
Bristol-Warren	1	9	-	1	-	-
Exeter-West Greenwich	8	-	-	-	12	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	20	5	-	17	-	326
Total	**198**	**615**	**319**	**378**	**260**	**580**
Adjusted Chariho	*5*	-	-	-	*25*	-

Table 5: FY 2024 Estimated Charter and State School Enrollment by Sending District

Sending District	*New England Laborers*	*Nowell Academy*	*Nuestro Mundo*	*Nurses Institute*	*Paul Cuffee*	*Providence Prepartory*
Barrington	-	-	-	-	-	-
Burrillville	1	-	-	-	-	-
Charlestown	1	-	-	-	-	-
Coventry	1	-	-	1	-	-
Cranston	89	5	-	30	-	-
Cumberland	-	-	-	1	-	-
East Greenwich	1	2	-	-	-	-
East Providence	1	4	-	4	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	6	5	-	5	-	-
Lincoln	-	2	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	2	5	-	7	-	-
North Smithfield	-	-	-	-	-	-
Pawtucket	10	37	-	77	-	-
Portsmouth	-	-	-	-	-	-
Providence	26	89	254	272	813	252
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	-	-	-	1	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	4	2	-	6	-	-
Westerly	-	-	-	-	-	-
West Warwick	5	-	-	1	-	-
Woonsocket	3	3	-	18	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	9	6	-	26	-	-
Total	**159**	**160**	**254**	**449**	**813**	**252**
Adjusted Chariho	*1*	-	-	-	-	-

Table 5: FY 2024 Estimated Charter and State School Enrollment by Sending District

Sending District	*RI Mayoral Academies Blackstone Valley Prep*	*RISE Mayoral Academy*	*Segue Institute*	*Southside Elementary*	*Times 2*	*Trinity*
Barrington	-	-	-	-	-	-
Burrillville	-	71	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	-	-	-	-	-	-
Cranston	1	1	-	-	-	-
Cumberland	423	-	-	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	4	-	1	-	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	2	1	-	-	-	-
Lincoln	167	-	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	7	2	-	-	-	-
North Smithfield	-	37	-	-	-	-
Pawtucket	975	2	-	-	-	-
Portsmouth	-	-	-	-	-	-
Providence	6	-	4	143	698	202
Richmond	-	-	-	-	-	-
Scituate	-	-	1	-	-	-
Smithfield	1	-	-	-	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	-	-	-	-	-	-
Westerly	-	-	-	-	-	-
West Warwick	1	-	-	-	-	-
Woonsocket	3	360	-	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	664	-	354	-	-	-
Total	**2,254**	**474**	**360**	**143**	**698**	**202**
Adjusted Chariho	-	-	-	-	-	-

Table 5: FY 2024 Estimated Charter and State School Enrollment by Sending District

Sending District	*Village Green*	*Davies Career & Tech. Center*	*Metropolitan Career & Tech. Center*	*Urban Collaborative*	*YouthBuild Academy*	*Total*
Barrington	-	2	5	-	-	13
Burrillville	-	6	-	-	-	104
Charlestown	-	-	1	-	-	28
Coventry	1	1	7	-	-	64
Cranston	8	8	43	-	-	544
Cumberland	1	25	5	-	-	476
East Greenwich	1	-	3	-	-	16
East Providence	-	6	15	-	-	73
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	2	-	-	18
Jamestown	-	-	10	-	-	12
Johnston	6	14	12	-	-	89
Lincoln	1	30	4	-	-	223
Little Compton	-	-	-	-	-	-
Middletown	-	-	20	-	-	22
Narragansett	-	-	2	-	-	11
Newport	-	-	22	-	-	22
New Shoreham	-	-	-	-	-	-
North Kingstown	1	-	9	-	-	121
North Providence	1	47	10	-	-	284
North Smithfield	-	3	-	-	-	51
Pawtucket	25	528	73	-	-	2,331
Portsmouth	-	-	9	-	-	11
Providence	147	69	424	126	135	7,474
Richmond	-	-	5	-	-	38
Scituate	-	-	1	-	-	7
Smithfield	-	15	3	-	-	23
South Kingstown	-	-	9	-	-	122
Tiverton	-	-	7	-	-	9
Warwick	1	3	16	-	-	182
Westerly	-	-	-	-	-	37
West Warwick	4	-	5	-	-	62
Woonsocket	3	14	12	-	-	656
Bristol-Warren	1	1	12	-	-	25
Exeter-West Greenwich	-	-	4	-	-	46
Foster-Glocester	-	-	-	-	-	1
Central Falls	5	132	45	-	-	1,751
Total	**206**	**902**	**795**	**126**	**135**	**14,946**
Adjusted Chariho	-	-	*8*	-	-	*84*

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

Sending District	*Achievement First*	*Beacon*	*Blackstone Academy*	*Charette*	*Compass*	*Excel*
Barrington	$ -	$ -	$ -	$ -	$ -	$ -
Burrillville	-	151,579	-	-	-	-
Charlestown	-	-	-	-	35,497	-
Coventry	-	-	-		19,860	-
Cranston	2,100,587	19,073	-	-	31,789	-
Cumberland	-	88,027	-	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	-	-	-	-	6,100	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	36,667	-
Jamestown	-	-	-	-	1,065	-
Johnston	-	32,610	-	-	-	-
Lincoln	-	33,942	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	13,775	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	6,100	4,693	-	-	99,920	-
North Providence	887,670	72,496	6,814	-	6,814	158,074
North Smithfield	-	48,446	-	-	-	-
Pawtucket	20,165	293,609	2,047,600	-	-	-
Portsmouth	-	-	-	-	-	-
Providence	32,318,780	234,992	698,472	2,256,822	20,328	2,215,353
Richmond	-	-	-	-	102,745	-
Scituate	-	-	-	-	9,044	-
Smithfield	-	6,770	3,385	-	-	-
South Kingstown	-	-	-	-	105,002	-
Tiverton	-	-	-	-	-	-
Warwick	335,733	9,463	-	-	50,341	-
Westerly	3,001	-	-	-	76,696	4,921
West Warwick	17,624	32,076	-	-	35,248	-
Woonsocket	-	3,112,517	-	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	3,388	-	-	71,703	-
Foster-Glocester	-	4,708	-	-	-	-
Central Falls	-	65,105	1,716,745	-	-	312,135
Total	**$35,689,659**	**$4,213,494**	**$4,473,015**	**$2,256,822**	**$722,594**	**$2,690,484**

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

Sending District	*Greene School*	*Highlander*	*Hope Academy*	*International*	*Kingston Hill*	*Learning Community*
Barrington	$ -	$ -	$ -	$ 17,951	$ -	$ -
Burrillville	5,707	5,707	-	-	-	-
Charlestown	3,564	-	-	-	10,692	-
Coventry	206,898	-	-	-	79,878	-
Cranston	73,495	280,502	-	105,284	63,577	19,073
Cumberland	14,447	-	-	4,816	-	-
East Greenwich	10,289	-	-	2,058	6,173	-
East Providence	6,100	60,511	-	168,602	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	5,238	-	-	-	45,257	-
Jamestown	-	-	-	-	-	-
Johnston	17,346	111,013	-	74,702	11,564	5,782
Lincoln	-	16,971	-	44,946	4,662	-
Little Compton	-	-	-	-	-	-
Middletown	5,138	-	-	-	5,138	-
Narragansett	1,803	-	-	-	1,803	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	19,000	-	-	-	217,809	-
North Providence	20,441	137,089	156,167	144,447	6,814	-
North Smithfield	4,295	-	-	-	-	-
Pawtucket	260,538	870,744	-	2,020,175	-	1,861,271
Portsmouth	-	1,188	-	-	1,188	-
Providence	245,156	5,448,735	3,883,880	1,095,683	81,312	1,406,296
Richmond	9,657	-	-	-	62,381	-
Scituate	5,515	-	-	2,757	-	-
Smithfield	-	-	-	-	-	-
South Kingstown	7,287	-	-	-	95,894	-
Tiverton	-	6,103	-	-	-	-
Warwick	122,635	59,425	4,731	14,194	194,930	-
Westerly	13,923	-	-	-	25,925	-
West Warwick	175,535	52,872	-	17,624	96,932	-
Woonsocket	10,607	52,186	-	38,609	17,395	-
Bristol-Warren	4,938	43,205	-	2,476	-	-
Exeter-West Greenwich	29,172	-	-	-	36,122	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	312,135	72,493	-	247,954	-	4,671,874
Total	**$ 1,590,858**	**$ 7,218,745**	**$ 4,044,778**	**$ 4,002,278**	**$ 1,065,446**	**$ 7,964,296**

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

Sending District	*New England Laborers*	*Nowell Academy*	*Nuestro Mundo*	*Nurses Institute*	*Paul Cuffee*	*Providence Prep*
Barrington	$ -	$ -	$ -	$ -	$ -	$ -
Burrillville	5,707	-	-	-	-	-
Charlestown	2,922	-	-	-	-	-
Coventry	8,948	-	-	5,456	-	-
Cranston	708,249	43,995	-	247,696	-	-
Cumberland	-	-	-	4,816	-	-
East Greenwich	3,375	6,749	-	-	-	-
East Providence	6,100	40,016	-	28,304	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	38,392	36,310	-	28,910	-	-
Lincoln	-	15,293	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	13,627	51,510	-	65,138	-	-
North Smithfield	-	-	-	-	-	-
Pawtucket	113,733	527,931	-	982,864	-	-
Portsmouth	-	-	-	-	-	-
Providence	348,830	1,164,798	3,420,807	3,545,215	10,475,053	3,511,064
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	-	-	-	3,385	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	24,981	12,491	-	34,444	-	-
Westerly	-	-	-	-	-	-
West Warwick	55,339	-	-	14,452	-	-
Woonsocket	45,398	38,609	-	258,811	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	133,443	84,036	-	374,008	-	-
Total	**$ 1,509,044**	**$ 2,021,740**	**$ 3,420,807**	**$ 5,593,497**	**$ 10,475,053**	**$ 3,511,064**

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

Sending District	*RI Mayoral Academies Blackstone Valley Prep*	*RISE Mayoral Academy*	*Segue Institute*	*Southside Elementary*	*Times2*	*Trinity*
Barrington	$ -	$ -	$ -	$ -	$ -	$ -
Burrillville	-	452,684	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	-	-	-	-	-	-
Cranston	6,358	6,358	-	-	-	-
Cumberland	2,302,006	-	-	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	28,304	-	6,100	-	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	15,264	5,782	-	-	-	-
Lincoln	874,108	-	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	47,695	13,627	-	-	-	-
North Smithfield	-	183,648	-	-	-	-
Pawtucket	11,637,480	20,165	-	-	-	-
Portsmouth	-	-	-	-	-	-
Providence	87,004	-	40,656	1,928,320	8,805,305	2,677,613
Richmond	-	-	-	-	-	-
Scituate	-	-	2,757	-	-	-
Smithfield	3,385	-	-	-	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	-	-	-	-	-	-
Westerly	-	-	-	-	-	-
West Warwick	8,812	-	-	-	-	-
Woonsocket	31,821	4,911,463	-	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	9,548,760	-	5,054,194	-	-	-
Total	**$ 24,590,996**	**$5,593,727**	**$ 5,103,707**	**$ 1,928,320**	**$ 8,805,305**	**$ 2,677,613**

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

Sending District	*Village Green*	*Davies Career and Technical Center*	*Metropolitan Career and Technical Center*	*Urban Collaborative*	*YouthBuild Academy*	*Total*
Barrington	$ -	$ 5,984	$ 14,959	$ -	$ -	$ 38,894
Burrillville	-	34,242	-	-	-	655,626
Charlestown	-	-	1,782	-	-	54,457
Coventry	5,456	8,948	38,193	-	-	373,637
Cranston	59,000	54,931	305,933	16,877	-	4,142,777
Cumberland	4,816	135,797	33,323	6,207	-	2,594,255
East Greenwich	2,058	-	6,173	-	-	36,875
East Providence	-	40,504	95,403	-	-	486,044
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	10,476	-	-	97,638
Jamestown	-	-	5,325	-	-	6,390
Johnston	42,092	92,048	84,185	-	-	596,000
Lincoln	4,662	154,792	24,618	-	-	1,173,994
Little Compton	-	-	-	-	-	-
Middletown	-	-	66,667	-	-	76,943
Narragansett	-	-	4,760	-	-	22,141
Newport	-	-	153,212	-	-	153,212
New Shoreham	-	-	-	-	-	-
North Kingstown	4,693	-	25,753	-	-	377,968
North Providence	6,814	368,205	72,496	-	-	2,235,938
North Smithfield	-	12,885	-	-	-	249,274
Pawtucket	342,409	6,123,843	948,986	-	-	28,071,513
Portsmouth	-	-	12,214	-	-	14,590
Providence	2,060,046	834,264	5,636,566	1,840,097	1,892,543	98,173,990
Richmond	-	-	30,321	-	-	205,104
Scituate	-	-	2,757	-	-	22,830
Smithfield	-	52,938	12,321	-	-	82,184
South Kingstown	-	-	17,561	-	-	225,744
Tiverton	-	-	23,314	-	-	29,417
Warwick	4,731	14,194	87,813	-	-	970,106
Westerly	-	-	-	-	-	124,466
West Warwick	40,888	-	66,619	-	-	614,021
Woonsocket	52,186	155,286	168,015	-	-	8,892,903
Bristol-Warren	8,098	4,938	48,350	-	-	112,005
Exeter-West Greenwich	-	-	13,551	-	-	153,936
Foster-Glocester	-	-		-	-	4,708
Central Falls	87,269	1,852,035	585,947	-	-	25,118,133
Total	**$ 2,725,217**	**$ 9,945,832**	**$ 8,597,594**	**$ 1,863,181**	**$ 1,892,543**	**$ 176,187,709**

Table 7: Categorical Aid for FY 2024

Sending District	*High Cost Special Education*	*ELL*	*Non-Public Transportation*	*Regional Transportation*	*Total*
Barrington	$ 405,196	$ 13,017	$ 290,714	$ -	$ 708,927
Burrillville	411,319	7,706	19,210	-	438,235
Charlestown	-	-	-	-	-
Coventry	389,170	12,277	48,226	-	449,673
Cranston	737,192	666,535	634,759	-	2,038,486
Cumberland	207,096	76,547	35,542	-	319,185
East Greenwich	557,507	4,631	111,409	-	673,547
East Providence	966,004	157,395	3,004	-	1,126,403
Foster	65,389	-	-	-	65,389
Glocester	31,062	-	-	-	31,062
Hopkinton	-	2,359	-	-	2,359
Jamestown	460,064	242	-	-	460,306
Johnston	692,350	146,632	167,003	-	1,005,985
Lincoln	201,833	30,767	-	-	232,600
Little Compton	-	-	-	-	-
Middletown	128,939	65,292	-	-	194,231
Narragansett	97,906	539	-	-	98,445
Newport	62,651	254,091	-	-	316,742
New Shoreham	-	1,441	-	-	1,441
North Kingstown	162,479	27,062	-	-	189,541
North Providence	617,462	245,272	164,940	-	1,027,674
North Smithfield	152,557	7,735	27,523	-	187,815
Pawtucket	525,509	1,845,138	243,621	-	2,614,268
Portsmouth	375,692	1,073	-	-	376,765
Providence	1,955,903	9,904,518	502,097	-	12,362,518
Richmond	-	4,345	-	-	4,345
Scituate	130,952	829	72,134	-	203,915
Smithfield	77,840	9,649	62,344	-	149,833
South Kingstown	482,243	6,014	105,682	-	593,939
Tiverton	567,498	4,118	-	-	571,616
Warwick	1,669,039	85,192	26,207	-	1,780,438
Westerly	459,590	19,786	-	-	479,376
West Warwick	130,042	107,066	47,924	-	285,032
Woonsocket	585,561	1,096,065	31,673	-	1,713,299
Bristol-Warren	521,073	20,385	433,501	1,915,083	2,890,042
Chariho	178,347	-	387,444	2,612,305	3,178,096
Exeter-West Greenwich	374,226	3,499	-	1,749,593	2,127,318
Foster-Glocester	226,783	-	-	877,546	1,104,329
Central Falls	223,980	1,944,498	61,119	-	2,229,597
Subtotal	**$ 14,830,454**	**$ 16,771,714**	**$ 3,476,076**	**$ 7,154,527**	**$ 42,232,771**
Charters & State Schools	169,546	2,666,227	-	-	2,835,773
Total	**$ 15,000,000**	**$ 19,437,941**	**$ 3,476,076**	**$ 7,154,527**	**$ 45,068,544**

Table 8: Enrollment Transition Fund for FY 2024

A. Column ***A*** shows the FY 2023 enacted student counts based on the resident average daily membership in March 2020, 2021, or 2022, whichever was greater.

B. The FY 2024 student counts are shown in column ***B*** based on the resident average daily membership as of March 15, 2023.

C. Column ***C*** is the difference between the FY 2024 student counts shown column ***B*** and the FY 2023 student counts shown in column ***A***.

D. Column ***D*** is the effective state share per pupil. It is the amount of FY 2024 enacted formula aid shown in Column ***H*** in Table 2 divided by the FY 2024 student counts shown in column ***B***.

E. Column ***E*** shows the year one aid included in FY 2024. The calculation is 40.0 percent of the loss of students shown in column ***C*** times the effective state share per pupil shown in column ***D***.

F. Column ***F*** shows the year two aid that will be paid in FY 2025. It is 25.0 percent of the loss of students shown in column ***C*** times the effective state share per pupil shown in column ***D***.

Table 8: Enrollment Transition Fund for FY 2024

District	*A FY 2023 PK-12 RADM*	*B FY 2024 PK-12 RADM*	*C FY 2024 Chg to FY 2023*	*D Effective State Share Per Pupil*	*E Year 1*	*F Year 2*
Barrington	3,416	3,379	(37)	$ 3,062	$ 45,320	$ 28,325
Burrillville	2,211	2,057	(154)	6,273	386,447	241,529
Charlestown	740	707	(33)	1,906	25,162	15,726
Coventry	4,502	4,229	(273)	5,959	650,727	406,704
Cranston	10,129	9,941	(188)	7,227	543,446	339,653
Cumberland	4,619	4,685	66	5,131	-	-
East Greenwich	2,572	2,543	(29)	2,118	24,573	15,358
East Providence	5,036	5,066	30	7,076	-	-
Foster	227	213	(14)	5,293	29,639	18,524
Glocester	556	576	20	4,964	-	-
Hopkinton	1,137	1,103	(34)	5,679	77,232	48,270
Jamestown	655	586	(69)	545	15,051	9,407
Johnston	3,285	3,235	(50)	6,581	131,630	82,269
Lincoln	3,238	3,262	24	5,118	-	-
Little Compton	344	276	(68)	1,013	27,542	17,214
Middletown	2,175	1,994	(181)	3,431	248,440	155,275
Narragansett	1,211	1,036	(175)	1,914	134,008	83,755
Newport	2,088	1,845	(243)	7,630	741,630	463,519
New Shoreham	148	132	(16)	717	4,592	2,870
North Kingstown	3,747	3,555	(192)	3,134	240,723	150,452
North Providence	3,507	3,495	(12)	7,827	37,568	23,480
North Smithfield	1,644	1,603	(41)	4,581	75,132	46,957
Pawtucket	8,546	7,913	(633)	12,794	3,239,496	2,024,685
Portsmouth	2,295	2,075	(220)	1,252	110,168	68,855
Providence	21,141	19,625	(1,516)	13,364	8,103,721	5,064,825
Richmond	1,141	1,090	(51)	5,197	106,015	66,259
Scituate	1,269	1,180	(89)	2,890	102,902	64,313
Smithfield	2,393	2,444	51	3,561	-	-
South Kingstown	2,918	2,580	(338)	1,963	265,354	165,846
Tiverton	1,758	1,658	(100)	3,299	131,959	82,475
Warwick	8,610	8,097	(513)	5,284	1,084,283	677,677
Westerly	2,683	2,344	(339)	3,348	453,990	283,744
West Warwick	3,607	3,495	(112)	10,650	477,117	298,198
Woonsocket	5,843	5,639	(204)	14,187	1,157,678	723,549
Bristol-Warren	3,163	2,914	(249)		413,475	258,422
Chariho	-	-	-	*See Table Below*	-	-
Exeter-West Greenwich	1,643	1,536	(107)		122,224	76,390
Foster-Glocester	1,150	1,104	(46)		91,895	57,434
Central Falls	2,651	2,541	(110)	14,811	651,703	407,315
Total	**127,998**	**121,753**	**(6,245)**	**$ 7,604**	**$ 19,950,838**	**$ 12,469,274**
Bristol	*1,923*	*1,800*	*(123)*	*2,669*	*131,312*	*82,070*
Warren	*1,240*	*1,114*	*(126)*	*5,598*	*282,163*	*176,352*
Exeter	*752*	*739*	*(13)*	*3,599*	*18,715*	*11,697*
West Greenwich	*891*	*797*	*(94)*	*2,753*	*103,509*	*64,693*
Foster	*376*	*352*	*(24)*	*5,102*	*48,984*	*30,615*
Glocester	*774*	*752*	*(22)*	*4,876*	*42,911*	*26,819*
Adjusted Chariho	*3,018*	*2,900*	*(118)*	*12,782*	*208,408*	*130,255*

Table 9: Poverty Stabilization Fund for FY 2024

A. Column ***A*** is the FY 2024 enacted formula aid shown in column ***H*** in Table 2.

B. Column ***B*** is the calculation of formula aid using FY 2024 enrollment, student poverty and core instruction amount but the FY 2023 share ratio instead of the FY 2024 share ratio.

C. Column ***C*** is the difference between the FY 2024 enacted formula aid in column ***A*** and the FY 2024 calculation using the FY 2023 share ratio in column ***B***.

D. Column ***D*** is the percent change between the share ratio for FY 2024 and the FY 2023 enacted share ratio. It is column ***J*** on Table 4.

E. Column ***E*** is the distribution of the new poverty loss stabilization fund. When the foundation formula aid produces less than the prior year as shown in column ***C*** *and* the decrease in the state share ratio is more than 2.0 percent as shown in column ***D***, the payment is 50.0 percent of the difference in formula aid shown in column ***C***.

Table 9: Poverty Stabilization Fund for FY 2024

District	*A FY 2024 Enacted Formula Aid*	*B FY 2024 Formula Aid w/FY 2023 Share Ratio*	*C FY 2024 Calculation Chg. to FY 2023*	*D Share Ratio % Chg. To FY 2023*	*E Poverty Loss Stabilization Fund**
Barrington	$ 10,346,999	$ 8,778,409	$ 1,568,590	17.8%	$ -
Burrillville	12,904,573	13,695,303	(790,730)	-5.7%	395,365
Charlestown	1,347,679	1,356,219	(8,540)	-0.8%	-
Coventry	25,200,762	24,848,134	352,628	1.1%	-
Cranston	71,840,320	73,136,534	(1,296,213)	-1.9%	-
Cumberland	24,039,982	23,774,234	265,748	1.0%	-
East Greenwich	5,386,895	4,756,761	630,134	13.1%	-
East Providence	35,844,734	39,359,432	(3,514,698)	-8.8%	1,757,349
Foster	1,127,337	1,104,266	23,071	2.1%	-
Glocester	2,859,443	2,820,286	39,157	1.5%	-
Hopkinton	6,263,725	6,049,763	213,962	3.5%	-
Jamestown	319,561	292,189	27,372	9.3%	-
Johnston	21,291,119	20,860,024	431,095	2.1%	-
Lincoln	16,694,774	18,115,493	(1,420,719)	-7.8%	710,359
Little Compton	279,472	390,095	(110,623)	-28.2%	55,312
Middletown	6,842,405	8,066,760	(1,224,355)	-15.2%	612,178
Narragansett	1,983,316	2,064,049	(80,733)	-3.7%	40,367
Newport	14,077,237	14,243,804	(166,566)	-1.2%	-
New Shoreham	94,704	197,214	(102,510)	-52.2%	51,255
North Kingstown	11,142,827	11,839,365	(696,538)	-5.9%	348,269
North Providence	27,354,244	28,368,612	(1,014,369)	-3.6%	507,184
North Smithfield	7,343,688	6,660,543	683,144	10.5%	-
Pawtucket	101,240,632	96,113,014	5,127,617	5.4%	-
Portsmouth	2,597,715	3,063,895	(466,180)	-15.3%	233,090
Providence	262,261,735	265,985,995	(3,724,260)	-1.4%	-
Richmond	5,664,511	5,601,035	63,476	1.2%	-
Scituate	3,410,780	2,438,563	972,218	39.5%	-
Smithfield	8,703,479	7,756,518	946,961	12.3%	-
South Kingstown	5,063,712	4,522,573	541,139	11.8%	-
Tiverton	5,469,710	7,045,846	(1,576,135)	-22.3%	788,068
Warwick	42,784,774	40,702,219	2,082,555	-3.1%	-
Westerly	7,847,731	7,640,764	206,967	5.3%	-
West Warwick	37,221,502	33,208,402	4,013,100	-4.6%	-
Woonsocket	80,001,773	76,316,253	3,685,520	2.7%	-
Bristol-Warren	11,040,792	11,389,237	(348,445)		174,223
Chariho	-	-	-	See Table Below	-
Exeter-West Greenwich	4,853,740	4,357,523	496,217		56,130
Foster-Glocester	5,463,033	5,376,062	86,971		-
Central Falls	37,635,874	36,940,447	695,427	1.9%	-
Total	**$ 925,847,288**	**$ 919,235,834**	**$ 6,611,454**		**$ 5,729,148**
Bristol	*4,804,103*	*4,953,888*	*(149,785)*	*-3.1%*	*74,893*
Warren	*6,236,689*	*6,435,349*	*(198,660)*	*-3.1%*	*99,330*
Exeter	*2,659,671*	*2,051,194*	*608,477*	*29.6%*	-
West Greenwich	*2,194,069*	*2,306,329*	*(112,260)*	*-4.6%*	*56,130*
Foster	*1,796,076*	*1,759,320*	*36,756*	*2.1%*	-
Glocester	*3,666,957*	*3,616,742*	*50,215*	*1.5%*	-
Adjusted Chariho	*13,275,915*	*13,007,017*	*268,899*	*3.8%*	-

**The budget is understated by $230,353.*

Table 10: Education Aid for FY 2018-FY 2022

District	*FY2018*	*FY2019*	*FY2020**	*FY2021*	*FY2022*
Barrington	$ 5,347,807	$ 5,481,235	$ 5,872,943	$ 6,148,515	$ 8,232,393
Burrillville	13,185,862	12,467,771	13,164,631	14,352,095	13,994,929
Charlestown	1,667,742	1,602,569	1,543,508	1,310,422	1,291,375
Coventry	23,202,975	22,790,523	24,463,006	23,564,535	24,191,219
Cranston	59,005,591	61,904,926	65,623,892	69,762,285	69,876,885
Cumberland	19,188,663	20,796,258	21,686,834	20,799,151	21,305,153
East Greenwich	2,739,941	3,167,385	2,724,747	3,490,910	4,542,049
East Providence	35,519,125	35,710,484	36,282,710	36,377,563	36,956,352
Foster	1,207,049	1,164,308	1,214,958	1,065,648	1,109,702
Glocester	2,407,384	2,323,354	2,272,359	2,218,174	2,481,208
Hopkinton	5,273,139	5,223,049	5,170,111	5,488,786	5,590,838
Jamestown	473,751	522,234	465,975	405,580	339,230
Johnston	18,638,808	18,398,579	18,288,991	19,127,284	19,970,936
Lincoln	12,510,493	12,325,264	14,418,820	15,198,685	16,231,922
Little Compton	397,113	355,525	403,595	397,665	432,020
Middletown	8,262,827	7,979,347	7,592,462	7,894,209	8,185,474
Narragansett	2,139,471	2,313,574	2,255,835	2,261,373	2,196,991
Newport	11,589,919	12,433,123	12,580,979	14,034,125	15,005,286
New Shoreham	142,068	156,926	132,830	178,491	237,000
North Kingstown	10,749,543	10,127,666	10,492,830	11,867,847	11,302,964
North Providence	22,019,145	23,428,292	23,382,239	25,275,682	27,298,296
North Smithfield	6,025,062	6,219,135	5,884,223	6,206,522	6,372,462
Pawtucket	89,154,022	88,331,184	91,306,394	92,823,636	96,013,908
Portsmouth	4,476,100	4,178,680	4,048,900	3,935,800	3,800,556
Providence	248,790,857	253,712,258	263,818,881	272,314,070	277,047,845
Richmond	4,676,150	4,596,526	4,640,811	4,694,206	5,150,039
Scituate	3,612,503	3,369,504	2,824,310	2,727,973	2,535,612
Smithfield	6,341,204	7,854,975	6,457,531	6,227,713	7,085,403
South Kingstown	6,955,455	6,293,429	5,433,317	4,853,437	4,969,168
Tiverton	6,531,284	6,779,518	7,239,775	7,475,571	6,896,308
Warwick	39,146,338	37,379,213	38,761,116	38,441,937	40,271,671
Westerly	8,851,953	8,766,881	8,656,589	8,255,191	8,083,721
West Warwick	24,376,898	26,186,038	27,094,132	29,535,239	30,945,717
Woonsocket	59,646,576	62,454,134	63,980,831	68,991,503	70,423,976
Bristol-Warren	15,727,351	14,912,237	14,855,717	14,514,094	13,130,077
Exeter-West Greenwich	2,010,375	2,126,257	6,419,481	2,135,033	1,847,044
Chariho	6,190,095	6,071,142	2,147,804	5,696,331	5,468,643
Foster-Glocester	5,030,941	5,199,951	5,268,060	5,207,657	5,768,566
Central Falls	40,320,646	41,173,119	42,498,528	45,680,069	48,422,396
District Subtotal	**$ 833,532,225**	**$ 846,276,577**	**$ 871,370,655**	**$ 900,935,010**	**$ 925,005,336**
Charter Schools	82,958,017	90,617,343	101,538,276	109,288,557	137,747,583
State Schools	24,261,167	24,423,782	24,595,802	23,085,073	24,562,182
Total	**$ 940,751,409**	**$ 961,317,701**	**$ 997,504,733**	**$ 1,033,308,641**	**$ 1,087,315,101**

**Excludes Coronavirus Relief funds*

Table 11: Education Federal Stimulus Funds

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

Revenues Changes

The Governor recommended $49.1 million less and $170.6 million more general revenues than estimated at the November 2022 Revenue Estimating Conference for FY 2023 and FY 2024, respectively. The May 2023 Revenue Estimating Conference lowered the FY 2023 estimates by $61.2 million to $5,199.2 million and included $5,101.9 million for FY 2024. The Budget includes total FY 2023 revenues of $5,199.2 million and $5,276.3 million for FY 2024. The items are explained in the pages that follow.

Taxes

- ***Gross Earnings Tax Suspension.*** The Governor had proposed suspending the gross receipts tax on electricity and natural gas paid by consumers between December 2022 and March 2023. Utility companies would show the tax on customer bills with an offsetting credit. The Governor's FY 2023 revised budget lowers revenues by $35.6 million to account for the estimated impact, of which $18.3 million would benefit residential customers. The remaining $17.3 million is estimated to provide relief to commercial customers. Given concerns about logistics of retroactive implementation, the Budget shifts the four-month suspension to next year and adjusts the timing of the revenue loss from FY 2023 to FY 2024.

- ***Sales Tax Reduction to 6.85%.*** The Budget does not include the Governor's proposal to decrease the current 7.0 percent sales and use tax on items currently taxed to 6.85 percent, effective October 1, 2023. The fiscal impact would have been a revenue loss of $25.3 million for FY 2024 which would annualize to $34.7 million in FY 2025. The state's sales tax has been 7.0 percent since 1990.

- ***Corporate Minimum Tax.*** The Budget does not include the Governor's proposal to reduce the corporate minimum tax from $400 to $375 effective January 1, 2024, similar to his proposal last year. This was last decreased from $450 to $400 effective January 1, 2017, and had been as high as $500. This would have reduced FY 2024 revenues by $1.1 million to account for a half year impact; annualized the loss would be $2.1 million.

- ***EITC to 16%.*** The Budget increases the earned income tax credit by 1.0 percent to 16.0 percent of the federal rate, beginning January 1, 2024. Raising the earned income tax credit is estimated to lower revenues by $1.1 million for FY 2024. This would annualize to $2.3 million for FY 2025.

- ***Scholarship Tax Credit.*** The Budget increases the cap on the tax credit allowed for business entities making contributions to scholarship organizations from $1.5 million to $1.6 million beginning in tax year 2024. Currently, the funds are awarded on a first-come-first-serve basis. The maximum credit per tax year for a single filer is $100,000. The fiscal impact is a revenue loss of $0.1 million.

- ***Medicaid Spending Proposals.*** The FY 2024 budget contains several proposals that increase Medicaid expenditures delivered through managed care plans by $20.0 million. The expenditure increases are estimated to produce additional revenue of $0.4 million because those entities pay a 2.0 percent provider tax on gross premiums.

- ***Pawtucket Economic Activity Transfer.*** The Budget includes a general revenue loss of $2.9 million to finance development projects in the economic development district subject to Commerce Corporation Board approval, in accordance with current law. Of the revenues used to finance this development, approximately 54 percent are sales tax, 42 percent are income tax withholding, and 4 percent are business corporation taxes. This is consistent with the May conference estimate.

- ***Food Donation Tax Credit.*** The Budget does not include the Governor's proposal for a new nonrefundable tax credit of 15.0 percent, capped at $5,000 of the value of donated food products to a food

bank from local farmers and food producers. The credit would be effective January 1, 2023, and the fiscal impact of the proposal would have been a revenue loss of $8,895 for FY 2023 and $17,790 for FY 2024.

- ***Duplicate License Fees.*** The fee for duplicate licenses was increased and retained as general revenues in 2018 to help offset the staffing needs related to timely provision of Real ID compliant credentials to those seeking them. The Assembly included the $1.0 million estimated from these fees with the Highway Maintenance Account consistent with other similar fees. From that account, 5.0 percent of resources are retained as general revenues to offset the cost of fee collections, therefore the Budget also recognizes a $50,000 general revenue increase from that.

- ***Trade-In Value of Trucks Exemption.*** The Budget does not include the Governor's proposal to exempt the trade-in value of trucks with a gross weight of 14,000 pounds or less from the sales tax on new truck purchases, effective October 1, 2023. The fiscal impact of this would have been a revenue reduction of $3.8 million for FY 2024 which would annualize to $5.0 million for FY 2025. The trade in value of passenger cars has been exempt, and the FY 2023 enacted budget extended this treatment to motorcycles.

Departmental Revenues

- ***Hospital Licensing Fee.*** The Budget 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 5.78 percent. There is also a separate rate for Eleanor Slater Hospital, 5.25 percent rate based on 2022 revenues. The Budget assumes total revenues of $212.4 million of which $0.7 million is from state payments for the Eleanor Slater Hospital fee.

- ***Litter Control Permit Repeal.*** The Budget includes the Governor's proposal to eliminate the requirement for businesses that sell to-go food or beverages to obtain and annually renew a litter control participation permit and reduces FY 2024 revenues by $0.8 million. The enacted budget also includes $100,000 from general revenues to support a new Litter-Free Rhody initiative to encourage removal of trash and litter from state parks, beaches and management areas through adopt-a-roadway programs, marketing campaign contests and others.

- ***Trainee Trooper Meal Reimbursement.*** The Budget eliminates the requirement that trainees attending the state police and municipal police training academy reimburse the state for the cost of all meals consumed during the respective academies. It reduces FY 2024 revenues by $88,800.

Other Revenues

- ***Central Falls School Debt Service Local Reimbursement.*** The Budget includes the first year of debt service for a new high school for Central Falls which was authorized in 2021 to be financed directly by the state. The project cost is $144.0 million, with a state share of $138.2 million. The first year's annual debt service payment is $13.4 million and the Budget includes $0.3 million in revenues from a 2.5 percent reimbursement from the City for its share of cost.

- ***Duplicate License Fees.*** As previously noted, the $1.0 million shift from general revenues collected for duplicate license fees to the Highway Maintenance Account would yield $50,000 back to general revenues under the current law provision that recaptures 5.0 percent of Highway Maintenance Account resources as general revenues to offset cost of collections.

State Government Personnel and Staffing

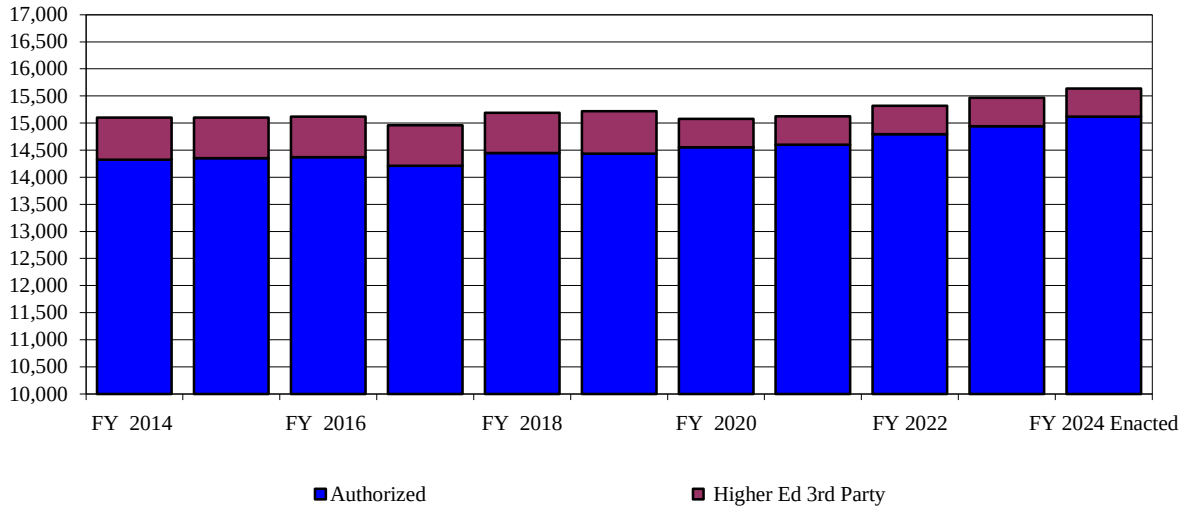
The Governor recommended $2,651.2 million for personnel expenditures and 15,591.5 full-time equivalent positions, including 519.8 higher education positions dedicated for research or supported by other third-party funds. The recommendation is $3.9 million less than the enacted budget, including $59.7 million more for salaries and benefits and $55.7 million less for contracted services, primarily one-time COVID-19 related expenses.

His proposed staffing of 15,591.5 full-time equivalent positions, is 136.0 more than enacted and 128.0 more than the revised recommendation. The new positions include: 32.0 for the Department of Corrections' restrictive housing and behavioral management units, 21.0 for the newly created Department of Housing, 28.0 for the Department of Health, including 8.0 for water infrastructure projects review, 12.0 for the Department of Administration to enhance performance management reviews and audits, purchasing and financial management, and to support the Water Resources Board. It also includes 11.0 positions for the Executive Office of Health and Human Services, including 3.0 appeals officers for the Public Health Emergency unwinding. The recommendation also reflects the conversion of six seasonal employees to 4.0 positions in the Department of Human Services for Veterans' Memorial Cemetery.

The Governor subsequently requested several amendments to include $4.6 million from all sources for a new contract with the United Nurses and Allied Professionals, and $9.8 million from general revenues for expected costs associated with the settlement of the Rhode Island Brotherhood of Correctional Officers; $7.8 million of this amount was shifted from FY 2023.

The Assembly provided $2,668.4 million for personnel expenditures and authorized 15,636.9 full-time equivalent positions for FY 2024, including 519.8 higher education positions dedicated for research or supported by other third-party funds. This is $17.2 million more than the original recommendation. The Assembly also authorized 45.4 positions more than recommended, including 15.0 positions in the Attorney General for new units and to enhance existing programs, 4.0 positions for the Judiciary to establish a one-stop Temporary Restraining Order Office, and 11.0 positions in the Department of Health, including 10.0 positions to ensure timely compliance with various federal grants and a forensic scientist position.

Full-Time Equivalent Positions

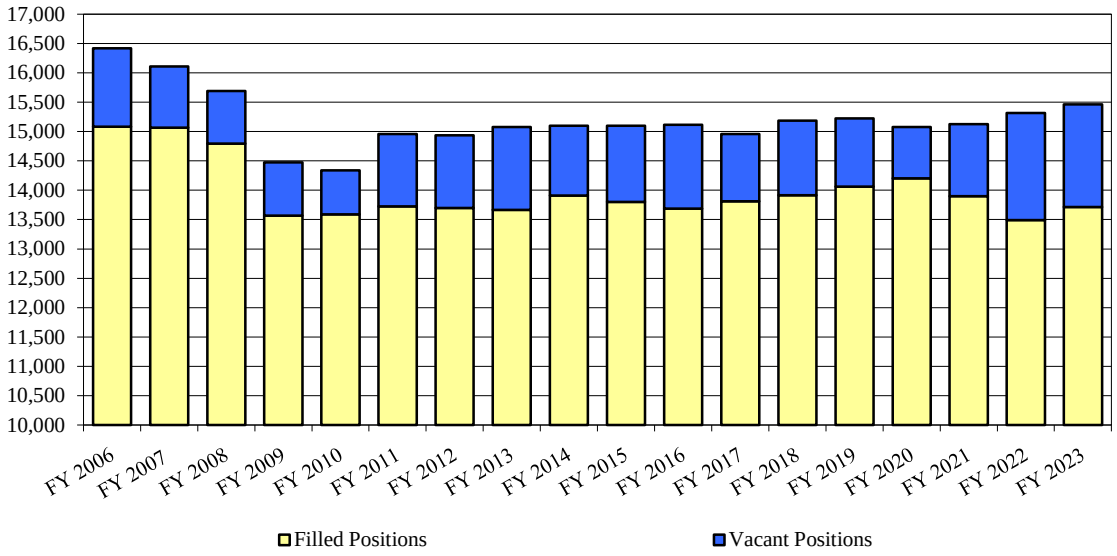


For many years, the budget has also limited a certain number of higher education positions to those solely funded by third-party sources in response to requests from the higher education institutions to reduce

constraints on their pursuit of outside research funding. The FY 2020 final enacted budget shifted 265.0 third-party full-time equivalent positions at the University of Rhode Island to non-third party positions. This was done to address a problem with the filled position reporting where University staffing was over the authorized level. Auxiliary enterprise positions had been incorrectly reported as third-party prior to FY 2020. Once they were reported correctly, the University exceeded its non-third-party authorization. The Assembly provided 519.8 higher education positions, 4.0 fewer positions than the FY 2023 enacted budget.

The General Assembly sets personnel limits for each agency and department defined as the maximum allowable number of full-time equivalent positions filled during any pay period. These limits are referred to as authorized levels. The authorized levels do not include temporary or seasonal employees or individuals in training requisite to employment, such as state trooper classes. Generally, agencies do not fill all authorized positions because of various reasons, such as hiring freezes or budgeted turnover savings. Turnover is budgeting less money than needed for full staffing. Turnover savings result from the gap in time from when an employee leaves state service and a new employee is hired, often at a lower cost or from when a department leaves a position vacant to achieve a certain level of savings. The following chart shows average filled and authorized staffing levels from FY 2006 through FY 2023.

Full-Time Equivalent Positions



A significant reduction to both authorized and filled positions is apparent in FY 2009, FY 2010 and FY 2011 resulting from a major surge of retirements in 2008 and severe constraints on refilling the vacancies.

During FY 2007, the Governor proposed initiatives including measures to encourage eligible individuals to retire, such as ending statutory status and payment for unused sick leave and revisions to accrued vacation leave, freezing longevity payments, shutting down government operations for two days, and establishing limited service positions. The Assembly did not concur with the proposals; however, it reduced vacant general revenue funded positions, eliminating 419.4 vacant positions. Over the years, the Assembly eliminated several hundred vacancies to better align authorization and filled staffing levels.

In FY 2018, the state averaged 13,913.2 filled positions. During the second half of FY 2018, the administration implemented a voluntary retirement incentive under its own authority. State employees eligible to retire on or before December 31, 2017 were eligible for the incentive. Beginning on January 12, 2018, the number of filled positions declined for ten consecutive pay periods as eligible participants retired. On January 11, 2019, there were 149.3 more positions filled than there were when the program began.

In FY 2021, the state averaged 13,896.5 filled full-time equivalent positions, and an average of 1,228.2 vacancies as staffing levels dropped during the pandemic, partially from a similar voluntary retirement incentive program. The 2021 Assembly authorized 15,313.2 full-time equivalent positions for FY 2022, including 523.8 higher education positions dedicated for research or supported by other third-party funds. This is 224.0 full-time equivalent positions more than the Governor's original recommendation. The Assembly did not concur with the Governor's proposal to privatize the state-run system for adults with developmental disabilities. It added 75.0 full-time equivalent positions in the Department of Children, Youth and Families to proceed with the accreditation process, and 15.0 full-time equivalent positions in the Department of Health for administration, financial oversight of Centers for Disease Control and Prevention grants and monitoring vaccination efforts and new outbreaks.

The 2022 Assembly authorized 15,455.5 full-time equivalent positions for FY 2023, 33.0 positions more than the Governor's amended recommendation, including 20.0 positions to support redetermination efforts following the end of the public health emergency in the Department of Human Services. It authorized 15,317.9 full-time equivalent positions for FY 2022, 2.6 fewer than the Governor's revised budget. In FY 2022, the state averaged 13,490.8 filled full-time equivalent positions, and an average of 1,827.1 vacancies.

The Governor's FY 2023 revised budget includes staffing of 15,463.5 full-time equivalent positions, 8.0 positions more than enacted for water infrastructure projects review and for the Department of Health to ensure compliance with federal and state laws. He recommended 15,591.5 full-time equivalent positions for FY 2024, which is 136.0 more than enacted and 128.0 more than the revised budget. The Assembly concurred with his revised recommendation and authorized 15,636.9 full-time equivalent positions for FY 2024. This is 45.4 positions more than recommended, including 15.0 positions in the Attorney General for new and enhanced units; 11.0 positions in the Department of Health, including 10.0 positions to ensure timely compliance with various federal grants and 1.0 forensic scientist, and 4.0 positions for the Judiciary to establish a one-stop Temporary Restraining Order Office.

Personnel Costs

Personnel costs include both salaries and benefits and contracted services. Benefits include direct benefits to employees as well as assessed statewide employee benefits. Contracted services are services state government purchases by contract. The Governor's personnel recommendation includes $2,090.3 million for salaries and benefits and $561.0 million for contracted services. These expenditures represent an increase of $3.9 million or 0.1 percent from the FY 2023 enacted budget with major reductions to pandemic related contracted services offsetting growth in salaries and benefits.

The Governor's recommended expenses for salaries and benefits increase $59.7 million from all sources or 2.9 percent, including $37.8 million from general revenues. The majority of the increase is for known settled contract negotiations for the Higher Education institutions and a placeholder for unsettled contracts, including the Rhode Island Brotherhood of Correctional Officers. He subsequently requested several amendments to include $9.8 million from general revenues for expected costs associated with the settlement of the Rhode Island Brotherhood of Correctional Officers, and $4.6 million from all sources for a new contract with the United Nurses and Allied Professionals.

FY 2024 Enacted Excluding ISF	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	$ 740,114,631	$ 200,048,010	$ 57,389,773	$ 381,015,577	$ 1,378,567,991
Benefits	417,530,357	131,907,271	32,971,521	138,904,939	721,314,088
Total Salaries and Benefits	**$ 1,157,644,988**	**$ 331,955,281**	**$ 90,361,294**	**$ 519,920,516**	**$ 2,099,882,079**
Contracted Services	110,629,487	300,542,341	111,788,243	45,605,706	568,565,777
Total Personnel	**$ 1,268,274,475**	**$ 632,497,622**	**$ 202,149,537**	**$ 565,526,222**	**$ 2,668,447,856**

The Assembly provided $2,668.4 million for personnel expenditures and authorized 15,636.9 full-time equivalent positions for FY 2024. This is $17.2 million more than the original recommendation, including $9.6 million more for salaries and benefits. Expenses for contracted services are $7.6 million more, of which $5.0 million is from federal funds. This includes $3.6 million for services associated with the public health emergency unwinding, $2.1 million to support early childhood services; grant funds will be used by several agencies to support planning and other initiatives, and $1.3 million for planning expenses to transition the RIKidsBridge Child Support Case Management system to a cloud-based system.

These expenditures exclude internal service funds; however, the staffing levels do include them, which skews the actual cost per position. Further information and descriptions of the internal service funds are included in the later part of this report.

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

Employee status refers to an employee's protection during reorganizations or layoffs. When an employee is first hired, he or she may have temporary or probationary status, which provides the least protection. All employees that were hired prior to August 7, 1996, will have statutory status when reaching 20 years of state service. This means that the state is required to find a suitable position for that employee in the case of reorganizations or layoffs. For veterans, statutory status is acquired after 15 years of service. On June 14, 2023, the administration reported that there were 1,524 employees with statutory status, including 61 employees who were eligible through the veterans' provision.

Governor Chafee commissioned an analysis of the state's personnel system to recommend alternatives to the current system. The study was completed in January 2013 and found that the current personnel structure, organization and staffing of the Division of Human Resources was not sufficient to support the state's need as the recruiting process was highly paper-based, job classification structures did not reflect qualifications to deliver the services and the compensation structures were non-competitive. A total of 16 actions were recommended, including: implementing an online application system, eliminating the public hearing process when making changes to the classification structure, and hiring a new chief of human resources to be dedicated to establishing strategic direction and developing policies. The 2013 Assembly provided funding for this position, which was filled in December 2013.

The FY 2016 and FY 2017 budgets included $1.2 million for a classification and compensation study. The study was completed in the summer of 2017 and through FY 2018, a total of $0.8 million was spent. The following excerpts summarize the major findings from four comparisons.

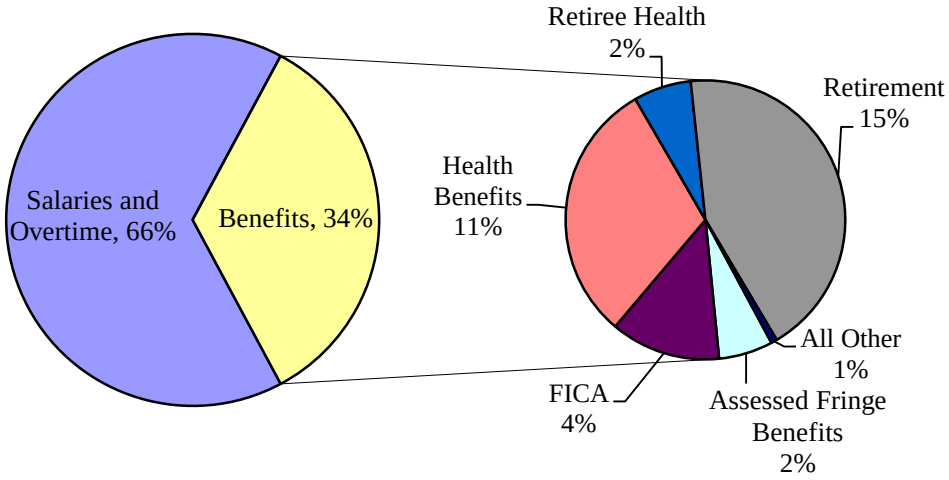
1. Salary structure: Overall, the state's salary structure is different from the market in the following ways:
    - Range minimum: 7.6 percent higher than the market average minimum
    - Range midpoint: 2.5 percent lower than the market average midpoint
    - Maximum: 11.8 percent lower than the market average maximum

2. Health care insurance: On average, Rhode Island is 9.7 percent higher than the market median for employer contribution to health care plans
3. Retirement plan: On average, Rhode Island is 1.34 percentage points higher than the market for maximum employer contribution to the primary retirement plan
4. Paid leave for Rhode Island is:
    - Comparable with the market for paid holidays, personal days, and bereavement days
    - Comparable with the market for annual accrual vacation days and sick leave
    - Above the market for carry-over vacation days by 331 percent, and above market for carry-over sick leave by 711 percent

The 2021 Assembly transferred $50.0 million to the Information Technology Investment Fund to support the Enterprise Resource Planning System to include human resources, information system, payroll, and financial management. The current systems are nearing the end of their useful lives and are susceptible to security risks. The Auditor General had historically reported the inefficiencies with the various systems. The FY 2023 final budget includes $2.0 million from general revenues to conduct a statewide compensation and job classification study; the current human resource system contains too many job classifications. It further noted that if job classifications are not updated, it will result in having outdated data being entered into the new human resources module. The study will take multiple years to finish. The 2022 Assembly concurred with the Governor's recommendation, requiring unspent funds from the study be reappropriated to the following fiscal year. The administration issued a request for proposal on December 22, 2022, with responses due by February 1, 2023; no bids were received. Subsequently, the administration indicated that the request for proposals was over scoped and issued another request for proposal on May 24, noting that the 2013 study "is no longer current and therefore unusable for compensation decision-making purposes." Responses from the new request for proposals are due by June 23.

Salaries and benefits make up 78.7 percent of total personnel costs. The chart below represents the total cost of salaries and benefits. The larger pie chart divides salaries and wages, including overtime and benefits. The smaller pie chart breaks out the percentage of each benefit type. Each of the items included in the graphic is described in further detail in the paragraphs that follow.

FY 2024 Enacted Salaries and Benefits



Salaries. Direct salaries refer to the wages paid to state employees. This amount may increase due to many factors. For many state employees, pay scales are determined by position grade and classification. An employee will have a base salary, and there will be increases along a five-step scale annually after the employee's first six months. Prior to July 1, 2011, after an employee had been in state service for a specified

number of years, he or she became eligible for longevity increases. These increases were applied to the base salary. This was authorized by collective bargaining agreements for union employees, with different increases for education agencies contained in statute; it was personnel policy for non-union employees.

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

In April 2018, Governor Raimondo reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective December 24, 2017, 2.5 percent effective December 23, 2018, 2.0 percent effective June 23, 2019, and 1.0 percent effective December 22, 2019. Those contracts expired June 30, 2020.

In late 2021, Governor McKee reached agreements with a majority of state employee unions that include cost-of-living adjustments of 2.5 percent annually from FY 2021 through FY 2024, for a total of 10.0 percent. It included two $1,500 bonuses with one payable to current union employees as of the ratification of the contract and the second for those employed on July 1, 2022. The agreement amended the sick leave provision to increase the number of days an employee can discharge to care for immediate family who are ill, provided that medical documentations are furnished. It broadened the family members for whom a death qualifies for the discharge of bereavement days. It also added a new provision for teleworking. The following table shows a recent history.

Cost-of-Living Adjustments		
Fiscal Year	**Increase**	**Notes**
2017	-	
2018	2.0%	December 24, 2017
2019	2.5%	December 23, 2018
2020	3.0%	2.0% June 23 & 1% December 22
2021	2.5%	Eff. July 1, 2020 - Retro paid in FY 2022
2022	2.5%	Plus $1,500 for union members
2023	2.5%	Plus $1,500 for union members
2024	2.5%	July 1, 2023

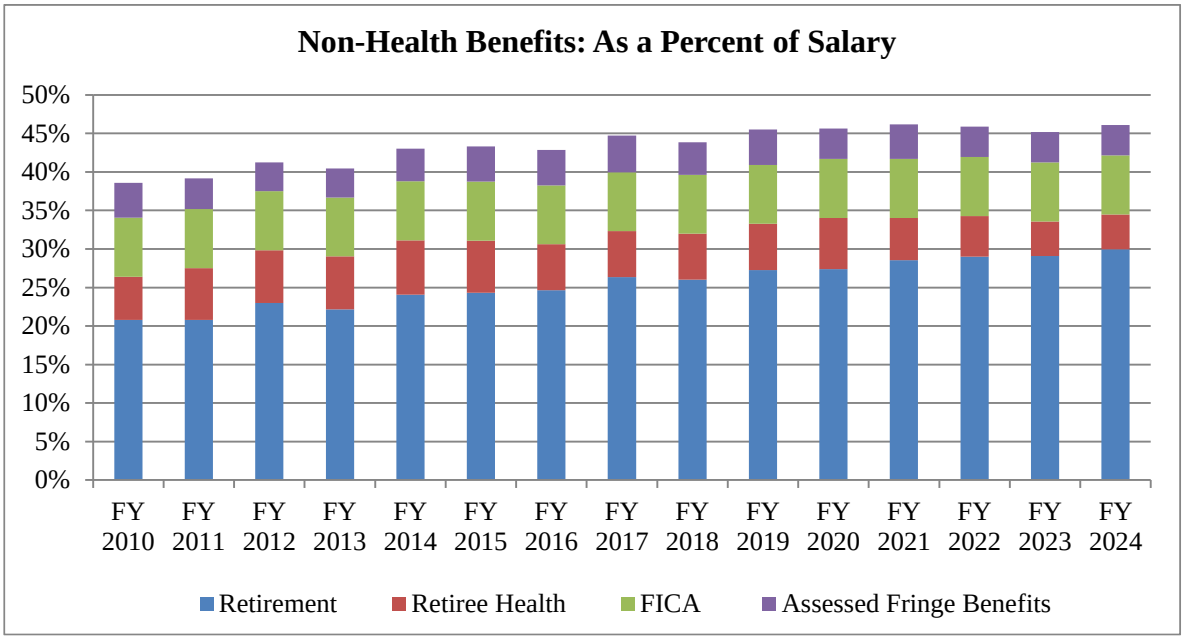
Excludes Troopers, RIBCO and some other smaller unions

Overtime. Overtime accounts for 3.8 percent of total salary and benefit expenses. The majority of overtime expenses occur in the Department of Corrections for correctional officers, followed by the Departments of Public Safety, Behavioral Healthcare, Developmental Disabilities and Hospitals, Children, Youth and Families, Higher Education and Transportation.

Overtime - FY 2024 Enacted	
Corrections	28.4%
BHDDH	19.5%
Public Safety	14.9%
Human Services	8.4%
Children, Youth and Families	8.2%
Higher Education	7.0%
Transportation	6.6%
All Others	7.1%
Total	**100%**

The Department of Administration announced a new overtime policy in June 2019. It required each agency to develop and submit to the Division of Human Resources and the Office of Management and Budget detailed overtime authorization and approval procedures, which must be submitted by October 15, 2019. Beginning in FY 2020, agencies are also required to submit to the Office of Management and Budget quarterly reports of overtime expenses along with their quarterly financial reports.

Benefits. Benefits include direct benefits to employees such as health, workers' compensation and unemployment as well as unfunded liabilities for retirement and retiree health benefits. The following chart shows non-health benefits as a percent of salary from FY 2010 through FY 2024.



In that 15-year period, the calculation increased from 38.6 percent to 46.1 percent. It is important to note that while FICA is part of the cost of a position, it is a federal requirement over which the state has no control. Each benefit is described in the paragraphs that follow. With the exception of health benefits, these are calculated as a percentage of salary and now represent almost one-half of the salary of each position.

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

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

The salary basis is the five highest consecutive years. Cost-of-living adjustments are only granted when the pension systems' aggregate funded ratio exceeds 80.0 percent; the formula uses both investment returns and inflation, but no more than 3.5 percent or less than zero. It is only applied to the member's first $25,000 of pension income, indexed to grow at the same rate as the cost-of-living adjustment. Prior to full funding, intermittent cost-of-living adjustments are granted every four years and there are different provisions for

pre-settlement retirees. There have been many changes to the retirement system over the past several years. These changes are discussed later in the report.

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

The rate for FY 2019 was revised upward by 2.1 percent or 0.53 percentage points based upon the retirement incentive program the administration undertook in the fall of 2017, and described later in this report. In 2021, the administration offered the voluntary retirement incentive. The rates for FY 2024 as well as the previous seven years are shown in the table below.

Employer Contribution Rates - Regular Employees								
FY	2017	2018	2019	2020	2021	2022	2023	2024
Rates	25.34%	24.87%	26.28%	26.39%	27.54%	28.01%	28.01%	28.97%

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

FICA. The Federal Insurance Contributions Act tax is a United States payroll tax imposed by the federal government on both employees and employers to fund Social Security and Medicare. This applies to all state employees except State Police. This rate is applied on salaries and overtime; however, the Social Security portion has a salary limit, currently $160,200 for 2023. The total rate is 7.65 percent, including 6.2 percent for the Social Security portion and 1.45 percent for the Medicare portion, which has no salary limit.

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

The rate has varied over time based on policies that affect expenses it supports.

Assessed Fringe Benefit Rate History								
FY	2017	2018	2019	2020	2021	2022	2023	2024
% of Salary	4.75	4.20	4.40	3.95	4.52	3.95	3.95	3.95

Recent fluctuations have been related to two separate voluntary retirement incentive programs and outsourcing the administration of the Workers' Compensation program. The FY 2024 budget includes the FY 2023 enacted rate of 3.95 percent. The current rate for certain public safety personnel is 1.90 percent

because these employees receive injured on duty benefits as opposed to workers' compensation. The rate for higher education faculty is 3.30 percent because they do not receive severance payments.

Health Benefits. All full-time state employees and certain part-time employees are eligible for health benefits, including medical, dental and vision through Blue Cross Blue Shield, effective January 1, 2020, and Delta Dental. The state is self-insured but these entities administer the benefits.

Gross Cost	Individual Plans	Family Plans
Medical		
Anchor Choice	$ 8,545	$ 23,952
Anchor	$ 8,606	$ 24,127
Anchor Plus	$ 9,209	$ 25,814
*Dental**	$ 442	$ 1,142
*Vision **	$ 68	$ 188

Average cost for FY 2024

**Enhanced base vision and dental plans are available but financed by the employee*

For vision and dental plans, the excess cost of an enhanced plan is covered by the employees exclusively.

Employees began contributing to the cost of this health care in 2005. At that time, some employees paid a percentage of salary, depending on salary range, and some employees paid 5.0 percent of the cost of the health plans. Currently, an employee's contribution is a percent of plan cost depending on his or her salary and the type of plan chosen.

The state started offering three medical plans, called Anchor Choice, Anchor and Anchor Plus, three dental plans and two vision plans, effective on January 1, 2019. Previously, only one plan was offered. In the 2018 settlement with the Raimondo Administration, among the other provisions of the contract were increased co-pays for office visits and prescription drugs, and increased deductibles. The deductibles are based on plan selections and are now $500 to $1,500 for an individual, and $1,000 to $3,000 for a family. They were previously $250 and $500 for individuals and families, respectively. The recently negotiated agreement with the McKee Administration maintains the same deductibles.

FY 2024	Below $59,501		$59,051 - $113,516		Over $113,516	
Per Employee	Individual	Family	Individual	Family	Individual	Family
Total Cost of Benefits[1]	$ 9,719	$ 27,144	$ 9,719	$ 27,144	$ 9,719	$ 27,144
% of Premium: State	80.0%	85.0%	80.0%	80.0%	75.0%	75.0%
Annual Cost to State	$ 7,775	$ 23,072	$ 7,775	$ 21,715	$ 7,289	$ 20,358
% of Premium: Employee	20.0%	15.0%	20.0%	20.0%	25.0%	25.0%
Annual Cost to Employee	$ 1,944	$ 4,072	$ 1,944	$ 5,429	$ 2,430	$ 6,786

[1] *Based on Anchor Plus Plans*

The previous table shows the cost of health benefits and the employee co-shares for FY 2024 for both individual and family plans. For budget planning purposes, a weighted average is used to calculate the cost of medical benefits for vacant positions. The following table shows the weighted average cost per benefit type.

Weighted Average	FY 2023 Enacted/ Gov. Rev.	FY 2024 Planning	Planning to Enacted	FY 2024 Gov. Rec./ Enacted
Medical	$ 15,366	$ 16,134	$ 768	$ 16,134
Dental	689	723	34	723
Vision	112	118	6	118
Total	**$ 16,167**	**$ 16,975**	**$ 808**	**$ 16,975**

The revised budget includes the enacted and the planning values for FY 2023. The FY 2024 planning values were estimated at $16,975, which is $808 or 5.0 percent more than the enacted budget. The FY 2024 enacted budget assumes rates consistent with FY 2024 planning values.

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

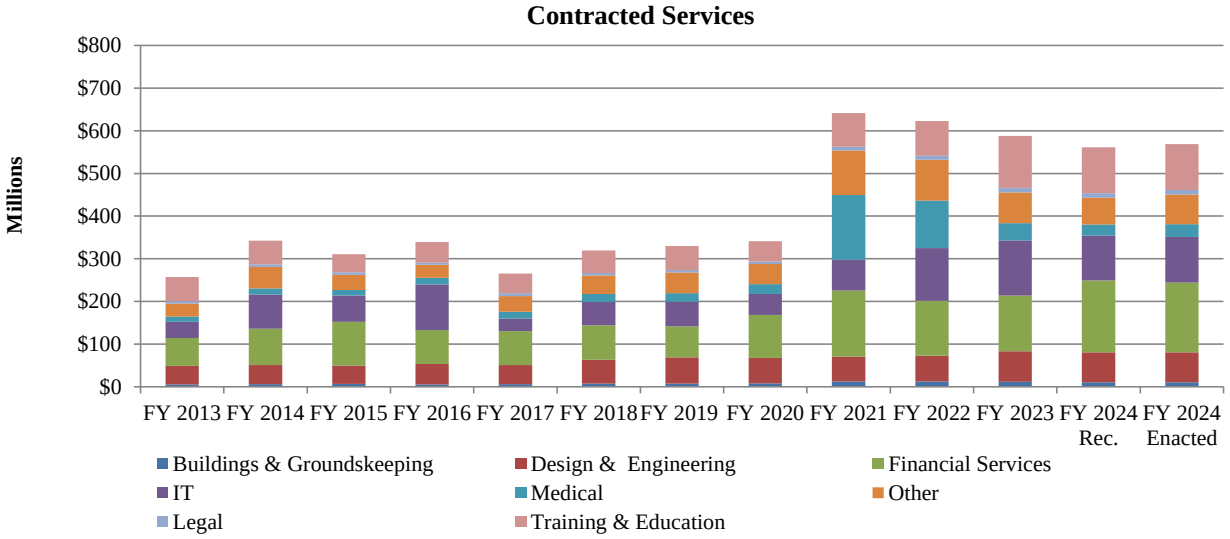
Total Costs. The total cost examples for two employees who have salaries of $65,000 and $115,000, respectively, and a family health plan in FY 2024 is displayed in the following table.

Cost of a Position - FY 2024 Enacted				
	Expense	% of Salary	Expense	% of Salary
Salary	**$ 65,000**		**$ 115,000**	
FICA	$ 4,973	7.65%	$ 8,798	7.65%
Assessed Fringe	2,568	3.95%	4,543	3.95%
Retiree Health	2,938	4.52%	5,198	4.52%
Retirement	19,481	29.97%	34,466	29.97%
Subtotal	**$ 29,959**	**46.09%**	**$ 53,004**	**46.09%**
Health Benefits*	$ 27,144	Family Plan	$ 27,144	Family Plan
Total Co-Share*	(5,429)	20.00%	(6,786)	25.00%
Subtotal Benefits	**$ 51,674**	**79.5%**	**$ 73,362**	**63.8%**
Total Cost	**$ 116,674**		**$ 188,362**	

**Based on Anchor Plus Plans*

Contracted Services. Contracted services make up the remaining 21.3 percent of personnel costs. The recommended budget includes $561.0 million for expenditures the state classifies as contracted services, often referred to as consultants. These expenditures reflect the compensation paid for the services of non-employee individuals or firms and include payments to professional practitioners and other independent contractors who sell their services. These exclude expenses paid through internal service funds of $15.9 million and $16.7 million in FY 2023 and FY 2024, respectively.

The following graph shows the types of services provided by outside contractors from FY 2013 to the FY 2024 enacted budget. The majority of the reported expenditures were previously for information technology and financial services; as the Unified Health Infrastructure Project was being implemented. They have recently been medical services, and others such as contact tracing during the pandemic. The smallest areas of spending are legal services and buildings and groundskeeping services.



The FY 2013 and FY 2014 budgets include over $50 million from federal funds for the implementation of the Affordable Care Act. Major increases from FY 2017 to FY 2019 relate to expenses for the Unified Health Infrastructure Project. The majority of the increase from FY 2020 through the FY 2022 are for laboratory testing, contact tracing and other services related to the COVID-19 pandemic. The 2022 Assembly provided $616.7 million for FY 2023.

The Governor's FY 2023 revised recommendation includes $13.1 million less from all sources than enacted for FY 2023; however, these expenses are $7.7 million more from general revenues. This includes $2.8 million more than enacted, primarily related to increases in medical services cost and usage for the Department of Corrections. It also includes $1.9 million in the Department of Health for contracted medical examiners, reflecting turnover savings, livery and other services. He recommended $561.0 million for FY 2024, including $109.4 million from general revenues. This is $55.7 million less than enacted, primarily reflecting lower COVID-19 related expenses. The 2023 Assembly provided $568.6 million for FY 2024.

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

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

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

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

Governor Chafee included legislation in Article 17 of his recommended FY 2015 budget that increased the threshold from $100,000 to $150,000 and required that the reporting be annually submitted to the Budget Office electronically. The legislation requires that the Budget Office electronically post all contracts and reports online using the state's transparency portal or an equivalent website no later than December 1 of each year. The Assembly concurred and included the legislation in Section 4 of Article 9 of 2014-H 7133, Substitute A, as amended. Despite the change, the administration was not in compliance with this requirement. At the Personnel Issues Hearing on April 4, 2018, the Director of Administration pledged to be in compliance with this reporting requirement. Since then, reports for FY 2015 through FY 2022 have been posted on the state's transparency portal.

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

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

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

RIGL 42-149-1. This statute, adopted in Public Law 2007, Chapter 525, requires all state departments to submit quarterly reports of all non-state employee expenditures for legal services, financial services, temporary work and other non-state employee personnel costs. The report must contain efforts made to identify qualified individuals or services within state government, factors used in choosing a non-state employee or firm, results of requests for proposals for services or bids for services, and the actual cost and the budgeted cost for the expenditure. Governor Chafee included legislation in Article 17 of 2014-H 7133 to repeal this, in conjunction with modifying a similar requirement. The Assembly concurred.

RIGL 42-149-3.1. This legislation, adopted in Public Law 2011, Chapter 409, requires an assessment of 5.5 percent on contractual costs to be paid to the retirement system on a quarterly basis when a department, commission, board, council, agency or a public corporation agrees to obtain contractual services that are substantially similar to and in lieu of services provided by regular employees. During the FY 2013 budget process, the administration indicated that it developed a mechanism within the state's accounting system to calculate this charge and $0.4 million was collected each year from FY 2013 through FY 2018, $0.5 million in FY 2019, $0.3 million was collected in FY 2020, and $196,270 in FY 2021. The budgets include $326,045 for FY 2022 and $279,252 for FY 2023. Governor Chafee included legislation in Article 17 of 2014-H 7133 to repeal the 5.5 percent assessment. The Assembly did not concur.

P.L. 2007, Chapter 073. The 2007 Assembly adopted legislation to correct a situation concerning contract employees that were doing the same work as state employees, under state employee supervisors. Departments and agencies would be allowed to convert those positions to state employee positions within available funding. The law also required that an agency or department may not employ contracted employees or employee services where the contracted employees would work under state employee supervisors after October 1, 2007, without determination of need by the Director of Administration acting upon the positive recommendations of the Budget Officer and the Personnel Administrator and 15 days after a public hearing. This language was included in budgets until FY 2016. The Assembly restored the provision in the FY 2020 through FY 2023 enacted budgets. The Governor's FY 2024 recommendation retains the provision. The Assembly concurred.

Recent Compensation and Benefit Revisions

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

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

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

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

It returned state employees, teachers and Municipal Employees Retirement System (MERS) general employees with at least 20 years of service as of June 30, 2012 to a defined benefit plan with a 2.0 percent

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

The Assembly adopted legislation in Article 12 of 2023-H 5200, Substitute A, as amended, requiring the General Treasurer to establish and convene a working group to review and analyze the impacts of the Rhode Island Retirement Security Act of 2011 on the retirement systems and their current and retired members. The analysis would assist in determining if the stated goals are being met, as well as inform any changes that may be needed to improve the pension programs and address any unintended consequences of the Act and any impacts on the ability of the state to attract and retain a stable workforce. A report of the findings, recommendations, and any proposed options for consideration must be submitted to the Governor, Speaker of the House, and President of the Senate no later than March 1, 2024.

Under current law, the cost-of-living adjustment is suspended until the system is 80.0 percent funded; there are intermittent cost-of-living adjustments every four years. The legislation replaces that provision with a requirement for 25.0 percent of what the cost-of-living calculation would produce if the system was 80.0 percent funded effective beginning in calendar year 2024. The calculation uses both investments returns and inflation with a maximum of 3.5 percent and is limited for calendar year 2023 to the first $28,878 of pension benefits for those who retired after July 1, 2015 and $34,654 for those that retired before July 1, 2015. This provision will be in effect until the reinstatement of the current cost-of-living adjustment. As of the June 30, 2022 valuation, the state employee's system is 58.8 percent funded and the teacher system is 61.5 percent funded. The systems are projected to reach 80.0 percent funded status in FY 2031.

The Assembly also required the controller to transfer 50.0 percent of all general revenues received in the completed fiscal year net of transfer to the state budget reserve and stabilization account in excess of adopted estimates for that year upon issuance of the audited financial statement to the Employees' Retirement System.

- ***Retiree Health Benefits.*** The 2008 Assembly enacted legislation to change its provision of retiree health benefits from a pay-as-you-go system along with significant benefit reductions to future retirees effective October 1, 2008. Based on a recommendation in the Governor's FY 2009 revised budget, the 2009 Assembly enacted legislation to delay the move to a trust fund for two years. The trust fund was set up in FY 2011 and the state is now funding on an actuarial basis.

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

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

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

plan and $31,500 for a family plan. In January 2018, Congress delayed the start of the tax to 2022. In December 2019, Congress repealed the tax.

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

Governor Raimondo proposed in her FY 2016 budget to freeze longevity payments currently expressed as a percent of salaries, at the amount earned by an employee as of June 2015, or the last pay period prior to the expiration of applicable collective bargaining agreements, whichever occurs later. It also excluded longevity from an employee's base rate salary, which means longevity will not grow with other raises. She subsequently requested an amendment to rescind this proposal. The Assembly retained current law.

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

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

The administration again offered this incentive during FY 2021; it was implemented in stages. Employees with longevity of 20.0 percent must have retired by April 15, 2021, employees with longevity of 15.0 percent or 17.5 percent no later than May 15, 2021, and employees with longevity of 5.0 percent or 10.0 percent must have retired by no later than June 15, 2021. Eligible employees were allowed to obtain an extension, which must be approved by the State Personnel Administrator and must leave state service by September 30, 2021.

The administration indicated that there were 900 eligible state employees and the recommended budget included $8.2 million of undistributed savings. Based on the impact to the Assessed Fringe Benefit Fund, being used to pay the incentive, the Governor's FY 2021 revised budget added $2.2 million from general revenues in associated benefit rate increases. The net general revenue savings was $6.0 million. This assumed a delay in refilling the positions and that they are filled without paying the longevity bonus or otherwise upgraded from the current classification. A total of 372 individuals opted to receive the payment. The 2021 Assembly included the savings in agencies with participating employees.

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

- ***COVID Related Personnel Expenses.*** The federal CARES Act adopted in response to the crisis provided $1,250.0 million to Rhode Island for related expenditures incurred between March 1, 2020 and December 30, 2020, including responding directly to the emergency. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses as are those to facilitate compliance with COVID-19 related public health measures. Revised federal guidance issued in September 2020 further clarified and broadened eligible costs. In total, the state realized savings of approximately $120 million for FY 2020. The FY 2021 final budget includes $227.0 million of general revenues savings; the savings were $230 million.

- ***Deferred Pension Liability.*** In 1991 and 1992, the state deferred payments into the retirement system as one of the many measures taken to address the financial crisis at the time. That deferral is part of the unfunded liability being paid down in annual pension contributions and is calculated separately in each actuarial valuation. As of the most recent valuation, setting the retirement rates for FY 2024, the value of this liability is $61.8 million. This includes $26.9 million related to state employees and $34.9 million related to teachers. It represents approximately $6 million of the state's combined annual payments of $541.7 million into both systems. The Governor recommended making a $61.8 million appropriation in FY 2022 to the retirement system to specifically pay off this debt. His out-year forecast assumes annual savings to the state begin in FY 2025, when those rates are set with this liability removed. The Assembly concurred. The FY 2025 rates were adopted by the Employees' Retirement System in December 2022 based on the June 30, 2022 valuations.

- ***Statewide Cost-of-Living Adjustments.*** In late 2021, Governor McKee reached agreements with a majority of state employee unions that include cost-of-living adjustments of 2.5 percent annually from FY 2021 through FY 2024, for a total of 10.0 percent. It also includes two $1,500 bonuses with one payable to current union employees as of the ratification of the contract and the second for those employed on July 1, 2022. His budget included $102.6 million in FY 2022 and $203.5 million in FY 2023 to account for these agreements and assuming the pay increases also apply to non-union state employees. It did not account for potential costs where settlements were not yet reached. The general revenue share is $65.0 million in FY 2022 and $126.3 million in FY 2023. The value of the bonus payments alone is $21.4 million over the two-year period with $12.6 million from general revenues; it is applicable only to union employees.

The Governor's recommended budgets contained $203.5 million of which $126.3 million was from general revenues to account for these agreements over both FY 2022 and FY 2023. Since the administration had not reached agreements with the unions representing state troopers and correctional officers, the Governor's budget did not specifically allocate any resources for such settlements. The Governor also did not assume like funding for non-classified higher education employees whose salaries are under the purview of the respective governing bodies.

The 2022 Assembly concurred with the Governor's subsequent amendment to add a total of $2.8 million in FY 2022 and FY 2023 for retention bonuses that were understated in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. It also provided $21.1 million from all sources, including $11.8 million for the State Trooper contract settlement and $9.3 million for members of the Rhode

Island Brotherhood of Correctional Officers for base costs if similar agreements to those of other state employees are reached.

Component	General Revenues	All Funds
FY 2021 - Year 1 - Retro Payment	$ 20,691,740	$ 29,554,790
FY 2022 - Year 1 Base Adjustment	20,691,740	29,554,790
FY 2022 - Year 2 Increment	17,364,917	32,815,201
First Bonus	7,298,102	12,067,179
State Troopers	3,161,221	3,400,000
FY 2022 Budget	**$ 69,207,720**	**$ 107,391,960**
FY 2023 - Years 1 & 2 Base Adjustment	$ 38,056,657	$ 62,369,991
FY 2023 COLA - Year 3 Increment	16,889,677	27,820,866
Second Bonus	7,360,898	12,168,773
RIBCO Reserve & State Troopers	17,225,609	17,732,966
FY 2023 Enacted Budget	**$ 79,532,841**	**$ 120,092,596**
RIBCO Reserve Adjustment	$ 25,700,000	$ 25,700,000
RIBCO Contract Adjustment (GBA)	(7,825,818)	(7,825,818)
UNAP Contract Adjustment (GBA)	1,415,129	2,238,039
FY 2023 Final	**$ 98,822,152**	**$ 140,204,817**
RIBCO Reserve Adjustment	$ 5,700,000	$ 5,700,000
RIBCO Contract Adjustment (GBA)	9,784,145	9,784,145
UNAP Contract Adjustment (GBA)	2,799,435	4,606,692
FY 2024 Enacted	**$ 117,105,732**	**$ 160,295,654**
Change to Enacted	*$ 37,572,891*	*$ 40,203,058*

The Governor's FY 2023 revised and FY 2024 recommended budgets include a total of $50.0 million from general revenues for projected costs associated with the collective bargaining agreement with the Rhode Island Brotherhood of Correctional Officers. This includes $35.0 million for FY 2023 including the potential for retroactive payments and is $25.7 million more than enacted. It also includes $15.0 million for FY 2024. This appears to represent a revised expectation of potential costs, but the contract was not settled at the time the budget was released. The Assembly concurred with the Governor's subsequent amendment to add $2.0 million and adjust funding between years to reflect the finalized contract. It also concurred with the requested amendment to add a total of $6.8 million from all sources in both FY 2023 and FY 2024 for a new contract with the United Nurses and Allied Professionals.

Distribution of Positions

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

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

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

The 2017 Assembly adopted legislation in Section 6 of Article 5 of 2017-H 5175, Substitute A, as amended, requiring the Personnel Administrator or any director of a department file a written report with the Speaker of the House, the President of the Senate and the chairpersons of the House and Senate Finance Committees when transferring or extending the duration of a transferred employee. This report must be filed within seven days of making or extending the transfer. Since the adoption of this requirement, seven reports identifying a total of eight transfers have been received. The 2019 Assembly adopted legislation in Section 11 of Article 4 of 2019-H 5151, Substitute A, as amended, to clarify that reports be made on the transfer of all state employees, including those who are members of labor unions.

The following is a brief summary of the distribution of positions by function. A description of the position changes from the FY 2023 enacted budget follows. Most of the positions in state government are in the education and human services functions, which together account for 54.9 percent of all positions.

Changes to Enacted	Gen. Gov't.	Human Services	Education	Public Safety	Natural Res.	Transp.	Total
FY 2023 Enacted	*2,494.4*	*3,734.3*	*4,747.2*	*3,275.6*	*449.0*	*755.0*	*15,455.5*
New Positions	39.0	61.0	15.4	58.0	8.0	-	181.4
Total Change to Enacted	*39.0*	*61.0*	*15.4*	*58.0*	*8.0*	-	*181.4*
FY 2024 Enacted	**2,533.4**	**3,795.3**	**4,762.6**	**3,333.6**	**457.0**	**755.0**	**15,636.9**
Percent by Function	**16.2%**	**24.3%**	**30.5%**	**21.3%**	**2.9%**	**4.8%**	**100%**

The budget includes 2,533.4 full-time equivalent positions for general government agencies, 16.2 percent of the distributed positions. This is 39.0 positions more than enacted for FY 2023 to include staffing for various initiatives, and including the newly created Department of Housing.

The budget includes 3,795.3 full-time equivalent positions for human services, or 24.3 percent of all positions. This is 61.0 more than enacted, including 39.0 for the Department of Health.

The budget includes 4,762.6 full-time equivalent positions for education, 30.5 percent of all positions. Most of the 15.4 new positions are for the Department of Elementary and Secondary Education.

There are 3,333.6 full-time equivalent positions for public safety agencies, 21.3 percent of all positions. Most of the new positions are for the Department of Corrections.

The budget includes 457.0 full-time equivalent positions for natural resources agencies, 2.9 percent of all positions.

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

Program Changes to FY 2023 Enacted Staffing Levels

Administration. The Governor recommended FY 2024 staffing of 674.7 full-time equivalent positions, 12.0 more than authorized. This includes 2.0 positions to support the Water Resources Board, 2.0 positions in the Division of Purchases to assist with the implementation of the electronic procurement system, including training, 2.0 positions in Central Management for financial management, 2.0 positions to enhance performance management reviews and audits, 1.0 position to manage various contracts for HealthSource RI, 1.0 position in the Division of Equity, Diversity and Inclusion to conduct site visits to confirm compliance with procurement rules for women and minority owned businesses, and 2.0 positions in Human Resources. The latter two positions would be financed through agency charges. 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. The Assembly concurred and included 419.1 to support internal service fund programs.

Executive Office of Commerce. The Governor recommended 5.0 full-time equivalent positions for FY 2024, 15.0 positions fewer than authorized, including the transfer of 17.0 positions to the Department of Housing. This is partially offset by 2.0 new positions, including an administrative secretary and a fiscal officer, to perform work done by positions that will be transferred to the Department of Housing. The Assembly concurred.

Housing. The Governor recommended 38.0 full-time equivalent positions for FY 2024 for the new Department of Housing. This includes 17.0 positions transferred from the Executive Office of Commerce. He also recommended 21.0 new positions to perform an expanded scope of work, 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. The Assembly concurred.

Secretary of State. After taking office in January, the Secretary of State formally requested a number of budget changes to the request prepared by the outgoing administration, including additional staff. The Governor recommended the authorized level of 59.0 full-time equivalent positions for FY 2024. The Assembly added 2.0 new positions, a network technology manager and a legal counsel, for a total of 61.0 full-time equivalent positions.

Office of the General Treasurer. The Governor recommended the enacted level of 89.0 full-time equivalent positions for FY 2024. He subsequently requested an amendment to add 1.0 new full-time equivalent cash management risk mitigation coordinator based on a request by the new Treasurer. The Assembly concurred and also added authorization for 1.0 new retirement counselor position based on a request that Treasurer made after taking office.

Executive Office of Health and Human Services. The Governor recommended 225.0 full-time equivalent positions for FY 2024, 21.0 more than enacted. This includes the transfer of 7.0 positions from the Department of Health supporting the Health Equity Zones and 3.0 positions from the Department of Human Services' Medicaid Eligibility Quality Control unit. The recommendation adds 3.0 appeals officers for the public health emergency unwinding, 3.0 legal positions, 3.0 budget and finance positions, 1.0 Medicaid Chief of Pharmacy, and 1.0 position to support the Certified Community Behavioral Health Clinics. The Assembly retained the positions in the Department of Health and concurred with the remainder of the recommendation.

Children, Youth and Families. The Governor recommended 705.5 full-time equivalent positions for FY 2024, 3.0 more than enacted. The 3.0 positions will help staff with additional modules which have opened because of increases in the juvenile population. The Assembly concurred.

Health. The Governor recommended FY 2023 revised staffing of 543.4 full-time equivalent positions, 8.0 positions more than enacted, to address water infrastructure projects review. His FY 2024 recommendation is 13.0 more than the revised budget. This reflects the transfer of 7.0 positions supporting the Health Equity Zones to the Executive Office of Health and Human Services; however, funding for the positions is retained in the Department's budget. It also includes an additional 20.0 positions to backfill vacancies, for total staffing of 556.4 full-time equivalent positions. The Assembly concurred with the revised recommendation. For FY 2024, it authorized staffing of 574.4 positions, 18.0 more than recommended. It did not concur with the proposal to transfer staff to the Executive Office, it further increased the authorization by 10.0 positions to ensure timely compliance with various federal grants that the Department has and will receive, and added a forensic scientist position.

Human Services. The Governor recommended 1,068.0 full-time equivalent positions for FY 2024, 1.0 more than enacted. This includes the transfer of 3.0 full-time staff to the Executive Office of Health and Human Services in order to separate oversight related to medical assistance benefits. It also includes the conversion of six seasonal positions at the Veterans' Memorial Cemetery to 4.0 gardener positions to assist

with the additional work associated with the federal law change that requires expanding the number of national guard and reserve members and their spouses and dependents that qualify for burial privileges. The Assembly concurred and provided an additional 2.0 full-time equivalent positions within the Office of Healthy Aging to assist the adult protective services division based on increased workload, for total staffing of 1,070.0 positions.

Behavioral Healthcare, Developmental Disabilities and Hospitals. The Governor recommended 1,202.4 full-time equivalent positions for FY 2024, which is 2.0 more than enacted for the Division of Developmental Disabilities to support the review and implementation of the rate review model for community-based services. The Assembly concurred.

Elementary and Secondary Education. The Governor recommended staffing of 330.1 full-time equivalent positions for FY 2024, 4.0 more than enacted for the Department's administration. This includes support for transformation of low-performing schools, multilingual learner education, operation of the Enroll RI platform that allows families to search for educational programs, and district professional development. The Assembly concurred with the recommendation except for the transformation specialist. Instead it authorized a new administrative support staff. It also added 3.0 new positions to facilitate individualized education program/504 services and 1.0 new speech language pathologist for the School for the Deaf. This brings the total authorization for FY 2024 to 334.1.

Public Higher Education. The Governor recommended 4,394.3 full-time equivalent positions for FY 2024, 7.0 more than enacted. This includes 3.0 new positions for the Rhode Island Longitudinal Data System. The recommendation also adds 3.0 positions for the implementation of the RI Reconnect initiative, and a new director position to implement the state's Prekindergarten through 20 Public Education Strategic Plan. The Assembly concurred.

Rhode Island State Council on the Arts. The Governor recommended the enacted amount of 9.6 full-time equivalent positions for the Council. The Assembly provided 10.0 positions, which upgrades a part-time position to full-time to serve as the Film and Television Office's deputy director, consistent with the Council's request.

Attorney General. The Governor recommended 249.1 full-time equivalent positions for FY 2024, consistent with the enacted budget. The Assembly added 15.0 additional positions for new units and to enhance existing programs. This includes 2.5 positions to establish a Cold Case Unit, 1.0 position to establish the Office of Energy Advocate, 1.0 position dedicated to manage statewide police body-camera videos, 5.0 additional positions to work on government litigation, 2.5 additional positions for the Narcotics and Organized Crime Unit, 2.0 additional positions for the Office of the Healthcare Advocate, and 1.0 additional position for the Public Protection Bureau.

Corrections. The Governor recommended 1,459.0 full-time equivalent positions for FY 2024, which is 32.0 more than enacted for the Department's restrictive housing and behavioral management units. This includes 28.0 correctional officers, an adult counselor, clinical social worker, administrative officer, and hearing officer. The Assembly concurred and added 1.0 additional position who will monitor behavioral time awards, consistent with an audit finding recommendation.

Judiciary. The Governor recommended the authorized level of 739.3 full-time equivalent positions for FY 2024. The Assembly added 4.0 positions to establish a new Temporary Restraining Order Office within Family Court, for a total of 743.3 full-time equivalent positions.

Public Defender. The Governor recommended 102.0 full-time equivalent positions for FY 2024, 2.0 positions more than enacted. This includes 2.0 assistant public defender positions to help with caseload

issues within the Office. The Assembly added 2.0 additional assistant public defender positions, for total staffing of 104.0 positions.

Emergency Management Agency. The Governor recommended 35.0 positions for FY 2024, consistent with the enacted authorization. He subsequently requested an amendment to add two new emergency response positions for staffing of 37.0 full-time equivalent positions. The Assembly concurred with the amended recommendation.

Environmental Management. The Governor recommended 425.0 full-time equivalent positions for FY 2024, 8.0 positions more than enacted. This includes 3.0 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. The Assembly concurred.

Internal Service Funds

The state uses internal service funds to reimburse one agency for services provided to another. For example, the Central Utilities account within the Department of Administration charges agencies for utilities expenses, such as electricity costs. In other cases, the service provided is more administrative such as human resources support. The funds to cover these expenditures are budgeted as an operating expenditure in the agency receiving the services. No funds are appropriated to the internal service fund.

Internal service funds lack the transparency of direct appropriations. They are supported by billings to agencies since no money is appropriated to the funds and the services appear as operating costs even though they often fund personnel expenses. This makes it difficult to exercise the same level of scrutiny as direct appropriations. The 2017 Assembly adopted legislation authorizing internal service funds for centralized services including information technology, facilities management, and human resources. It also requires that the Department of Administration report on a quarterly basis, starting with October 15, 2017, the fund activities, including a breakdown by each department and agency. The report must be submitted to the Speaker of the House and President of the Senate with copies to the chairpersons of the House and Senate Finance Committees. The following table shows the dates the reports were submitted.

Fiscal Year	1st 10/15	2nd 1/15	3rd 4/15	4th 7/15
2023	10/17	1/20	4/14	
2022	10/27	1/15	4/15	7/15
2021	10/30	2/22	5/14	
2020	10/31	1/17	5/20	8/24
2019	2/19		5/21	9/13
2018	10/13	2/21	11/24	

Previous personnel costs discussed exclude internal service funds expenses; however, the staffing levels do include them, which skews the actual cost per position. This following table shows them included.

FY 2024 Enacted Including ISF	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	$ 740,114,631	$ 200,048,010	$ 57,389,773	$ 422,750,075	$ 1,420,302,489
Benefits	417,530,357	131,907,271	32,971,521	163,853,186	746,262,335
Total Salaries and Benefits	**$ 1,157,644,988**	**$ 331,955,281**	**$ 90,361,294**	**$ 586,603,261**	**$ 2,166,564,824**
Contracted Services	110,629,487	300,542,341	111,788,243	62,299,157	585,259,228
Total Personnel	**$ 1,268,274,475**	**$ 632,497,622**	**$ 202,149,537**	**$ 648,902,418**	**$ 2,751,824,052**

The associated staffing costs of $66.7 million support 463.3 full-time equivalent positions statewide, including 419.1 positions in the Department of Administration. There are also 12.0 positions in the Department of Public Safety, 4.2 positions in the Secretary of State and 28.0 positions in the Department of Corrections.

This table shows the budgets for the most recently created internal service funds; they have the largest staffing costs. The bottom part of the table shows resources that are budgeted in agencies to support them.

ISF Budgets	FY 2023 Enacted	FY 2023 Revised	FY 2023 Final	FY 2024 Recommended	FY 2024 Enacted
Human Resources	$ 15,991,654	$ 16,005,094	$ 16,005,094	$ 17,117,623	$ 17,117,623
Facilities Management	47,011,910	54,866,999	54,866,999	61,150,543	61,150,543
Information Technology	50,789,409	50,748,407	50,748,407	56,136,183	56,136,183
Total	**$ 113,792,973**	**$ 121,620,500**	**$ 121,620,500**	**$ 134,404,349**	**$ 134,404,349**
Agency Budgets					
Human Resources	$ 14,725,373	$ 15,255,540	$ 15,546,847	$ 17,426,872	$ 17,424,425
Facilities Management	43,341,075	58,517,648	59,795,748	64,290,642	63,731,086
Information Technology	46,299,602	40,850,422	48,090,793	54,667,783	55,238,259
Total	**$ 104,366,050**	**$ 114,623,610**	**$ 123,433,388**	**$ 136,385,297**	**$ 136,393,770**
Difference	**$ 9,426,923**	**$ 6,996,890**	**$ (1,812,888)**	**$ (1,980,948)**	**$ (1,989,421)**

Through the second quarter of FY 2023, the aforementioned program expenses totaled $50.6 million and it appears that agencies were billed $52.9 million, $2.3 million more than expenditures. The recommended budget for information technology services, facilities management and human resources support total $134.4 million for FY 2024; however, the amount of resources assumed in agency budgets to support these operations total $136.4 million, or $2.0 million more.

The FY 2023 revised budget includes $121.6 million of expenditures; however, the amounts in agency budgets total $114.6 million or $7.0 million less. The FY 2024 recommended budget includes $2.0 million more in resources for the services. Subsequently, the Budget Office noted technical issues that misallocated centralized services funding for multiple agencies. The Governor requested an amendment to correct the miscalculation. **The Assembly concurred with the amended recommendation.**

Information Technology. The Division of Information Technology provides centralized information technology services to state agencies. According to the Department of Administration, expenditures are broken into service categories to calculate a cost of service; from that, rates are developed. Some services include printing, storage, system support, server charges and disaster recovery. At the end of FY 2022, the fund had a balance of $2.4 million. Through the first half of FY 2023, expenses total $19.8 million, while the Department billed $23.0 million for services; resulting in a surplus of $3.1 million. The revised request includes $28.1 million to support 172.0 full-time equivalent positions, $1.8 million less and 12.0 fewer positions than enacted, to align the authorization closer to filled positions. Based on a payroll analysis through the first pay period in January, it appears that the revised request amount of $28.1 million is $1.4 million above projected expenses. Through the first half of the year, the Division averaged approximately 20 vacancies.

The revised request includes $2.3 million more for operating expenses, including $1.6 million for contracted information technology support, for a total of $3.6 million. The request for these expenses is $1.8 million more than FY 2022 expenses. The Department indicated that the additional support is reflective of current vacancies and that it is having to rely more on contractors since it is having problems finding employees with certain skill sets. The request also includes new expenditures of $0.6 million to replace 135 network switches that the division indicated have reached their useful lives. It should be noted that the approved plan includes $1.6 million from the Information Technology Investment Fund to replace 370 switches. The

Department noted that the replacement of these switches is intended to be done in four phases; phase one was funded with information technology funds. The FY 2024 request also includes $0.6 million for phase three and planned expenditures of $0.6 million would be requested in FY 2025 for the last phase. This would bring total expenses to $3.3 million for a total of 845 switches, averaging approximately $4,000 per switch. It also includes $0.2 million more for the division's share of centralized services, reflecting recent experience.

The request includes $55.9 million for FY 2024, which is $5.1 million more than enacted and $4.6 million more than the revised request. This includes $29.1 million for salary and benefit expenses for 172.0 full-time equivalent positions, consistent with the revised request. This is $0.7 million less than enacted; however, it is $1.0 million more than the revised request for current service adjustments. Operating expenses of $26.8 million are $3.5 million more than the revised request, including $0.8 million for contracted information technology support, of which $0.6 million is for cloud-based management services. It includes $0.9 million more for software maintenance agreements, including increases of $0.4 million for disaster recovery and $0.2 million for the Enterprise Content Management System, which is used to create and manage digital content. It also includes $1.6 million for equipment, of which $0.9 million is cybersecurity-related expenses.

Information Technology	FY 2023 Enacted	FY 2023 Final	FY 2024 Recommended	FY 2024 Enacted
Expenditures by Category				
Salaries and Benefits	$ 29,874,634	$ 28,109,126	$ 29,153,560	$ 29,153,560
Contracted Services	3,481,462	4,847,985	5,084,796	5,084,796
Other State Operations	17,422,313	17,768,601	21,874,047	21,874,047
Capital	11,000	22,695	23,780	23,780
Total	**$ 50,789,409**	**$ 50,748,407**	**$ 56,136,183**	**$ 56,136,183**
FTE Authorization	**184.0**	**172.0**	**172.0**	**172.0**

The FY 2023 revised recommendation is $0.6 million less than requested. This includes $6,498 more for salaries and benefits, primarily for statewide medical benefit adjustments. The revised recommendation delays the requested expense for the switch replacement to FY 2024. The recommendation includes expenditures of $56.1 million and staffing of 172.0 full-time equivalent positions, consistent with the request. This is $0.2 million more than requested, including $14,249 for statewide medical changes based on updated estimate of rates. The recommendation does not fund the requested $0.8 million from the cloud-based management services and the Enterprise Content Management System and adds $1.0 million for the switch replacement. **The Assembly concurred.**

Facilities Management. Facilities Management provides services including property management, grounds keeping and janitorial services for state departments and agencies. It is responsible for 140 state buildings and six court buildings. Expenditures are based on projected costs for utilities, janitorial services, snow removal, repairs and personnel. For billing purposes, each building is assigned a rate, which reflects the cost per square foot for occupancy and agencies are billed based on the square footage they occupy in a facility. At the end of FY 2020, the fund had an accumulated deficit of $1.9 million. In FY 2021, a total of $43.5 million for services were billed to agencies and expenditures were $41.0 million, resulting in a surplus balance of $2.5 million. This eliminated the prior deficit and ended FY 2021 with a surplus balance of $0.6 million. At the end of FY 2022, the fund had a negative balance of $0.2 million. Through the second quarter of FY 2023, expenses total $22.7 million, while the Department billed $22.9 million for services; a surplus of $0.1 million.

The FY 2023 revised request includes $51.9 million, which is $4.8 million more than enacted. It includes $15.9 million for salaries and benefits for 107.1 full-time equivalent positions. This is $0.3 million more and 1.4 fewer positions than enacted. Consistent with the enacted budget, the request does not include any turnover savings. Based on a payroll analysis through the first pay period in January, the revised request is $2.6 million above projected expenses; the division has averaged 17 vacancies. Operating expenses are $4.6 million more than enacted, including $3.0 million for natural gas costs based on a projected increase; the current contract expired on October 31, 2022.

Subsequent to submitting its budget request, the Department entered into a one-year contract for natural gas, effective November 1, 2022 through October 31, 2023. Historically, the procurement term was three years but it was reduced to one year due to the volatility of energy costs. The rate increased from 4.7 dekatherm to 15.489 dekatherm. The revised request also includes $1.1 million more for building maintenance and repairs; the request of $3.3 million is $1.4 million less than FY 2022 expenses. All remaining expenses are $0.5 million more, including $0.1 million for the division's share of centralized services and $0.2 million for janitorial supplies and waste disposal. It also includes $0.1 million to subsidize costs associated with maintaining the cafeteria in the Powers Building. The Department indicated that since the pandemic started, more people are working from home, and more individuals coming to work are bringing lunch from home. As a result, the vendor has lost $0.1 million annually, and an agreement was reached to maintain services with the state providing the subsidy.

For FY 2024, the request includes expenditures of $59.1 million for facilities management, which is $12.1 million more than enacted, and staffing consistent with the revised request. It includes $24.9 million for fuel expenses, of which $16.2 million is for natural gas. This is $9.0 million more than enacted and $6.2 million more than the revised request based on the anticipated cost increase. It includes $3.5 million, or $0.1 million more than enacted for operating expenses relating to the Central Power Plant at the Pastore Center. This contract with NORESCO has two components; the direct labor paid, which is a fixed amount and consumables, which depend on repair costs. The request includes the enacted amount of $1.6 million for snow removal; these expenses were $0.7 million in FY 2022. All remaining expenses are $0.5 million more than the revised budget, including $0.2 million for security services based on an anticipated contract for security services, $0.1 million for janitorial services, and $0.1 million for staff training.

Facilities Management	FY 2023 Enacted	FY 2023 Final	FY 2024 Recommended	FY 2024 Enacted
Expenditures by Category				
Salaries and Benefits	$ 14,695,179	$ 14,699,532	$ 15,592,168	$ 15,592,168
Contracted Services	8,021,577	8,021,577	8,582,254	8,582,254
Other State Operations	24,280,154	32,130,890	36,961,121	36,961,121
Capital	15,000	15,000	15,000	15,000
Total	**$ 47,011,910**	**$ 54,866,999**	**$ 61,150,543**	**$ 61,150,543**
FTE Authorization	**108.5**	**107.1**	**107.1**	**107.1**

The Governor's revised recommendation of $54.9 million is $3.0 million more than requested. This includes $4.9 million for natural gas, reflecting the updated contract. This is partially offset by turnover savings of $0.3 million and maintaining the enacted amount for maintenance and repairs, and janitorial services. The FY 2024 recommendation includes $61.2 million and 107.1 full-time equivalent positions for facilities management. This is $14.1 million more than enacted and $2.1 million more than requested, of which $3.0 million more is for natural gas. The Governor does not recommend funding for the subsidy. **The Assembly concurred.**

Human Resources. The Division provides human resources services to nearly all state departments. Services include employee benefits, payroll, and labor relations. Agencies are billed based on a cost per filled position. At the end of FY 2022, the fund balance was $47,675. Through the first half of FY 2023, expenses total $8.0 million, while the Department billed $7.1 million for services; resulting in a current deficit of $0.9 million. This is largely attributed to statewide vacancies, as the billing rate had assumed a certain level of filled positions. As noted earlier, there were, 13,746.8 positions filled, or 1,708.7 vacancies as of January 14, 2023.

The FY 2023 revised request includes expenditures of $18.1 million, or $2.1 million more than enacted. This includes $1.3 million more for salary and benefit expenses. Consistent with the enacted budget, the revised request does not include any turnover savings. Based on a payroll analysis through the first pay period in January, the revised request is $1.0 million above projected expenses. The staffing authorization increases by 4.0 full-time equivalent positions, for total staffing of 101.0 positions; however, funding appears to fund 10.0 positions; all within the existing authorization. Operating expenses are $0.8 million more than enacted, including $0.4 million more for the division's share of information technology charges, based on a recent experience, and $0.1 million more for advertising. It also includes $0.3 million to support training opportunities; no specific initiative was identified. The request reflects the Department's priority to provide staff with training to retain employees. Through the second quarter of FY 2023, expenses total $8.0 million, while the Department billed $7.1 million for services; a current deficit of $0.9 million.

The FY 2024 request of $19.4 million is $3.4 million more than enacted and $1.3 million more than the revised request. This includes $15.4 million for salaries and benefits for 103.0 full-time equivalent positions, 6.0 more than authorized and 2.0 more than the revised request, including a programming services officer and a human resources analyst to assist with performance development programs.

Human Resources	FY 2023 Enacted	FY 2023 Final	FY 2024 Recommended	FY 2024 Enacted
Expenditures by Category				
Salaries and Benefits	$ 12,836,609	$ 12,393,581	$ 13,233,725	$ 13,233,725
Contracted Services	204,200	204,200	204,200	204,200
Other State Operations	2,921,345	3,377,813	3,650,198	3,650,198
Capital	29,500	29,500	29,500	29,500
Total	**$ 15,991,654**	**$ 16,005,094**	**$ 17,117,623**	**$ 17,117,623**
FTE Authorization	**97.0**	**101.0**	**103.0**	**103.0**

The Governor's FY 2023 revised recommendation is $2.1 million less than requested, including $1.7 million less for salaries and benefits, reflecting turnover savings. He does not recommend the additional funding for advertising and staff training. He included expenditures of $17.1 million and staffing of 103.0 full-time equivalent positions, consistent with the request for FY 2024. This is $2.3 million less than requested, all but $0.1 million of the decrease is for salaries and benefits. **The Assembly concurred.**

Assessed Fringe Benefits. The Assessed Fringe Benefit Fund provides funding for the state employee workers' compensation, severance pay, unemployment pay, and employee assistance programs. The Fund is supported from a biweekly assessment that is applied to the amount of salaries and wages paid from all accounts and funds. The Department projected FY 2023 revised expenses of $37.0 million, $0.4 million less than enacted for salaries and benefits. It included the enacted amount of $6.5 million for severance pay.

The Department's FY 2024 request is essentially consistent with the FY 2023 revised request. *The Governor's revised budget is essentially consistent with the enacted budget. He recommended $37.4*

million for FY 2024, which is $20,351 more than enacted for statewide adjustments. **The Assembly concurred.**

Central Mailroom. Central mail services program provides for inter-agency mail delivery and processing of mail for most state agencies. Agencies are billed based on mail processed on their behalf. The FY 2023 revised request assumes expenditures of $7.9 million, or $559,135 more than enacted. The revised request includes funding essentially as enacted for the authorized level of 9.0 full-time equivalent positions. As of the first pay period in January, there was no vacancy. Of the operating increase, $0.5 million will be used to purchase a mail inserter machine with the capacity to process 20 million pieces of mail annually for the Division of Taxation, Registry, Accounts and Control, and other agencies. The Department indicated that the current machine is 11 years old and is often failing.

For FY 2024, the Department projects expenditures of $8.1 million, which are $0.8 million more than enacted and $0.2 million more than the revised request for postage and metering. The staffing request of 9.0 full-time equivalent positions is consistent with the enacted budget and the revised request. The Governor's revised recommendation of $7.7 million for FY 2023 is $0.1 million less than requested for equipment maintenance. The FY 2024 recommended budget includes $8.1 million or $17,158 more than requested for statewide adjustments. **The Assembly concurred.**

State Fleet. State Fleet provides charges for the administration and fiscal management of state-owned vehicles and operates several fuel depots throughout the state. The FY 2023 revised and the FY 2024 requests assume staffing of 7.0 full-time equivalent positions, one more than authorized reflecting actual filled positions. Consistent with the revised request, the Department projected expenditures of $13.3 million, or $0.4 million more than enacted; this is $0.3 million less than FY 2022 expenditures, primarily for fuel. Agencies are billed based on fuel used, maintenance services provided, insurance costs, and the number of vehicles owned. *The Governor's revised recommendation is $17,379 more than requested, reflecting statewide adjustments. For FY 2024, he recommended $13.1 million and staffing of 7.0 full-time equivalent positions. This is $0.2 million less than requested and maintains expenses for gas, insurance and maintenance expenses at the enacted amounts.* **The Assembly concurred.**

Telecommunications. The Division of Information Technology's telecommunications program manages all voice telephone line installations, service changes and billings statewide. It also provides direct services both internally to government and to the public. Agencies are billed based on the number of lines they have as well as requested maintenance. The FY 2023 revised request includes expenditures of $3.6 million or $0.1 million more than enacted. It also includes $36,993 less for salaries and benefits, reflecting turnover savings achieved in half of the fiscal year. Operating expenses are $114,553 more, including $39,553 for the division's share of centralized services, and $75,000 for software maintenance costs.

The request includes expenses totaling $3.7 million for FY 2024, or $0.2 million more than enacted. This includes $1.0 million for salary and benefit expenses for 8.0 full-time equivalent positions. This is $10,477 less than enacted; however, $26,516 more than the revised request for current service adjustments. Operating expenses of $2.7 million are $69,888 more than the revised request, primarily for telecommunication costs. *The Governor's recommendation for FY 2023 revised is $0.1 million less than requested to exclude software maintenance expenses. His recommendation of $3.7 million for FY 2024 is $28,473 less than requested, reflecting statewide adjustments for centralized services and medical benefits.* **The Assembly concurred.**

Medicaid

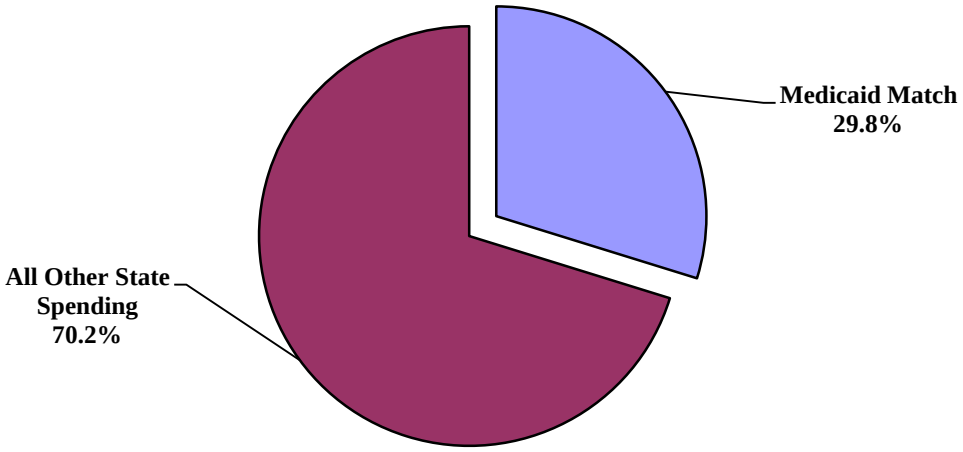
Medicaid is a health insurance program jointly funded by the federal government and the states to provide services to low-income children, pregnant women, parents of dependent children, elderly, and people with disabilities. The federal government's share of expenditures for most Medicaid services is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

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

FY 2024 Enacted	General Revenues	All Funds	% of Medicaid
EOHHS	$ 1,252,922,088	$ 3,577,751,199	84.0%
BHDDH	305,342,512	552,839,661	13.0%
Children, Youth and Families	43,720,709	98,573,887	2.3%
Human Services	12,851,065	27,760,131	0.7%
Health	1,246,454	3,914,473	0.1%
Total	**$ 1,616,082,828**	**$ 4,260,839,351**	**100%**

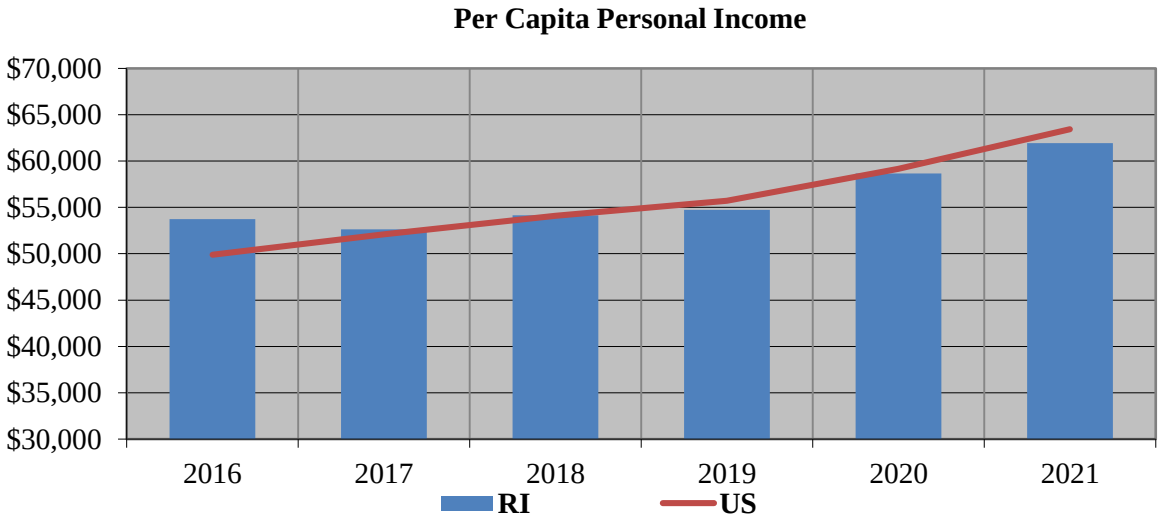
Medicaid as a Percent of the State Budget. Programs supported by Medicaid are 30.4 percent of total spending in the FY 2024 enacted budget and the state match for that requires 29.8 percent of spending from general revenues. The programs and recipients receiving Medicaid funded services are discussed separately in the pages that follow, including the state's mandated coverage for these populations, the number of individuals receiving services and the costs, as well as other optional services provided through the health and human service agencies.

FY 2024 State Medicaid Match vs All General Revenue Spending



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

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



By law, the standard Medicaid rate cannot be lower than 50 percent or higher than 83 percent. The federal contribution to any state's administrative costs for Medicaid services is set at 50 percent. The chart above shows the state's per capita income for the previous six calendar years compared to the national average. The FY 2024 rate is based on 2019 through 2021 data. The per capita income data is released by the federal Bureau of Economic Analysis and is used by the federal government to calculate each state's Medicaid reimbursement rate.

The following table shows the regular federal fiscal year rate, the regular state fiscal year rate and the enhanced rates related to the pandemic for FY 2020 through FY 2024. As shown, the federal share has remained fairly consistent over the last several years.

Medicaid Rates	FFY		SFY	
	Regular	Enhanced	Regular	Enhanced
2024	54.75%	55.00%	54.75%	55.75%
2023	55.01%	60.16%	54.19%	60.09%
2022	54.88%	61.08%	54.68%	60.88%
2021	54.09%	60.29%	53.81%	60.01%
2020	52.95%	59.15%	52.86%	59.06%

Since the Medicaid rate is published for the federal fiscal year that starts on October 1, the state uses a blended rate for its fiscal year. For example, Rhode Island's FY 2024 rate is based on one quarter of the

federal fiscal year 2023 rate and three quarters of the federal fiscal year 2024 rate resulting in the different rate for budgetary purposes.

Families First Coronavirus Response Act - Enhanced Medicaid Rate. On March 18, 2020, President Trump signed into law the Families First Coronavirus Response Act, which temporarily increases a state's Medicaid match rate by 6.2 percent for services provided from January 1, 2020 until the end of the public health emergency. In exchange, states may not terminate enrollment for those who no longer qualify for benefits.

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 plan 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 FY 2023 final budget includes the enhanced rate through the fourth quarter and FY 2024 includes savings for the first two quarters. The redetermination process started April 1, 2023.

Savings from the enhanced Medicaid rate are partially offset by the state having to maintain enrollment of individuals who may no longer be eligible. The following table shows the gross savings to general revenues from the increased federal share for FY 2020 through the FY 2024 enacted budget totaling $692.6 million. These savings are offset by the fluctuations in enrollment which grew by approximately 74,200 individuals from February 2020 through March 2023. Enrollment is expected to decline as eligibility is recertified.

Gross General Revenue Savings		
FY 2024 Enacted	$	(36.1)
FY 2023 Final		(162.8)
FY 2022 Final		(280.0)
FY 2021 Final		(135.9)
FY 2020 Final		(77.8)
Total	**$**	**(692.6)**

$ in millions

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

The Affordable Care Act increased the already enhanced rate by another 23 percentage points until FFY 2020 when it was lowered 11.5 extra points to 78.57 percent. The regular enhanced rate returned in FFY 2021 at a rate of 67.28 percent and it is projected that FY 2024 will be 68.33 percent.

CHIP Rates	FFY	SFY
2024	68.51%	68.33%
2023	67.77%	67.93%
2022	68.42%	68.28%
2021	67.28%	70.10%
2020	78.57%	81.38%

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

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

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

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

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

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

for the parent was increased to 138 percent to match the threshold for the expansion program which is 133 percent of poverty after disregarding five percent of the annual income.

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

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

The following table shows total program expenses and the state match for FY 2020 through the FY 2024 enacted budget and the out-years through FY 2028. Expenditures shown from FY 2021 through FY 2023 reflect caseload growth partially attributable to the prohibition on redeterminations during the public health emergency. As previously noted, redeterminations began April 1 and the state match for this program remains at ten percent; the delay in redeterminations did affect total state costs, which more than doubled.

Medicaid Expansion		
FY	General Revenues	All Funds
2028	$ 97.1	$ 893.4
2027	$ 95.2	$ 876.0
2026	$ 93.3	$ 858.5
2025	$ 91.4	$ 841.0
2024	$ 89.3	$ 821.7
2023	$ 87.6	$ 810.0
2022	$ 85.6	$ 802.7
2021	$ 68.8	$ 643.8
2020	$ 42.9	$ 487.3

$ in millions

HealthSource RI. In September 2011, Governor Chafee issued an executive order to establish the Rhode Island Health Benefits Exchange, renamed HealthSource RI, the marketplace for purchasing health insurance, known as the Exchange. The 2015 Assembly enacted Article 18 of 2015-H 5900, Substitute A, as amended, to establish the Exchange in general law as a division within the Department of Administration. It authorized HealthSource RI to operate a state-based exchange to meet the minimum requirements of the federal act. It also authorized an assessment be charged by the Department not to exceed revenues that would be raised through the federally facilitated marketplace upon those insurers offering products on the Exchange. The assessment is anticipated to generate $6.9 million for FY 2023.

The 2019 Assembly also included Article 11 of 2019-H 5151, Substitute A, as amended, to address federal changes decreasing the assessment from 3.5 percent to 3.0 percent. The article decouples the state's premium assessment from the rate charged for federally facilitated marketplaces. It establishes a fee of 3.5 percent in statute, effective January 1, 2020. The FY 2024 recommended budget includes $3.5 million from general revenues to be used in conjunction with these revenues for the operations of HealthSource RI.

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

annual physicals, doctor sick visits, hospitalizations, maternity care, emergency room visits, and prescription coverage.

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

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

HealthSource RI began accepting applications on October 1, 2013. Health plans offered through the marketplace are categorized into tiers based on the level of benefits and cost sharing requirements. Individuals in households with income below 400 percent of poverty who are not Medicaid eligible will receive federal subsidies to reduce the cost of commercial health plans purchased through the Exchange.

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

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

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

The FY 2024 enacted budget includes $15.4 million, which is $9.7 million from federal funds and $5.7 million in revenue from the Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions. This includes $14.8 million to make reinsurance payments to health insurance carriers and $0.6 million for program administration.

The 2023 Assembly included Section 4 of Article 4 of 2023-H 5200, Substitute A, as amended, to exempt any person on Medicaid during calendar year 2023 from the current penalty assessed for not having health insurance.

Health System Transformation Program. The Assembly enacted Section 10 of Article 5 of 2015-H 5900, Substitute A, as amended, to authorize the Secretary of Health and Human Services to seek the federal

authority required to implement a program to provide participating hospitals and nursing facilities the ability to obtain certain payments for achieving performance goals established by the Secretary.

The Assembly included Section 9 of Article 7 of 2016-H 7545, Substitute A, as amended, to seek federal authority to fund the Rhode Island Health System Transformation with a Medicaid match through a health workforce development partnership with the University of Rhode Island, Rhode Island College and the Community College of Rhode Island. A restricted receipt account was established so the activities can receive the federal Medicaid match.

The state received approval on October 20, 2016 for a five-year grant totaling $129.7 million for the Health System Transformation Project, which was later extended though FY 2024. Aggregate program and administrative expenses from FY 2017 through the FY 2024 enacted budget total $246.6 million.

As part of the project the state developed shared savings agreements between the managed care health plans and the certified affordable entities. The shared savings incentive programs are the Hospital and Nursing Home Incentive Program and the Accountable Entity Incentive Arrangement.

The second phase expanded opportunities through the Accountable Entities Incentive Arrangement. Pavements made to the separate entities through the shared savings agreement averaged approximately $25 million for FY 2018 through FY 2022. The Assembly included $24.0 million for FY 2023 and $20.9 million for FY 2024, the final year of the initiative.

The following table shows the progression of the grant and examples of the investments made for FY 2019 through FY 2024 in addition to the accountable entities arrangement.

Fiscal Year	Investment
2024	Workforce Transformation Initiative & Care Transformation Collaborative through DOH
2023	Dept. of Health's Care Transformation Collaborative for Practice Facilitation Services & Collaboration with URI/RIC & CCRI
2022	Real Jobs Healthcare Workforce Initiative with URI, RIC, CCRI & DLT. Continued program support for the Commission on the Deaf and Hard of Hearing
2021	Workforce Transformation Initiative and Care Transformation Collaborative through the Dept. of BHDDH
2020	Workforce Transformation Initiative and program support for the Commission on the Deaf and Hard of Hearing
2019	Healthcare Workforce Transformation Initiative with URI, CCRI & RIC

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

The state has been approved for a project plan that totals $792.6 million from all sources, including $202.6 million from general revenues, through federal fiscal year 2023. This includes $346.7 million from federal funds and $66.2 million from general revenues for design, development and implementation which totals $412.9 million. It also includes $243.4 million from federal funds and $136.3 million from general revenues for maintenance and operations which totals $379.7 million.

The state entered into a new three-year contact with Deloitte on June 28, 2021 effective through June 30, 2024 that will cost a total of $99.4 million, including $41.2 million from general revenues. The following table includes spending from FY 2016 through the FY 2024 enacted budget.

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 Final					
EOHHS	$ 13,112,762	$ 39,305,341	$ -	$ -	$ 52,418,103
DHS	11,325,679	14,096,536	-	-	25,422,215
HealthSource RI/Contact Center	913,461	-	-	4,895,420	5,808,881
Total	**$ 25,351,902**	**$ 53,401,877**	**$ -**	**$ 4,895,420**	**$ 83,649,199**
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 2024 Enacted					
EOHHS	$ 14,381,097	$ 43,882,038	$ -	$ -	$ 58,263,135
DHS	13,559,111	18,389,865	-	-	31,948,976
HealthSource RI/Contact Center	2,204,186	-	-	5,166,245	7,370,431
Total	**$ 30,144,394**	**$ 62,271,903**	**$ -**	**$ 5,166,245**	**$ 97,582,542**
FY 2016 through FY 2024 Enacted Budget	**$ 140,957,506**	**$ 471,534,905**	**$ 49,262,860**	**$ 26,131,030**	**$ 692,170,774**

Rhode Island Consumer Choice Global Compact Waiver. The Rhode Island Consumer Choice Global Compact Waiver, or Medicaid Global Waiver, was approved by the Centers for Medicare and Medicaid Services on January 16, 2009. The Global Waiver establishes a new federal-state agreement that provides Rhode Island with the flexibility to provide services in the least restrictive, most cost effective way to meet the needs of its citizens. It was in effect until December 31, 2013, at which time the state applied for and received an extension until December 31, 2018, renaming it the 1115 Research and Demonstration Waiver. The state received approval to extend the waiver until December 31, 2023. The FY 2023 final budget includes $500,000, of which $250,000 is from general revenues, for the Executive Office of Health and Human Services to work with a consultant to prepare the waiver renewal. The FY 2024 enacted budget includes $0.9 million, of which $0.3 million is from general revenues, for a contractor to assist with finalizing the waiver and assisting with the implementation once approved.

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

The Medicaid resolution language included in Article 13 of 2018-H 7200, Substitute A, as amended, granted legislative approval to seek extension of the waiver.

Waiver Proposals Approved and Part of the Budget	
Program	*Explanation*
Covering Family Home Visiting Program	• Able to receive federal matching funds for evidence-based home visiting services for Medicaid eligible pregnant women and children up to age four who are at-risk for adverse health, behavioral, and educational outcomes • Aimed at improving maternal and child health outcomes, encouraging positive parenting, and promoting child development and school readiness

The next table shows proposals that have been approved in the waiver that impact youth and families.

Waiver Proposals Approved and Not Funded as Part of the Budget	
Programs for Youth and Families	*Explanation*
Facilitating Medicaid Eligibility for Children with Special Needs	• Eligibility category established for children who meet the SSI disability criteria, but whose household income and assets exceed the SSI resource limits, and who need care in a psychiatric residential treatment facility • Allows children who meet the SSI disability criteria and require care in a residential treatment facility to become Medicaid eligible and receive residential care without parents needing to voluntarily relinquish custody to the Department of Children, Youth and Families
Enhancing Peer Support Services for Parents & Youth	• Able to receive federal matching funds for peer mentoring services to children, youth, and young adults, and their families, who have complex behavioral health needs and are at risk of removal from their home due to child welfare or juvenile justice involvement, or who may need extended residential psychiatric treatment

The next table shows proposals affecting adults that have been approved but are not included in any budgets.

Waiver Proposals Approved and Not Funded as Part of the Budget	
Programs for Adults	*Explanation*
Supporting Home- and Community-Based Therapeutic Services for the Adult Population	• Expansion of current in-home/community-based skill building and therapeutic/clinical services offered to children and adults • Services may include but are not limited to: home-based specialized treatment; home-based treatment support; individual specific orientation; transitional services; lead therapy; life skill building; specialized treatment consultation by a behavioral health clinician; and treatment coordination
Access to Care for Homebound Individuals	• Cover home-based primary care services only for Medicaid eligible individuals who are homebound, have functional limitations that make it difficult to access primary care, or for whom routine office based primary care is not effective because of complex medical, social, and/or behavioral health conditions
Waive the Institutions of Mental Disease (IMD) Exclusion	• Waiver of the IMD exclusion to allow Medicaid coverage for residential treatment services in a facility with 16 or more beds for individuals who have substance use disorders **• CMS has approved a waiver of the IMD exclusion for substance abuse disorders only, not mental health**

One aspect that did change was the process that the state has to adhere to in order to amend the waiver. Previously, the process was dictated by the nature of the change and identified as either a Category I, II or III change. The following table shows each separate category, gives brief explanations and examples, and identifies whether or not Assembly approval is required.

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

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

Poverty Guidelines

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

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

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

Both the thresholds and the guidelines are updated annually for price changes using the Consumer Price Index for All Urban Consumers (CPI-U). The poverty guidelines are sometimes loosely referred to as the "federal poverty level" or "poverty line." 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%**	**180%**	**185%**	**225%**	**250%**
1	$ 14,580	$ 18,225	$ 19,391	$ 20,120	$ 21,870	$ 26,244	$ 26,973	$ 32,805	$ 36,450
2	19,720	24,650	26,228	27,214	29,580	35,496	36,482	44,370	49,300
3	24,860	31,075	33,064	34,307	37,290	44,748	45,991	55,935	62,150
4	30,000	37,500	39,900	41,400	45,000	54,000	55,500	67,500	75,000
5	35,140	43,925	46,736	48,493	52,710	63,252	65,009	79,065	87,850
6	40,280	50,350	53,572	55,586	60,420	72,504	74,518	90,630	100,700
7	45,420	56,775	60,409	62,680	68,130	81,756	84,027	102,195	113,550
8	50,560	63,200	67,245	69,773	75,840	91,008	93,536	113,760	126,400

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

Medicaid Recipients

Citizenship Requirements. To be eligible to receive Medicaid funded services, an individual must generally either be a citizen or legal resident for at least five years, and also a resident of the state.

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

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

Coverage for Children Regardless of Immigration Status. The FY 2023 enacted budget extended medical benefits coverage, funded solely from state sources, to children whose family income is at or below 250 percent of poverty regardless of immigration status. The legislative change was included in Section 6 of Article 12 of 2022-H 7123, Substitute A, as amended.

Pregnant and Post-Partum Women. Medical services are provided to pregnant women whose annual income is at or below 250 percent of the poverty level. States are federally required to provide services to women at or below 133 percent of poverty. Women who are not otherwise eligible for Medicaid lose coverage after 60 days post-partum. Previously, the state offered a limited Medicaid benefit to post-partum women up to 250 percent of poverty for up to 24 months. The American Rescue Plan Act created a new state Medicaid option to extend full Medicaid coverage for women who are 12 months post-partum and the Assembly included Section 7 of Article 12 of 2022-H 7123, Substitute A, as amended, to extend full coverage to approximately 1,000 women. It also expanded full coverage to the population not eligible for Medicaid because of immigration status assuming about 500 participants would receive benefits.

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

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

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

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

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

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

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

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

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

Medicaid - Benefits

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

The most recently produced Executive Office of Health and Human Services' Rhode Island Annual Medicaid Expenditure Report was submitted in December 2022 and includes Medicaid spending by population and cost per person for FY 2021 as shown in the following table.

FY 2021 Medicaid Annual Report					
Populations	**Persons**	**% of Population**	**Costs***	**% of Cost**	**Annual Cost/Person**
Children/Parents	167,757	51.5%	$ 656.5	22.7%	$ 3,504
Expansion	92,077	28.3%	$ 662.9	22.9%	$ 6,186
Elderly	22,000	6.8%	$ 567.7	19.6%	$ 29,124
Disabled - Children	12,498	3.8%	$ 224.1	7.7%	$ 14,052
Disabled - Adults	31,110	9.6%	$ 785.6	27.1%	$ 23,496
Total	**325,442**	**100%**	**$ 2,896.9**	**100%**	

**in millions*

The 2022 annual report includes Medicaid expenditures that total $3,238.9 million from federal and state funds on both direct benefits and administrative expenses. Of this total, $2,896.9 million, or 89 percent of the expenses, are for benefits for covered services for full enrollees. There is another $188.4 million, or seven percent of expenses, for partial enrollees, uncompensated care payments made to hospitals, payments to local education agencies, Medicare premium payments the state makes on behalf of eligible individuals, and costs not otherwise matchable expenses. The report also includes $153.6 million, or five percent of program costs, on administrative expenses. Of the total spent on Medicaid benefits, $1,102.9 million, or 38.1 percent, was spent on mandatory services for mandatory populations.

FY 2021 Medicaid Annual Report		All Funds	% of Total
Mandatory Populations	Mandatory Services	$ 1,102.9	38.1%
	Optional Services	$ 504.5	17.4%
	Subtotal - Mandatory Populations	**$ 1,607.4**	**55.5%**
Optional Populations	Mandatory Services	$ 902.7	31.2%
	Optional Services	$ 386.7	13.3%
	Subtotal - Optional Populations	**$ 1,289.4**	**44.5%**
Total Expenses		**$ 2,896.9**	**100%**

$ in millions

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

The annual report, which is due by September 15, is also required to include expenditures by mandatory populations receiving mandatory services and, reported separately, optional services, as well as optional populations receiving mandatory services and, reported separately, optional services for each state agency receiving Medicaid funds.

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

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

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

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

Medicaid Programs

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

Medical Benefits

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

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

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

RIte Share participants are eligible for RIte Care but have access to employer sponsored insurance for which the state pays monthly cost sharing requirements and deductibles. The Assembly added Section 7 of Article 13 of 2019-H 5151, Substitute A, as amended, to require a plan be submitted by October 1, by the Executive

Office of Health and Human Services to identify Medicaid eligible individuals who have access to employer sponsored health insurance included in the medical assistance report after that. The objective was to increase enrollment in the lower cost benefit that enrolls Medicaid beneficiaries in employer sponsored insurance to levels that existed prior to the launch of the Unified Health Infrastructure Project which totaled approximately 8,400. The May 2023 caseload testimony reported enrollment of about 2,700. The 2021 Assembly enacted a new reporting requirement for the Executive Office of Health and Human Services to report employer sponsored insurance plans that meet the cost effectiveness criteria for RIte Share, discussed in the next section.

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

The Assembly adopted Section 7 of Article 13 of 2019-H 5151, Substitute A, as amended, for the Executive Office to submit a plan by October 1, 2019 to revisit the existing RIte Share program to maximize enrollment and identify who has access to other health insurance. After that, the Executive Office is required to submit the following information in its monthly medical assistance report starting January 1, 2020: the number of individuals with access to third party insurance, the number of plans that meet the cost effectiveness criteria, and the enrollment in RIte Share.

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

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

Governor McKee recommended the same proposal for his FY 2022 budget, as Governor Raimondo did in her FY 2021 recommendation, to have employers with at least 50 workers, excluding non-profits, submit employee-specific information to the Executive Office and Division of Taxation so a determination can be made if a Medicaid eligible individual has access to employer sponsored insurance. Any employer who does not comply in a timely manner would be assessed a $2,500 penalty by the Division of Taxation; one who does not comply at all or an employer who provides false information would be assessed a $5,000 penalty. The recommended budget assumed savings of $2.7 million, including $0.7 million from general revenues, representing six months.

The 2021 Assembly did not concur with these changes but did include Section 5 of Article 12 of H-6122, Substitute A, as amended, to require the Executive Office of Health and Human Services to report employer sponsored insurance plans that meet the cost effectiveness criteria for RIte Share. Information in the report

is to be used for screening for Medicaid enrollment to encourage RIte Share participation. By October 1, 2021, the report must include any employers with 300 or more employees meeting the requirement. By January 1, 2022, the report must include employers with 100 or more employees. The most recent January report was to be submitted to the chairpersons of the house and senate finance committees as well as the house fiscal advisor, the senate fiscal advisor, and the state budget officer. That report was submitted mid-January and noted that as of the December 2022, there are 403 employers who have an average of 100-299 employees during calendar year 2022, of which 119 are participating. Additionally, of the 143 employers who have an average of 300 or more employees during calendar year 2022, only 68 are participating. The report does not contain required information on which specific employer sponsored health plans meet the cost effectiveness criteria; it only contains aggregated information.

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

RIte Share Co-Pays	
Poverty Level	**Current Payments**
150% up to 185%	$61
185% up to 200%	$77
200% up to 250%	$92

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

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

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

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

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

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

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

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

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

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

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

Long Term Care Residential and Community Care Services

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

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

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

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

Eleanor Slater Hospital. The Eleanor Slater Hospital is the state's only public hospital and provides long-term care services to individuals with disabilities, court ordered psychiatric patients, and those with behavioral health issues. Prior to October 2022, the hospital was comprised of the Zambarano and Cranston campuses, which included the 52-bed Benton facility for forensic patients. On October 25, 2022, the state received approval to separately operate that facility, now known as the Rhode Island State Psychiatric Facility. Both are licensed by the Department of Health, accredited by the Joint Commission on the Accreditation of Healthcare Organizations, and certified by the Centers for Medicare and Medicaid Services.

The need to separately license the Rhode Island State Psychiatric Facility was based on several issues at Eleanor Slater Hospital when it was determined that the state was not in compliance with billing practices that were required in order to claim Medicaid for services provided at the hospital that were disclosed over several months by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and Office of Management and Budget, beginning in March 2020.

The first issue was that Rhode Island was not in compliance with the federal rule regarding Medicaid funding for facilities that have more psychiatric patients than medical ones, or what is considered an Institute of Mental Disease. It was revealed that state had not been out of compliance with the federal rule about the patient mix from August 2019 through February 2020. During this part of the process, other issues relating to the proper regulatory processes were revealed and rectified.

The second issue was the appropriateness of the state's practice of billing Medicaid for expenses incurred serving its forensic population. The state sought clarification from the Centers for Medicare and Medicaid Services which eventually issued guidance that Rhode Island could not bill Medicaid for the 50 forensic patients. A third billing issue was uncovered after a review of the remaining non-forensic patients and that it could not bill Medicaid, or Medicare, for an unidentified number of patients because their conditions did not warrant a hospital level of care. The Executive Office filed a Medicaid state plan amendment to formalize how the state can bill Medicaid for patients currently receiving services at the state hospital but are not in need of a hospital level of care and was granted federal authority in late March 2021.

During this time, Governor Raimondo requested an amendment on October 23, 2020 to provide $64.9 million, including $53.6 million from Rhode Island Capital Plan funds, to build a new nursing facility on the Zambarano campus but the Assembly did not include it in the FY 2021 budget. The Assembly also did not concur when Governor McKee submitted a similar proposal for a new building.

Governor McKee's FY 2022 recommended budget assumed the state would remain in compliance, as it was reported to be in December 2020, with the required ratio of medical to psychiatric patients to avoid designation as an Institute for Mental Disease (IMD) and the related disqualification from most Medicaid billings. On April 12, 2021, the Governor requested an amendment that added $5.3 million from Medicaid funds for FY 2021, which was later lowered based on new information that recent reviews of patient medical records resulted in changes to previously reported diagnoses that moved the facility back out of compliance on its patient mix, putting the Medicaid billing back in jeopardy. The loss of federal Medicaid and related funds impacted the FY 2020, FY 2021 and FY 2022 budgets.

Using FY 2019 as a baseline for allowable Medicaid funded expenses, the state had to use general revenues to replace approximately $62.0 million to $63.0 million annually over those three years for a total of approximately $190 million. There was also a loss of $15.0 million in Medicaid funds related to prior year billings that were pending resolution because of issues with the Unified Health Infrastructure Project, bringing the cumulative state costs related to this ongoing issue to over $200 million. This estimate excludes the loss of additional general revenue relief from an opportunity for enhanced Medicaid match that would have been available throughout the public health emergency. The FY 2021 audited closing showed the recapture of some of that prior year match and the Governor's FY 2022 revised budget increased the Medicaid yield for the smaller pool of billable patients as noted above. Combined, that was estimated to recapture roughly $40 million of the general revenue backfill.

For FY 2023, Governor McKee recommended two changes at the state hospital. First, he included $108.2 million from Rhode Island Capital Plan funds to construct a new 110-bed long-term care facility on the Zambarano campus to replace the Beazley building. Second, he separated the Benton facility for forensic patients into a stand-alone, entirely general revenue funded, psychiatric facility to address compliance and billing issues with Medicaid, and added five new administrative positions at the facility. Having the two distinct hospitals would allow the state to count only medical and civil psychiatric patients in the Eleanor

Slater Hospital patient mix. The hospital came back into compliance at its December 2022 review as expected and the FY 2023 final budget includes $26.0 million in Medicaid funds. The FY 2024 enacted budget includes a full year at $50.4 million.

Residential Services and Other Programs

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

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

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

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

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

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

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

Conflict-Free Case Management Services. Federal changes require that person-centered planning and conflict-free case management services be provided independently from the agency providing the direct service. This includes 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. Individuals affected by this include the elderly and disabled in the Executive Office of Health and Human Services and the Department of Human Services' Office of Healthy Aging. Case management services provided through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' Division of Developmental Disabilities must also be conflict-free.

The Assembly included Section 7 of Article 9 of 2023-H 5200, Substitute A, as amended, to direct 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 savings of $0.3 million, including $0.1 million in the Office of Healthy Aging. The enacted budget also includes $1.7 million, of which $0.2 million is from general revenues, for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' portion of the Executive Office of Health and Human Services' Wellsky technology contract for case management services.

Certified Community Behavioral Health Clinics. The Assembly enacted Section 4 of Article 12 of 2022-H 7123, Substitute A, as amended, to authorize the Executive Office of Health and Human Services to submit a state Medicaid plan amendment to establish certified community behavioral health clinics in accordance with the federal model. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals will define additional criteria for certification and services provided. The FY 2023 budget includes $30.0 million from State Fiscal Recovery funds to support 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 article required that by August 1, 2022, the Executive Office use the appropriate purchasing process for any organizations that want to participate in the program. By October 1, 2022, the organizations must submit cost reports developed by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to the Executive Office. The reports must include the cost it would take to provide the required services. By December 1, 2022, the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, in coordination with the Executive Office, must prepare an analysis of the proposals, determine how many organizations can be certified, and the cost for each one. Funding for the clinics was to be included in the Governor's FY 2024 recommended budget. Finally, the Executive Office must apply for the federal Certified Community Behavioral Health Clinics Demonstration Program if another round of funding becomes available.

Based on the Governor's recommendation, the Assembly included Section 8 of Article 9 of 2023-H 5200, Substitute A, as amended, to delay the implementation of the new 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. The FY 2024 budget includes $1.7 million, of which $6.9 million is from general revenues, to cover the five months of costs consistent with the delayed start proposed. It appears these costs are subject to change when the required analyses are complete. Annualizing expenses for FY 2025 results in $52.1 million of program costs, including approximately $17 million from general revenues, subject to the Medicaid match rate. The Budget also adds $0.6 million, including $0.3 million from general revenues, for one new position and three contractors to support the initiative.

Certified Community Behavioral Health Clinics - Federal Model

Benchmark	Date	Action Completed	Section 8
Engage with the Division of Purchases to determine the appropriate process for organizations that want to participate	August 1, 2022	Yes	Retains the deadline
Organizations will submit cost reports developed by the Dept. of BHDDH to EOHHS that includes costs for required services	November 1, 2022	No	Repeals the deadlines
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	

Adults with Developmental Disabilities. States are mandated to provide Medicaid funded medical benefits to developmentally disabled adults who require a nursing home level of care and to those who are Supplemental Security Income recipients. The state operates a state-run system for about 120 adults with

developmental disabilities and the remaining 3,800 individuals receive residential and community-based services through private developmental disability organizations. The Governor's FY 2022 recommended budget assumed the closure of the state-run system and transfer of program recipients to the community-based one. The Assembly did not concur.

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

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

DD/ID Needs-Based Service Tier Classifications and Options		
Tier	**Service Options**	**Available Supports**
Tier D and E (Highest): ***Extraordinary Needs***	• Living with Family/Caregiver • Independent Living • Shared Living • Community Support Residence • Group Home/Specialized Group Home	• Community Residential Support or Access to Overnight Support Services • Integrated Employment Supports • Integrated Community and/or Day Supports • Transportation
Tier C (Highest): ***Significant Needs***	• Living with Family/Caregiver • Independent Living • Shared Living • Community Support Residence • Group Home	• Community Residential Support or Access to Overnight Support Services • Integrated Employment Supports • Integrated Community and/or Day Supports • Transportation
Tier B (High): ***Moderate Needs*** **Tier A (High):** ***Mild Needs***	• Living with Family/Caregiver • Independent Living • Community Support Residence • **Shared Living • *Group Home	• Access to Overnight Support Services • Integrated Employment Supports • Integrated Community and/or Day Supports • Transportation

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

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

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

Financial eligibility requires a person to be income eligible for services. In most cases, the only source of income for individuals with developmental disabilities is the $954 monthly Supplemental Security Income check, which places them below the 135 percent of the federal poverty level required for the program.

Recent Changes. The Assembly included Section 10 of 2023-H 5200, Substitute A, as amended, for the Executive Office of Health and Human Services to seek federal approval to allow individuals with developmental disabilities who enter an acute care facility, such as a hospital, to still have access to their personal care attendants. That section also includes the necessary language to seek federal approval to allow parents and other relatives to be paid to provide services for individuals with developmental disabilities receiving services through the community-based system. This makes permanent the opportunity allowed during the pandemic for this payment, also referred to as Appendix K. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals is required to report the number of participants and expenses in its monthly caseload report.

Department of Justice Consent Decree

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

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

The consent decree has two fiscal components: a monitor and a trust fund. The first court monitor, Charles Moseley, resigned in the fall of 2019 and was replaced by Dr. A. Anthony Antosh, who started December 1, 2019. Payment for the monitor and coordinator is in the Executive Office of Health and Human Services budget and totals $400,000 for FY 2023 and recommended for FY 2024. The monitor is responsible for approving the training component of the consent decree related to career development and transition plans and will also approve outreach and education programs. The monitor conducts investigations and verifies data and documentation that is necessary to determine if the state is in compliance with the consent decree.

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

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

The state must ensure available funding for services and reallocate resources expended on the sheltered workshop plans and segregated day programs to fund supported employment and/or integrated day services

as individuals transition to supported employment and/or integrated day only placements, in order to have funding "follow the person."

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

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

The order indicates that final budget plans may take a different approach to bring the state into compliance with the consent decree. The state had to report the progress being made on April 30, May 31 and June 30, 2021. There was an initial status hearing on April 27, 2021, where it was reported that the state met with providers and discussed a minimum rate reimbursement of $15 an hour for direct support professionals.

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

On October 15, 2021, the court accepted the state's "Action Plan" to address compliance with the consent decree that included increases in the reimbursement rates for direct support professionals to an average of $20 an hour. The following table shows the items and status.

Action Plan	Description	Status
Rate Review	Completed by 12/2022 & recommended changes in the FY 2024 recommended budget	Review Done & Funded in FY 2024
DSP Wages	FY 2023: $18/hour FY 2024: $20/hour – Both years: Overnight & supervisor wages will increase proportionally	Funded in FY 2023 and FY 2024
Transformation Fund	$12.0 million to be used for integrated day activities and supported employment services	Funded
Technology	$2.0 million for individuals for technology purchases (example, iPads)	

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

payments totaling $15.6 million. The FY 2021 budget included $13.0 million for one-time payments to 40 agencies to be passed through to direct support staff who make less than $20 an hour and to supplement the response to the public health emergency by addressing any business interruptions, including loss of revenue.

Human Service Agencies

The Executive Office of Health and Human Services is the umbrella agency for the four health and human service departments and each agency is analyzed separately in the *House Fiscal Advisory Staff Budget as Enacted FY 2024.* The following table shows the services provided by population and the department that is responsible for the expenses.

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

Medical benefits are those primarily provided through the three managed care plans, Neighborhood Health Plan of Rhode Island, UnitedHealthcare and Tufts Health Plan. Benefits include: doctor's office visits, prescriptions, lab tests, hospital and emergency care, drug and alcohol treatment, mental health services and referrals to specialists, which are funded through the Executive Office of Health and Human Services. The plans also pay for short term and long term residential treatment services for those with behavioral health issues and/or substance use disorders.

Residential and other community-based services are those provided outside medical benefits through the departments budgets.

Mergers and Consolidations

Introduction

Merger and consolidation proposals have appeared regularly in budgets. The FY 1991 budget presented to the 1990 General Assembly listed 72 state agencies and departments. By contrast, the FY 2023 budget adopted by the 2022 General Assembly contains 38 state agencies and departments. The FY 2024 budget includes 39 state agencies and departments, reflecting the addition of the Department of Housing created by the 2022 Assembly and some proposed changes. This report explains those changes as well as for the ten prior years. Prior publications have included information back to 1991 and that can still be accessed in online publications.

FY 2024

Department of Housing. The 2022 Assembly created the Department of Housing to be administered by a secretary of housing, effective January 1, 2023. The Department oversees and serves as the lead agency of the Executive Branch for coordinating all state housing initiatives and promoting housing development. Pursuant to 2022-H 7940, Substitute A, as amended, on July 1, 2023, the Department of Housing has powers to operate functions from the Executive Office of Commerce. Consistent with this legislation, the Budget includes the transfer of Housing and Community Development functions to the Department of Housing. It also adds a total of 38.0 full-time equivalent positions for the Department, including 21.0 new positions and 17.0 transferred from the Executive Office.

The Rhode Island Longitudinal Data System Act. The Budget includes $0.6 million from general revenues and 3.0 new data scientists to move DataSpark, which maintains and operates Rhode Island's Longitudinal Data System, from the University of Rhode Island to the Office of Postsecondary Commissioner. The Budget also includes moving the 4.0 full-time equivalent positions and $0.5 million of federal and private grants that supports RI DataHub from the University to the Office. It also includes legislation to codify the governance and operations of this system.

Medicaid Eligibility Quality Control. The Budget transfers the Medicaid Eligibility Quality Control unit, which includes $0.4 million and 3.0 full-time equivalent positions, from the Department of Human Services to the Executive Office of Health and Human Services. States are federally required to have a Medicaid Eligibility Quality Control unit to report the ratio of erroneous excess payments in their medical assistance programs. The Executive Office reported that because the Department is responsible for determining Medicaid eligibility, transferring this oversight unit would resolve any potential conflict issues.

Health Equity Zone Staff. The Governor proposed transferring 7.0 full-time equivalent positions associated with the Health Equity Zone program from the Department of Health to the Executive Office of Health and Human Services. While funding will remain with the Department, the Executive Office reported that the transfer will support the continued growth of the program. It noted 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. The Assembly did not concur and retained staffing in the Department of Health.

Family Home Visiting Program Transfer. The Governor proposed transferring the Medicaid funded portion of Family Home Visiting services from the Department of Health to the Executive Office of Health and Human Services. His budget recommendation included $1.7 million, of which $0.8 million is from general revenues, this will allow the 15 family home visiting providers to bill directly through the Medicaid claiming system instead of using a manual process. The Assembly did not concur and retained expenses in the Department of Health.

First Connections Program Transfer. The Governor proposed transferring the Medicaid funded portion

for prenatal services of the First Connections program from the Department of Health to the Executive Office of Health and Human Services. His budget recommendation included $0.3 million, of which $0.1 million is from general revenues, so providers can bill through the Medicaid claiming system instead of using a manual process. The Assembly did not concur and retained expenses in the Department of Health.

History

FY 2023

Rhode Island Psychiatric Hospital - Benton Facility. The Budget included a total of $30.7 million from general revenues to separate the 52-bed Benton facility from the Eleanor Slater Hospital system. The Budget includes $0.8 million for five new positions: Chief Executive Officer, Chief Medical Officer, Chief Nursing Officer, Chief Quality Officer and Chief Financial Officer. Since the expenses for forensic patients at the Benton facility are not eligible for Medicaid reimbursement, this separation of approximately 150 medical and civil psychiatric patients gives the state a better opportunity to come into compliance with a patient mix that allows the state to bill Medicaid. The Assembly passed Sections 3 through 10 of Article 11 of 2022-H 7123, Substitute A, as amended, to authorize the new facility.

Opioid Stewardship Fund. The Budget transfers authority for administrating the Opioid Stewardship Act, including staff from the Department of Health to the Executive Office of Health and Human Services. The Opioid Stewardship Act, enacted in 2019, established fees totaling $5.0 million annually, assessed to manufacturers and distributors of opioids registered in the state, and deposited as restricted receipts for programs that provide opioid treatment, recovery, prevention, and education services, subject to future appropriation. Expenditures for programs supported by the fund appear in multiple state agencies.

FY 2022

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

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

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

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

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

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

FY 2021

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

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

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

FY 2020

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

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

Division of Elderly Affairs. The Governor proposed to transfer the Division of Elderly Affairs and its staffing of 31.0 positions to the Executive Office of Health and Human Services creating an Office of Elder

Affairs. She subsequently requested an amendment to rescind the proposal and rename it the Office of Healthy Aging. The Assembly concurred and included a separate staffing authorization.

Water Resources Board. The Governor proposed to transfer the Water Resources Board and its staff to the Public Utilities Commission. Operating costs for the Water Resources Board would be charged to regulated utilities. The legislation designates the Department of Administration as the agency that will be responsible for the Big River Management area, which must be maintained for future development of groundwater wells. Prior to 2011, the Water Resources Board was a stand-alone agency. The 2011 Assembly adopted legislation merging the Board into the Division of Planning to more closely align the water planning aspects of the Board with the statewide planning process. The Assembly did not concur and maintained the Water Resources Board in the Department of Administration.

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

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

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

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

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

Office of Postsecondary Commissioner - Department of Elementary and Secondary Education Co-Locate. The Budget removed $1.0 million from general revenues from the Office of Postsecondary Commissioner based on a proposal from the Efficiency Commission and recommended by the Governor to

co-locate the Office and the Department of Elementary and Secondary Education with the goal to encourage shared administrative support and allow for closer collaboration. The Office would still do planning support for the Council on Postsecondary Education and focus on strategy and policy. The Department of Elementary and Secondary Education would provide the administrative support for the Councils and also provide legal, finance and support functions. Savings are based on the funding for several positions being eliminated from sharing administrative support and the Budget reduces the Office's staffing authorization by 6.0 full-time equivalent positions.

FY 2019

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

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

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

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

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

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

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

FY 2018

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

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

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

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

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

Health and Human Services - Finance Staff. The Governor transferred 91.0 finance positions to the Executive Office of Health and Human Services from agencies under its umbrella in her FY 2018 recommendation; this is consistent with current law. The transfer includes: 39.0 positions from the Department of Human Services, 33.0 positions from the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, 12.0 positions from the Department of Children, Youth and Families, and 7.0 positions from the Department of Health. Funding would remain with the individual

agencies. Functions include finance administration, billing and data entry. This increased the level of 17.0 finance positions in the Executive Office to 108.0 positions. The Assembly concurred.

Eleanor Slater Hospital Reorganization. The Governor's FY 2018 recommendation assumed savings of $12.2 million, $5.7 million from general revenues from reorganizing the state hospital. This included transferring youth currently at the 54-bed Youth Assessment Center to the Youth Detention Center and moving the adult forensic population at the Pinel Building into the newly vacated space. It included privatizing laboratory services, downsizing medical services and administrative staff and closing one of the two remaining intermediate care facilities. The plan also included transferring medical patients to the Zambarano campus in Burrillville and converting recently vacated space into a step-down unit to increase capacity for psychiatric patients. The Assembly included savings of $11.2 million, $5.2 million from general revenues. It did not concur with privatizing laboratory services.

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

FY 2017

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

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

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

Office of Internal Audit. Governor Raimondo proposed legislation to repeal the Bureau of Audits and establish the Office of Internal Audit within the Office of Management and Budget. The Office will be managed by a chief of internal audit, who must be appointed by the Director of the Department of Administration. The Office is authorized to conduct audits of any state department, agency or private entity

that is a recipient of state funding or state grants. The Office is also tasked with evaluating the efficiency of operations and internal controls, preventing and detecting fraud, waste, abuse or mismanagement of funds.

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

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

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

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

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

FY 2016

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

Executive Office of Commerce. The 2013 Assembly created the Executive Office of Commerce to be administered by a secretary of commerce, effective February 1, 2015. The Office oversees and serves as the lead agency of the Executive Branch for managing the promotion of commerce and the state's economy. Pursuant to 2013-H 6063, Substitute B, on or about February 1, 2015, the Executive Office of Commerce

has powers to operate functions from the Department of Business Regulation and, subsequently, various functions from the Department of Administration. Consistent with the legislation, Governor Raimondo's budget included the transfer of Housing and Community Development functions to the Executive Office of Commerce. It also transferred the Film and Television Office from the Department of Administration to Commerce. It did not, however, transition Department of Business Regulation functions, leaving it as a stand-alone department. The Assembly concurred, with the exception of transferring the Film and Television Office to the Arts Council.

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

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

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

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

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

FY 2015

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

In May 2013, Governor Chafee issued Executive Order 13-05 entitled "Promotion of Diversity, Equal Opportunity and Minority Business Enterprises in Rhode Island." The Executive Order required that the Department of Administration review all divisions and offices within the Department that are charged with facilitating equal opportunity employment and make recommendations to improve collaboration between these offices. The creation of the Office of Diversity, Equity and Opportunity reflects the Department of Administration's recommendation.

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

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

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

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

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

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

FY 2014

EDC/Commerce Corporation. The Budget delayed the creation of the Executive Office of Commerce and the transfer of the functions of the Department of Business Regulation from February 1, 2015 to July 1, 2015. It maintains the Office of Regulatory Reform in the Office of Management and Budget instead of transferring it to the new Executive Office of Commerce. As contained in 2013-H 6063, Substitute B, on or about February 1, 2015, the Office is empowered to assume functions from the Department of Business

Regulation and, subsequently, various functions from the Department of Administration. The legislation further required that the Office submit a comprehensive review of the roles, functions and programs of the Department of Administration and the Department of Labor and Training to the House of Representatives and the Senate before September 1, 2015. Additionally, the Office shall make recommendations and a business plan for the integration of these entities with the Office, and the Governor may include these recommendations as part of the FY 2017 budget.

Renewable Energy Fund Program Transfer. Governor Chafee's budget transferred the Renewable Energy Fund from the Economic Development Corporation to the Office of Energy Resources. The Office previously managed the fund and the 2007 Assembly enacted legislation to transfer the fund to the Corporation, effective FY 2008. The Governor's recommended budget included expenditures of $2.5 million and staffing of 2.0 positions from the Corporation. The Assembly did not concur and maintained the program in the Corporation.

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

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

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

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

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

ARPA State Fiscal Recovery Funds

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into law. Among other initiatives, it included significant support for states and local governments to cover certain expenses and revenue losses related to the coronavirus pandemic until December 31, 2026. Resources from the State and Local Fiscal Recovery Fund established in the Act must be obligated by December 31, 2024, which is the first half of FY 2025. Obligated funds are available for use through December 31, 2026, or FY 2027.

Rhode Island received $1.8 billion for state and local use. The state received $112.3 million from the Capital Projects Fund and $1,131.1 million from the State and Local Fiscal Recovery Fund designated for state use; local governments received $536.8 million. Funds are intended to respond to the coronavirus pandemic and its negative economic impacts, and may be provided to households, small businesses, nonprofits, essential workers, or to impacted industries including tourism, travel, and hospitality, or infrastructure supports for water, sewer, or broadband systems. In December 2022, Congress expanded the scope to include additional types of infrastructure upgrades.

In adopting its FY 2022 budget in June, the 2021 Assembly preserved the full value of the American Rescue Plan Act fiscal recovery funds for a more robust public process on the proposed uses. On October 7, 2021, Governor McKee requested an amendment to the FY 2022 enacted budget to authorize use of $113.0 million from the State Fiscal Recovery Fund, roughly 10 percent of the state's allocation. The Assembly enacted $119.0 million contained in 2021-H 6494, Substitute A, which became law on January 4, 2022. The remaining funds as well as the Capital Projects Fund were authorized for use over several years as part of the FY 2023 enacted budget. Some projects differed from those proposed in the Governor's FY 2023 budget, but in many cases, projects he recommended were still funded, just from alternate sources.

Guidance on uses of the fiscal recovery funds was issued in May 2021, updated in July, finalized in January 2022, and modified by the 2023 Consolidated Appropriations Act in December 2022. Compared to the original guidance it provides increased flexibility and creates an additional allowable use for certain specified infrastructure projects, the most applicable of which are community development and transportation programs. Funds obligated under the new allowable uses must be expended by September 30, 2026, three months earlier than those obligated under the pre-existing use categories. For the capital fund, guidance was issued in September and a one-year application window opened September 24, 2021.

The American Rescue Plan Act specifies four main eligibility categories: (A) respond to the public health emergency and its economic impacts; (B) respond to workers performing essential work during the COVID-19 pandemic by providing premium pay to eligible workers; (C) provision of government services to the extent of the reduction in revenue due to the public health emergency; (D) to make necessary investments in water, sewer, or broadband infrastructure. The infrastructure category was later expanded as noted.

U.S. Treasury Eligibility Categories	Table Abbreviation
Respond to the Public Health Emergency & its Economic Impacts	
Support public health	A-1
Address negative economic impacts & services to disproportionally impacted communities	A-2
Premium Pay	B
Revenue Replacement	C
Infrastructure - Water, Sewer, Broadband; 2022 Expansion*	D
Administration	

**Authorized in the 2023 Consolidated Appropriation Act*

Within the first category, the Pandemic Recovery Office has identified two subcategories: support public health expenditures, and address negative economic impacts caused by the emergency and help communities and populations hit hardest by the crisis. Nearly three-quarters of projects approved in the enacted budget were assumed to be category A. The state's Pandemic Recovery Office has issued revisions to enacted assumptions. The table at the end of the report notes the Office's determinations and the fiscal staff's estimate of the applicable designation for new items. Some projects may have components that fit into a different category.

The Assembly provided $1,243.3 million from the State Fiscal Recovery Fund in several categories and the Capital Projects Fund. This includes $40.6 million that was unallocated in the Governor's initial recommendation, which he subsequently requested a series of budget amendments to allocate. There is also $23,443 less than enacted from the Capital Projects fund which may be related to FY 2022 spending that has not yet reached a final report. Compared to the FY 2023 enacted budget, the Assembly approved 12 new projects and excluded one. For most approved projects, total funding is unchanged; however, the Assembly made timing changes consistent with the Governor's recommendation. First, most of the unspent FY 2022 funding is shifted to FY 2023 consistent with the enacted reappropriation authority. Second, funding programmed for FY 2025 and later is advanced 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 totals by category as recommended by the Governor and approved by the Assembly are shown in the table below.

State Fiscal Recovery Funds

Category	Governor	Assembly	Assembly Change to Governor
Housing	$ 280,000,000	$ 321,500,000	$ 41,500,000
Economic and Workforce Development	83,000,000	90,000,000	7,000,000
Small Business & Impacted Industry	169,000,002	164,000,002	(5,000,000)
Public Health	183,472,826	164,211,355	(19,261,471)
Children, Families and Education	124,375,001	155,295,766	30,920,765
Behavioral Health	56,675,000	57,425,000	750,000
Public Infrastructure & Technology	27,500,000	31,500,000	4,000,000
Climate	147,500,000	128,250,000	(19,250,000)
Administration	18,878,934	18,878,934	-
Uncommitted	40,659,294	-	(40,659,294)
Subtotal	**$1,131,061,057**	**$1,131,061,057**	**$ -**
Capital Projects Fund	112,267,747	112,267,747	-
Grand Total	**$1,243,328,804**	**$1,243,328,804**	**$ -**

The programming of funding for FY 2023 is contained in Article 10, Section 1 of 2023-H 5200, Substitute A, as amended; FY 2024 funding is contained in Article 1, Section 1. Section 16 of each article contains a description of each of the projects for which any appropriation is made. The Governor's proposals as well as the Assembly's actions on each item are on the pages that follow. Descriptions of projects from the Capital Projects Fund follows a table showing the recommended projects from State Fiscal Recovery funds at the end of this report.

Housing

Development of Affordable Housing. The Governor recommended the enacted total of $100.0 million from State Fiscal Recovery funds, including $55.0 million for FY 2024, to provide an enhanced level of gap financing for affordable housing development. This creates an additional direct subsidy as a match to multiple sources of financing. The 2022 Assembly also required that $10.0 million of this amount be reserved for a pilot program to support low income public housing vouchers and financing. The proposal

accelerates $25.0 million from FY 2025 to FY 2024 but is otherwise unchanged. The Assembly concurred and permitted the pilot to include the establishment of a revolving fund.

Site Acquisition. The Governor recommended the enacted total of $25.0 million from State Fiscal Recovery funds, including $10.0 million for FY 2024, to continue a site acquisition program administered by RI Housing, which began during 2020 in response to the coronavirus pandemic. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. The proposal accelerates $5.0 million from FY 2025 to FY 2024 but is otherwise unchanged. The Assembly concurred.

Down Payment Assistance. The Governor's budget includes the enacted amount of $30.0 million from State Fiscal Recovery funds, including $20.0 million for FY 2024, to provide down payment assistance to eligible first-time homebuyers. The program launched in January 2023. The enacted budget specified awards of $17,500 based on the Governor's original recommendation. This language is stricken from the revised FY 2023 budget and excluded from FY 2024. The proposal accelerates $10.0 million from FY 2025 to FY 2024. The Assembly created a $20,000 award limit and concurred with the remainder of the recommendation.

Workforce Housing. The Governor recommended the enacted total of $20.0 million from State Fiscal Recovery funds, including $8.0 million for FY 2024, to support an affordable workforce housing program for Rhode Island families. The program is aimed at increasing the housing supply for families earning up to 120 percent of area median income. The Assembly concurred.

Affordable Housing Predevelopment. The Governor recommended the enacted total of $10.0 million from State Fiscal Recovery funds, including $7.5 million for FY 2024, for a program to reduce pre-construction barriers to housing development, including prerequisite environmental studies and legal work. The proposal accelerates $5.0 million from FY 2025 and FY 2026 to FY 2024 but is otherwise unchanged. The Assembly concurred.

Home Repair and Community Revitalization. The Governor recommended the enacted total of $25.0 million from State Fiscal Recovery funds, including $10.0 million for FY 2024, for a program to support critical home repairs and redeveloping residential or commercial properties and public and community spaces. This is similar to the program administered by RI Housing funded with $10.0 million from general obligation bonds approved by the voters in November 2016.

The Governor subsequently requested an amendment containing several changes and new programs for the Department of Housing, including $0.5 million less for this program. Requested language also specifies that, of the total $24.5 million from State Fiscal Recovery funds remaining for this project, $4.5 million shall be dedicated to home repairs. The Assembly concurred.

Predevelopment and Capacity Building. The Governor recommended the enacted total of $1.5 million from State Fiscal Recovery funds, including $0.5 million for FY 2024, for consultants to provide administrative support to the Office of Housing and Community Development. The funding is intended to assist with managing the increased resources for federal and other housing-related programs, and address the lack of administrative capacity as a barrier to implementing affordable housing initiatives. The 2021 Assembly included a requirement for the chief of the Office of Housing and Community Development to provide monthly progress reports regarding achievement of these efforts. The Department began submitting reports in March 2023. The FY 2023 revised budget includes $0.4 million from unspent FY 2022 funds in FY 2023. The Assembly concurred.

Homelessness Assistance Program. The Governor recommended the enacted total of $21.5 million from State Fiscal Recovery funds, including $13.0 million for FY 2024, to provide housing navigation,

stabilization, and mental health services for people experiencing homelessness. The 2021 Assembly included a requirement for the chief of the Office of Housing and Community Development to provide monthly progress reports regarding achievement of these efforts. The Department began submitting reports in March 2023. The revised budget includes $1.5 million from unspent FY 2022 funds to FY 2023; the recommendation also accelerates $6.0 million from FY 2025 to FY 2024. The Assembly concurred.

Homelessness Infrastructure. The enacted budget includes $15.0 million from State Fiscal Recovery funds to increase facility capacity for individuals experiencing homelessness. The Governor recommended $45.0 million from State Fiscal Recovery funds, including $30.0 million more for FY 2024, and explicitly expanded allowable uses to prevention and stabilization programs. The Assembly concurred.

Statewide Housing Plan. The Governor recommended the enacted total of $2.0 million from State Fiscal Recovery funds for FY 2023 for a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to homeownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. These funds also support municipal planning efforts. The Assembly concurred.

Targeted Housing Development. The Governor requested an amendment for a new allocation of $21.0 million from State Fiscal Recovery funds for a new housing development initiative to target priority projects for additional funding at the discretion of the Secretary of Housing. Proposed language suggests priority for supportive housing and vulnerable populations; however, eligibility and the form of funding would be entirely at the discretion of the Secretary of Housing. Of this amount, $4.0 million will support transit-oriented housing. The Assembly provided $10.0 million more for priority projects and defined these as permanent supportive housing, housing dedicated to vulnerable populations, individuals transitioning out of state care, and extremely low-income Rhode Islanders.

Housing Related Infrastructure. The Governor requested an amendment for a new allocation of $4.3 million from State Fiscal Recovery funds to the Rhode Island Infrastructure Bank to support municipal infrastructure associated with mixed-use and mixed-income housing development. He also provided the Secretary of Housing the ability to reallocate funds to any other housing initiative in the event funds under this program are unlikely to be allocated or spent by the federal deadline. The Assembly concurred but limited uses to affordable housing developments and did not permit funds to be reallocated to other purposes.

Municipal Homelessness Support Initiative. The Governor requested an amendment to add $1.0 million from general revenues for a new program to award grants to municipalities to help pay for public safety and other municipal services, such as trash collection, ambulance, or outreach that support homeless individuals. The Assembly concurred but provided $2.5 million from State Fiscal Recovery funds to accomplish these goals for the next couple years.

Municipal Planning. The Governor requested an amendment for a new allocation of $2.3 million from State Fiscal Recovery funds to support municipal planning efforts. This includes $1.2 million for a municipal fellows program, $0.9 million for transit- and zoning-related grants to municipalities, and $0.2 million for research and programming to address barriers to housing opportunities for low- and moderate-income Rhode Islanders. The Assembly excluded the $0.2 million for research and programming and added $0.1 million each for municipal fellows and grants to municipalities.

Proactive Housing Development. The Governor requested an amendment to add facilitating language and $1.4 million from State Fiscal Recovery funds for a new subsidiary of RI Housing to create a public-housing agency responsible for assembling site control, financing, and guiding developers through the regulatory process. The Assembly concurred.

Preservation of Affordable Units. The Governor requested an amendment for a new allocation of $0.5 million from State Fiscal Recovery funds to preserve affordable units. Other limits on eligibility, use, and the method by which these funds may be spent are entirely at the discretion of the Secretary of Housing. The Assembly concurred and limited uses to the stated purposes of preventing foreclosure and blight.

Economic and Workforce Development

Enhanced Real Jobs. The Governor recommended $30.0 million from State Fiscal Recovery funds to support the Real Jobs RI program. The program's functions are to place employees in job openings, advance skills of employed people, and create a talent pipeline for businesses. Funds would support job partnerships to connect employers adversely impacted by the pandemic to workforce training program enrollees. The FY 2023 enacted budget assumes $10.0 million annually for FY 2023 to FY 2025. The Governor's recommendation advances $10.0 million from FY 2025 to FY 2024, but is otherwise unchanged. The Assembly concurred.

Blue Economy Investments. The enacted budget includes $70.0 million from State Fiscal Recovery funds for blue economy-related capital investments as specified in a then-pending Economic Development Administration grant. It also made the appropriation contingent on at least a $35.0 million federal match from that grant. Awardees were announced in September 2022 and Rhode Island was not selected. The Governor's budget excludes the project. The Assembly concurred.

Bioscience Investments. The enacted budget allocated $30.0 million from State Fiscal Recovery funds for bioscience investments for purposes specified in a then-pending Economic Development Administration grant and only if at least $15.0 million was awarded; as announced in September 2022, Rhode Island was not selected. The Governor recommended $45.0 million for FY 2024, $15.0 million more than enacted, for a new project to finance one or more wet lab facilities and a new fund to promote bioscience business and workforce development. The investment is intended to make it easier for academic research to find private sector applications. The Assembly concurred and provided for the creation of the Rhode Island Life Science Hub in Article 7.

Rhode Island Reconnect. The Governor recommended a new allocation of $8.0 million from State Fiscal Recovery funds to the Rhode Island Reconnect program through the Office of Postsecondary Commissioner. Funding will be used on direct supports, such as targeted coaching and wraparound supports, for those 16 and older to continue their education. The Assembly concurred and provided language that a portion of these funds will be used to address barriers to the attainment of teacher certification as a Second Language Education Teacher, Grades PK-12, and as an All Grades Special Education Teacher.

Hope Scholarship. The Governor requested an amendment for a new allocation of $9.4 million from State Fiscal Recovery funds to establish the Rhode Island College Hope Scholarship through the Office of Postsecondary Commissioner. Funding will support three years of merit-based scholarships for juniors and seniors. The Assembly included legislation to establish the Hope Scholarship Pilot program and funds it from general revenues.

Cybersecurity Center. The Governor requested an amendment for a new allocation of $2.0 million from State Fiscal Recovery funds to support the establishment of the Institute for Cybersecurity and Emerging Technologies at Rhode Island College. Funding is budgeted in the Office of Postsecondary Commissioner and will support three years of program development and operating costs. The Assembly concurred.

Fresh Start Scholarship. The Governor's recommended budget includes $2.5 million from general revenues for 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. Funding the first semester

back will allow students to regain federal financial aid eligibility. The Assembly provided $5.0 million from State Fiscal Recovery funds which represents two years of scholarships.

Small Business & Impacted Industry

Aid to the Convention Center. The Governor's revised budget includes $10.0 million from State Fiscal Recovery funds for operating support for the Convention Center Authority. This reflects $5.0 million from unspent FY 2022 funds shifted to FY 2023; total support is unchanged. The Assembly concurred.

Unemployment Insurance Trust Fund Contribution. The Governor's revised budget includes $100.0 million from State Fiscal Recovery funds made available in the enacted budget for deposit into the Unemployment Insurance Trust Fund to prevent an increase in the unemployment tax rate. The deposit was made consistent with current law requirements on September 26, 2022. The Assembly concurred.

Small Business and Technical Assistance. The Governor recommended $36.7 million from State Fiscal Recovery funds, including $5.0 million for FY 2024, to provide grants and technical assistance to businesses impacted by the COVID-19 pandemic. The proposal is $4.7 million more than enacted for additional awards for public health and energy efficiency improvements, an expansion of previous allowable uses. The proposal also shifts $13.6 million from unspent FY 2022 funds to FY 2023 and FY 2024. The Assembly provided funding as enacted but expanded allowable uses and shifted funds as recommended.

Assistance to Impacted Industries. The Governor recommended a total of $13.3 million from State Fiscal Recovery funds to address the negative impacts of the pandemic to the tourism, hospitality, and events industry, including $5.1 million for FY 2023 and recognizing $8.2 million spent in FY 2022. This adds $0.3 million to the $4.8 million unspent portion of $13.0 million originally allocated for FY 2022. The Assembly provided $0.3 million less, consistent with the approved plan.

Destination Marketing. The Governor's budget includes the enacted amount of $3.0 million from State Fiscal Recovery funds, including $1.5 million for FY 2024, to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. These funds must be equally matched from the Commerce Corporation's allocation of state hotel tax receipts. The Assembly concurred.

Minority Business Accelerator. The Governor recommended the enacted total of $6.0 million from State Fiscal Recovery funds, including $4.0 million for FY 2024, to establish a new minority business accelerator in coordination with minority small business associations to provide technical assistance, loans, and programming space. The 2022 Assembly required that, from money allocated for FY 2023, $0.5 million shall support the Rhode Island Black Business Association and $0.3 million shall support the Roger Williams University Business Start-Up Clinic. The Assembly also required the Executive Office of Commerce to work with minority small business associations to advance this program. The Assembly concurred.

Public Health

Ongoing COVID-19 Response. The Governor recommended $61.0 million from State Fiscal Recovery funds for FY 2023 in the Department of Administration to help the state continue its response to the COVID-19 pandemic. An additional $34.9 million is included for FY 2024 in the Department of Health, for a total of $96.0 million. These expenses are $90.9 million less than the approved amount, reflecting an updated plan. The funds were repurposed to support new projects and other expenses. Based on projected expenditures, the Assembly delayed $41.8 million from FY 2023 to FY 2024, and concurred with the remainder of the recommendation.

Public Health Response Warehouse Support. The Governor's recommended budget includes a total of $3.4 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies, including personal protective equipment. This includes the approved amount of $2.0 million for FY 2023 and new expenses for FY 2024 of $1.4 million. The Assembly concurred.

Auto-Enrollment Program. The Governor's recommended budget includes $1.3 million in each FY 2023 and FY 2024 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 qualified public health plans. The funding also supports two months of premiums. The recommendation is $1.3 million more than the approved amount based on updated enrollment and cost projections. The Assembly concurred.

Health Care Facilities. The Governor recommended the FY 2023 enacted amount of $77.5 million from State Fiscal Recovery funds to address the ongoing staffing needs of hospitals, nursing facilities and community health centers related to the COVID-19 public health emergency. This includes $45.0 million that shall be allocated to hospitals, or systems if hospitals are members of one, to include a base payment equivalent to $1.0 million per hospital with the remaining based on a hospital's pro rata share of operating expenses from the 2021 cost reports and $30.0 million for distribution to nursing facilities based on the number of Medicaid bed days from the 2020 facility cost reports, provided at least 80 percent is dedicated to direct care workers. There is $2.5 million to be distributed to the community health centers through the Rhode Island Health Center Association to support direct care staffing needs. The Assembly concurred.

Public Health Clinics. The Governor included the $4.0 million from State Fiscal Recovery funds enacted for FY 2023 to support two entities with $2.0 million each. The Rhode Island Free Clinic funding is to improve statewide access and quality of primary care for uninsured adults; to increase access to dental care for uninsured adults integrated into medical care at the clinic; and to build infrastructure for telehealth and electronic medical records. Open Door Health is expanding services and efforts to address issues for people who are disproportionately impacted by the COVID-19 pandemic. The Assembly amended the use of the Open Door Health funds to include land purchase and required the return of any allocation that is not used by July 31, 2024. Any other expenses that are not obligated by December 31, 2026 must be returned by January 31, 2027.

COVID-19 Operational Support. The Governor recommended $61.0 million from State Fiscal Recovery funds for FY 2023 in the Department of Administration to help the state continue its response to the COVID-19 pandemic. An additional $34.9 million is included for FY 2024 in the Department of Health, for a total of $96.0 million. These expenses are $90.9 million less than the approved amount, reflecting an updated plan. The funds were repurposed to support new projects and other expenses. Based on projected expenditures, the Assembly delayed $41.8 million from FY 2023 to FY 2024, and concurred with the remainder of the recommendation.

Children, Families, and Education

Nonprofit Assistance. The Governor's revised budget includes the enacted amount of $20.0 million from State Fiscal Recovery funds in FY 2023 for the Rhode Island Foundation to distribute to nonprofit organizations to address needs that have been exacerbated by COVID-19, including housing and food insecurity and behavioral health issues. The Assembly concurred.

Pediatric Recovery. The Governor recommended $9.0 million from State Fiscal Recovery funds for FY 2023 to provide financial support to pediatric providers and incentives based on increased developmental and psychosocial behavioral screenings. FY 2022 preliminary expenses are $6.0 million; $1.5 million of unspent funds have been shifted to FY 2023 for total funding of $15.0 million, consistent with the enacted budget. The Assembly concurred.

Early Intervention Recovery. The Governor recommended $6.9 million for FY 2023 from State Fiscal Recovery funds to provide financial support to early intervention providers and performance bonuses for providers when hitting certain targets, such as reducing staff turnover and restoring the number of families receiving services to pre-pandemic levels. The nine early intervention providers received $4.1 million in FY 2022; $1.4 million of unspent funds have been shifted to FY 2023 for total funding of $11.0 million, consistent with the enacted budget. The Assembly concurred.

Provider Workforce Stabilization. Consistent with enacted budget assumptions, the Governor's revised FY 2023 recommendation includes $8.2 million from State Fiscal Recovery funds to continue the workforce stabilization payments for providers contracted by the Department of Children, Youth and Families. This funding was in response to providers reporting a high number of vacancies and staff recruitment issues, which have resulted in a capped or reduced capacity. These funds will be distributed to provider employees earning less than $75,000 annually. There are 37 provider organizations employing up to 1,500 workers who would be eligible to receive enhanced wage rates which equates to $694.50 per month per eligible staff member. Payments in FY 2022 were $6.8 million; $5.7 million of unspent funds have been shifted to FY 2023 for total funding of $15.0 million, consistent with the enacted budget. The Assembly concurred and provided $7.9 million for FY 2024 to continue payments until a contracted service provider's new contract takes effect.

Foster Home Lead Abatement & Fire Safety. The Governor recommended the enacted amount of $1.9 million from federal State Fiscal Recovery funds for lead abatement and fire suppression upgrades for foster families. Funding is programmed at $1.5 million for FY 2023 and $0.4 million for FY 2024. The Assembly concurred.

Child Care Support. The Governor recommended a total of $42.0 million from State Fiscal Recovery funds, primarily to provide retention bonuses for direct care staff at child care centers and licensed family-based care providers. In FY 2022, child care retention bonuses of $1,500 were distributed to eligible applicants on a semi-annual basis. For FY 2023, retention bonuses would be disbursed at least quarterly and total $3,000 per eligible applicant. Funds would also be used to waive any fees for new family child care providers, including application fees and background checks, and for quality improvements, creating a workforce registry, and education opportunities for direct care staff. The proposal accelerated $0.5 million from FY 2025 to FY 2024 to ensure timely obligation of the federal funds. The Assembly shifted $15.0 million from FY 2023 to FY 2024 to continue distributing bonuses to providers based on updated spending projections.

Support for Survivors of Domestic Violence. The Governor recommended the enacted level of $10.5 million from State Fiscal Recovery funds, including $7.0 million for FY 2024, to provide supportive services to victims of domestic violence and assault. The 2022 Assembly included $10.5 million over three years, starting in FY 2023. His recommendation accelerates $3.5 million from FY 2025 to FY 2024. The Assembly concurred.

Adult Education Providers. The Governor's recommendation includes the enacted level of $5.0 million from State Fiscal Recovery funds for grants to 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 recommendation advances $1.5 million from FY 2025 to FY 2024 to provide $2.0 million for FY 2023 and $3.0 million for FY 2024. The Assembly concurred.

Out of School Time Education Providers. The Governor recommends a new commitment of $4.0 million from State Fiscal Recovery funds for FY 2024 to be distributed to community organizations to expand access to out-of-school educational programs. The Department of Elementary and Secondary Education's

Office of Student, Community, and Academic Supports would be responsible for distributing the funding. The Assembly concurred.

URI - PFAS Water Treatment. The Governor's capital budget recommends debt financing of $20.0 million from new Certificates of Participation for FY 2024 for the University to implement a permanent water filtration solution to reduce PFAS concentrations. The 2022 Assembly passed H-7233, Substitute A, that mandates all public water supply systems to not exceed PFAS contamination levels of twenty parts per trillion by July 1, 2023. The University reports that its three wells exceed the legal limit and that a water filtration system is needed to be compliant. The Governor did not submit a resolution for Assembly approval of the debt issuance as there were pending discussions with the Infrastructure Bank on options for support or low-cost borrowing. The Assembly provided $20.0 million from federal State Fiscal Recovery funds in lieu of borrowing.

Rhode Island Community Food Bank. The Governor recommended the enacted level of $450,000 from general revenues for food collection and distribution through the Rhode Island Community Food Bank. The Assembly added $3.0 million from State Fiscal Recovery funds and $0.1 million more from general revenues to assist households in need, including those that received enhanced nutrition benefits during the public health emergency.

Behavioral Health

Certified Community Behavioral Health Clinics. The Governor recommended $30.0 million from State Fiscal Recovery funds for FY 2023 in the Executive Office of Health and Human Services' budget to transition to the new certified community behavioral health clinics federal model. Funding supports the infrastructure needed to expand the number of clinics and assist with the rate reimbursement structure tied to the federal model. The Assembly concurred.

988 Hotline. The Governor recommended $1.9 million from State Fiscal Recovery funds in the Executive Office of Health and Human Services' budget for FY 2023 and $1.6 million for FY 2024 for the 988 hotline to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission-adopted rules to ensure a consistent level of service. The hotline is operated by Horizon Health Partners, which used its BH Link program to provide the necessary staffing and operations to meet the federal requirements. The Assembly concurred.

Psychiatric Residential Treatment Facility/Female Youth Facility. Consistent with the enacted budget, the Governor recommended $12.0 million from State Fiscal Recovery funds for FY 2023 to expand existing in-state capacity at private facilities and for the initial design of a new female youth program facility. Of that funding, the Governor included $11.0 million to renovate a private facility to expand existing in-state capacity for female youth placements within a psychiatric residential treatment program. The Department will use these funds to expand an existing facility or construct a new facility to provide an additional 12 placements which would be a sufficient capacity for this population. It appears that a contract for additional beds is expected to be in place during the third quarter of FY 2023. The remaining $1.0 million will be used to design the new female youth facility. The recommendation also maintains the $45.0 million from Rhode Island Capital Plan funds over FY 2024 through FY 2026 provided by the Assembly to construct such a facility. The Assembly concurred.

Crisis Intervention Trainings. The Governor recommended $2.2 million from State Fiscal Recovery funds to provide training for law enforcement and offer technical assistance for strategies and protocols to respond to increased mental health related calls to local police departments. Funding is programmed as $550,000 for FY 2023 and $1,650,000 for FY 2024. The Assembly concurred.

Butler Hospital Short Term Stay Unit. The Governor recommended $8.0 million from State Fiscal Recovery funds for the new short term stay unit. Butler Hospital, a member of the Care New England Health Care System, is a psychiatric hospital for adults and adolescents. The intent is 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 Assembly concurred.

Turnpike and Bridge Authority - Safety Barriers Study. The Governor's revised budget includes the FY 2023 enacted amount of $1.0 million from State Fiscal Recovery funds for the Rhode Island 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 recommendation retains the requirement that the selection of a vendor to conduct the study be done through a request for proposals process. The Authority indicated that the cost of the 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 Assembly provided an additional $0.8 million, for a total of $1.8 million to fully fund the study.

Public Infrastructure & Technology

Statewide Broadband Planning and Mapping. The Governor recommended the enacted total of $0.5 million from State Fiscal Recovery funds, including $0.2 million for FY 2023 for broadband infrastructure planning work. Funds support a needs assessment, statewide mapping of broadband access and cost, and one Broadband Director position at the Commerce Corporation. Of the $0.5 million originally allocated for FY 2022, $0.2 million was unspent and the Governor includes that for FY 2023. The Assembly concurred.

Woonsocket Public Safety Facility. The Governor recommended new expenditures of $7.0 million from State Fiscal Recovery funds for FY 2024 to construct a new public safety facility for the City of Woonsocket. The facility will house several operations, including fire stations, emergency management, dispatch, and the police station. The Assembly did not concur with this limited and specific allocation; however, it provided $11.0 million from State Fiscal Recovery funds to provide a pool of matching funds for municipal public safety infrastructure projects.

Municipal Public Safety Infrastructure. The Assembly provided $11.0 million from State Fiscal Recovery funds to provide a pool of matching funds to provide matching support to cities and towns to make significant public safety facilities infrastructure improvements, including new construction. Funding priority shall be based on project readiness and limited to those for which the total costs exceed $1.0 million. Matching funds to any municipality will be limited to $5.0 million for projects that serve a regional purpose and $1.0 million for others.

Municipal Roads Grant Program. The Governor recommended 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 would be made available to cities and towns for the construction and maintenance of roads, sidewalks and bridges. He subsequently requested an amendment to transfer funding and administration of the program to the Department of Transportation. The amended proposal requires a match; however, the amount or percent is not specified. It also allowed the Department to retain any funds that are not obligated by June 30, 2024 for statewide paving projects. The Assembly included legislation specifying a municipal state match of 67.0 percent. It also required that $5.0 million of the funds be distributed equally and the remaining $15.0 million be distributed proportionally based on non-federal lane miles of roads in each community.

Climate

Electric Heat Pump Grant Program. The recommended budget advances $10.0 million from the outyears and maintains the total approved amount of $25.0 million from State Fiscal Recovery funds to support low income and moderate income households, and community organizations to purchase and install energy efficient electric heat pumps. It also retains the annual reporting requirement for the program due by April 1 of each year to the Speaker of the House of Representatives and the Senate President. The report must include the number of grants issued, the amount of each grant, the average grant amount, and the expected cumulative carbon emissions reductions associated with the grants awarded. The Assembly concurred.

Port of Davisville. The Governor recommended the enacted total of $60.0 million from State Fiscal Recovery funds, including $54.0 million for FY 2024, to support infrastructure at the Port of Davisville. Support expands on existing funding to develop port infrastructure intended to create job opportunities, invest in marine transportation, and make capital improvements to prepare for offshore wind development. The proposal accelerates $34.6 million from FY 2025 and FY 2026 to FY 2024 but is otherwise unchanged. The Assembly provided $5.0 million more for additional work related to a new pier specialized for offshore wind development.

South Quay Marine Terminal. The Governor recommended $60.0 million from State Fiscal Recovery funds, including $48.0 million for FY 2024 to support infrastructure at South Quay Marine Terminal in East Providence. The project is intended to support a shipping hub, including specialization for offshore wind developers. The facilities will be managed by a public-private partnership on land leased from Rhode Island Waterfront Enterprises. The proposal is $25.0 million more than enacted to support an additional phase of the project related to berthing and landside improvements for offshore wind developers. The Assembly provided total project funding of $35.0 million for FY 2024. It provided these funds under the condition that sufficient matching funds are committed by February 1, 2024.

R-Line - Free Service Pilot. The Rhode Island Public Transit Authority's Transit Forward RI 2040 Plan was designed to enhance mobility and help reduce greenhouse gas emissions. The plan was adopted by the State Planning Council in December 2020. It includes several initiatives to improve access to transit and serve high volume markets with fast and frequent service. The Governor's revised budget includes the approved amount of $2.5 million from State Fiscal Recovery funds to support a free fare bus route service pilot program along the R-Line. This one-year pilot program 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 Assembly provided an additional $0.8 million, for a total of $3.3 million based on updated project costs.

Administration

The Governor's plan includes $5.9 million and $6.9 million in FY 2023 and FY 2024, respectively, to support the Pandemic Recovery Office within the Department of Administration. The Office will oversee all programs financed by State Fiscal Recovery or Capital Projects funds. The Office will be responsible for ensuring compliance with all rules, regulations and guidance and submission of all required reports. The recommendation is $1.9 million more than the multiyear plan approved in the FY 2023 enacted budget for additional contracted services. The Assembly concurred.

The following table summarizes the funding by project. Those with changes from the enacted budget other than consolidating out-year funding are shaded in gray.

State Fiscal Recovery Funds					
	FY 2022	**FY 2023**	**FY 2024**	**Total**	**Eligibility Category**
Housing					
Development of Affordable Housing	$ 14,740,825	$ 30,259,175	$ 55,000,000	$ 100,000,000	A-2
Site Acquisition	6,000,000	9,000,000	10,000,000	25,000,000	A-2
Down Payment Assistance	-	10,000,000	20,000,000	30,000,000	C
Workforce Housing	-	12,000,000	8,000,000	20,000,000	C
Affordable Housing Predevelopment	-	2,500,000	7,500,000	10,000,000	A-2
Home Repair & Community Revitalization	-	15,000,000	9,500,000	24,500,000	C
Predevelopment & Capacity Building	78,609	921,391	500,000	1,500,000	C
Homelessness Assistance Program	-	8,500,000	13,000,000	21,500,000	A-2
Homelessness Infrastructure	-	15,000,000	30,000,000	45,000,000	A-2
Statewide Housing Plan	-	2,000,000	-	2,000,000	C
Targeted Housing Development	-	-	31,000,000	31,000,000	A-2
Housing Related Infrastructure	-	-	4,300,000	4,300,000	C
Municipal Homelessness Support Initiative	-	-	2,500,000	2,500,000	A-2
Municipal Planning	-	-	2,300,000	2,300,000	C
Proactive Housing Development	-	-	1,400,000	1,400,000	C
Preservation of Affordable Units	-	-	500,000	500,000	A-2
Subtotal Housing	**$ 20,819,434**	**$ 105,180,566**	**$ 195,500,000**	**$ 321,500,000**	
Economic & Workforce Development					
Enhanced Real Jobs	$ -	$ 10,000,000	$ 20,000,000	$ 30,000,000	A-2
Blue Economy Investments	-	-	-	-	C
Bioscience Investments	-	-	45,000,000	45,000,000	C
Rhode Island Reconnect	-	-	8,000,000	8,000,000	A-2
Cybersecurity Center	-	-	2,000,000	2,000,000	C
Fresh Start Scholarship	-	-	5,000,000	5,000,000	A-2
Subtotal Economic & Workforce Development	**$ -**	**$ 10,000,000**	**$ 80,000,000**	**$ 90,000,000**	
Small Business & Impacted Industry					
Aid to the Convention Center	$ -	$ 10,000,000	$ -	$ 10,000,000	C
Unemployment Insurance Trust Fund	-	100,000,000	-	100,000,000	A-2
Small Business & Technical Assistance	18,414,433	13,257,568	327,999	32,000,000	A-1/A-2
Assistance to Impacted Industries	8,199,001	4,801,001	-	13,000,002	A-2/C
Destination Marketing	-	1,500,000	1,500,000	3,000,000	C
Minority Business Accelerator	-	2,000,000	4,000,000	6,000,000	C
Subtotal Small Business & Impacted Industry	**$ 26,613,434**	**$ 131,558,569**	**$ 5,827,999**	**$ 164,000,002**	
Public Health					
Ongoing COVID-19 Response	$ -	$ -	$ 41,787,709	$ 41,787,709	A-1
Public Health Response Warehouse Support	-	2,000,000	1,400,000	3,400,000	C
Auto-Enrollment Program	-	1,288,710	1,325,358	2,614,068	A-2
Health Care Facilities	-	77,500,000	-	77,500,000	A-2
Public Health Clinics	-	4,000,000	-	4,000,000	A-2/C
COVID-19 Operational Support	-	-	34,909,578	34,909,578	A-1
Subtotal Public Health	**$ -**	**$ 84,788,710**	**$ 79,422,645**	**$ 164,211,355**	
Children, Families, & Education					
Nonprofit Assistance	$ -	$ 20,000,000	$ -	$ 20,000,000	A-2
Pediatric Recovery	5,965,100	9,034,900	-	15,000,000	A-1
Early Intervention Recovery	4,051,215	6,948,785	-	11,000,000	A-1
Provider Workforce Stabilization	6,827,797	8,172,203	7,920,766	22,920,766	B
Foster Home Lead Abatement & Fire Safety	-	1,500,000	375,000	1,875,000	A-2

State Fiscal Recovery Funds					
	FY 2022	FY 2023	FY 2024	Total	Eligibility Category
Child Care Support	12,624,421	12,658,579	16,717,000	42,000,000	A-2/C
Support for Survivors of Domestic Violence	-	3,500,000	7,000,000	10,500,000	A-1
Adult Education Providers	-	2,000,000	3,000,000	5,000,000	A-2
Out of School Time Education Providers	-	-	4,000,000	4,000,000	A-2
URI - PFAS Water Treatment Plant	-	-	20,000,000	20,000,000	D
RI Community Food Bank	-	-	3,000,000	3,000,000	A-2
Subtotal Children, Families & Education	**$ 29,468,533**	**$ 63,814,467**	**$ 62,012,766**	**$ 155,295,766**	
Behavioral Health					
Certified Community Behavioral Health Clinics	$ -	$ 30,000,000	$ -	30,000,000	A-1
988 Hotline	-	1,875,000	1,600,000	3,475,000	A-1
Psychiatric Residential Facility/Female Youth Facility	-	12,000,000	-	12,000,000	C
Crisis Intervention Trainings	-	550,000	1,650,000	2,200,000	C
Butler Short Stay Unit	-	8,000,000	-	8,000,000	A-1
RITBA Safety Barrier Study	-	1,000,000	750,000	1,750,000	C
Subtotal Behavioral Health	**$ -**	**$ 53,425,000**	**$ 4,000,000**	**$ 57,425,000**	
Public Infrastructure & Technology					
Broadband Planning & Mapping	$ 269,200	$ 230,800	$ -	$ 500,000	D
Municipal Public Safety Infrastructure	-	-	11,000,000	11,000,000	C
Municipal Roads Grant Program	-	-	20,000,000	20,000,000	C
Technology	**$ 269,200**	**$ 230,800**	**$ 31,000,000**	**$ 31,500,000**	
Climate					
Electric Heat Pump Grant Program	$ -	$ 5,000,000	$ 20,000,000	$ 25,000,000	C
Port of Davisville	-	6,000,000	59,000,000	65,000,000	C
South Quay Marine Terminal	-	-	35,000,000	35,000,000	C
RIPTA - R Line Free Service Pilot	-	2,500,000	750,000	3,250,000	C
Subtotal Climate	**$ -**	**$ 13,500,000**	**$ 114,750,000**	**$ 128,250,000**	
Administration	$ 6,093,604	$ 5,866,542	$ 6,918,788	$ 18,878,934	
Grand Total	**$ 83,264,205**	**$ 468,364,654**	**$ 579,432,198**	**$ 1,131,061,057**	

Capital Projects Fund

The Budget also includes $112.3 million from the Capital Projects Fund, $23,443 less than enacted.

Capital Projects Fund			
	FY 2023	FY 2024	Total
CPF Administration	$ 763,038	$ 4,828,079	$ 5,591,117
Municipal and Higher Ed. Matching Grant Program	23,360,065	58,360,065	81,720,130
RIC Student Services Center	-	-	-
Last-Mile Broadband	15,383,000	9,573,500	24,956,500
Total	**$ 39,506,103**	**$ 72,761,644**	**$ 112,267,747**

These projects are contained in Article 1 of 2023-H 5200, Substitute A, as amended. Section 16 contains a description of each of the projects for which any appropriation is made in Section 1. These descriptions are in the paragraphs below.

CPF Administration. The enacted budget includes a total of $5.6 million, or 5.0 percent for administrative costs, of the $112.3 million from the Capital Projects Fund. This assumes use of $0.8 million in FY 2023

and $4.8 million in FY 2024 in the Department of Administration. Capital Projects funds are exempt from the assessment on federal stimulus awards. The recommendation is $23,443 less than enacted which may be FY 2022 expenses that have not been reported in preliminary expenditure data. The Assembly concurred.

Municipal and Higher Ed. Matching Grant Program. The Governor's budget includes $46.7 million from Capital Projects funds, $60 less than enacted, for matching grants to cities and towns to renovate or build community wellness centers that comply with the work, education and health monitoring requirements in federal guidelines for these funds.

Based on the availability of funds, the Assembly repurposed $35.0 million from the RIC Student Services Center project for this. Pursuant to federal guidelines, the state can only shift funds to previously approved projects, and no new plans are accepted after the deadline. This brings total funding for the Municipal and Higher Education Matching Grant to $81.7 million, including $23.4 million for FY 2023 and $58.4 million for FY 2024.

RIC Student Services Center. The Governor recommended $35.0 million from Capital Projects funds, including $30.0 million for FY 2024, for Rhode Island College to create a centralized hub for student services. His recommendation accelerates $15.0 million from FY 2025 to FY 2024. The Assembly excluded all funding as the application to the U.S. Treasury yielded numerous issues and it now appears the project will not be able to comply with federal guidelines.

Last-Mile Broadband. The Governor's budget includes the enacted amount of $25.0 million from Capital Projects funds to expand reliable, high-speed internet. The initiative provides municipalities, public housing authorities, businesses, and internet service providers with funding to expand middle and last-mile broadband infrastructure for underserved communities. Funds provide a state match and additional support for projects applying for at least $100.0 million in federal broadband funds that Rhode Island is eligible for under the Infrastructure Investment and Jobs Act. The enacted budget programs funding for FY 2023 through FY 2025 and required that funds may not be allocated prior to submission of the state broadband strategic plan. The plan was submitted on December 30, 2022. The Governor's proposal accelerates $4.4 million from FY 2025 to FY 2024. The Assembly concurred.

Housing

Spending by the state in support of housing production, access, and subsidies appears throughout the state budget and those of quasi-public entities, some of which are described in detail as part of operating and capital budget analysis. Quasi-public entities authorized to administer housing programs do not appear in the state budget except to the extent that general obligation bond proceeds and pass through funds are appropriated for designated programs. Support is generally provided through major federal grants, general obligation bonds, and a dedicated tax on real estate transfers. This report contains detailed information on these sources, programs, and the state housing policy structure.

Recent Activity

The 2023 Assembly created a state low income housing tax credit and provided $444.9 million for use on housing programs, which is $85.3 million more than enacted. This value excludes regular operating costs borne by managing agencies and is broken out in the table below as noted, some funding reflects the total value of multi-year programs and others are a single year only.

Housing Programs - 2023 Assembly

Programs	Amount	Source	Managing Entity
Low Income Housing Tax Credit Fund*	$ 28,000,000	General Revenues	Department of Housing
Elderly Housing Modifications*	85,000	General Revenues	DHS
Livable Home Modification*	766,699	General Revenues	Governor's Commission on Disabilities
Community Development Block Grants*	10,896,940	Federal Funds	Department of Housing
Homelessness Assistance Grants*	3,332,598	Federal Funds	Department of Housing
Housing Opportunities for Persons with AIDS*	350,000	Federal Funds	Department of Housing
ARPA - Foster Home Lead Abatement/Fire Safety	1,875,000	Federal Funds - SFRF	DCYF
ARPA - Homelessness Infrastructure	45,000,000	Federal Funds - SFRF	Department of Housing
ARPA - Targeted Housing Development	31,000,000	Federal Funds - SFRF	Department of Housing
ARPA - Homelessness Assistance	21,500,000	Federal Funds - SFRF	Department of Housing
ARPA - Municipal Homelessness Support Initiative	2,500,000	Federal Funds - SFRF	Department of Housing
ARPA - Municipal Planning	2,300,000	Federal Funds - SFRF	Department of Housing
ARPA - Statewide Housing Plan	2,000,000	Federal Funds - SFRF	Department of Housing
ARPA - Predevelopment & Capacity Building	1,500,000	Federal Funds - SFRF	Department of Housing
ARPA - Preservation of Affordable Units	500,000	Federal Funds - SFRF	Department of Housing
ARPA - Housing Related Infrastructure	4,300,000	Federal Funds - SFRF	Infrastructure Bank
ARPA - Development of Affordable Housing	100,000,000	Federal Funds - SFRF	RI Housing
ARPA - Down Payment Assistance	30,000,000	Federal Funds - SFRF	RI Housing
ARPA - Site Acquisition	25,000,000	Federal Funds - SFRF	RI Housing
ARPA - Home Repair & Community Revitalization	24,500,000	Federal Funds - SFRF	RI Housing
ARPA - Workforce Housing	20,000,000	Federal Funds - SFRF	RI Housing
ARPA - Affordable Housing Predevelopment	10,000,000	Federal Funds - SFRF	RI Housing
ARPA - Proactive Housing Development	1,400,000	Federal Funds - SFRF	RI Housing
Lead Abatement and Housing Rental Subsidies*	4,706,092	Restricted Receipts	Department of Housing
Housing Production Fund*	2,958,058	Restricted Receipts	Housing Resources Commission
Affordable Housing	70,428,352	GO Bonds	RI Housing
Total	**$ 444,898,739**		

**Ongoing program; value represents FY 2024 enacted budget only*

The 2021 Assembly created the Deputy Secretary of Commerce for Housing within the Executive Office of Commerce. It also provided $29.0 million from State Fiscal Recovery funds made available through the

American Rescue Plan Act for various housing programs. The 2022 Assembly elevated the Deputy Secretary to become Secretary of Housing and provided that the Office shall be transferred from the Executive Office of Commerce to the new Department of Housing effective July 1, 2023. It also authorized a total of $250.0 million from State Fiscal Recovery funds over a five-year period from FY 2022 to FY 2026, including $29.0 million previously authorized, for various housing programs.

The table below shows these funds as approved in the FY 2023 budget enacted by the 2022 Assembly.

2022 Assembly Multi-Year Allocation of State Fiscal Recovery Funds for Housing					
Program	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025 and FY 2026**	**Project Total**
Rhode Island Housing					
Development of Affordable Housing	$15,000,000	$30,000,000	$30,000,000	$25,000,000	$100,000,000
Site Acquisition	12,000,000	3,000,000	5,000,000	5,000,000	25,000,000
Down Payment Assistance	-	10,000,000	10,000,000	10,000,000	30,000,000
Workforce Housing	-	12,000,000	8,000,000	-	20,000,000
Affordable Housing Predevelopment	-	2,500,000	2,500,000	5,000,000	10,000,000
Home Repair & Community Revitalization	-	15,000,000	10,000,000	-	25,000,000
Office of Housing and Community Development					
Predevelopment & Capacity Building	500,000	500,000	500,000	-	1,500,000
Homelessness Assistance Program	1,500,000	7,000,000	7,000,000	6,000,000	21,500,000
Homelessness Infrastructure	-	15,000,000	-	-	15,000,000
Statewide Housing Plan	-	2,000,000	-	-	2,000,000
Total	**$29,000,000**	**$97,000,000**	**$73,000,000**	**$51,000,000**	**$250,000,000**

The Governor's FY 2023 revised and FY 2024 recommended budgets retain the same programs but include unspent FY 2022 funds in FY 2023, accelerate all funding enacted for FY 2025 and FY 2026 to FY 2024, and include $30.0 million more for the Homelessness Infrastructure program for FY 2024. Consistent with legislation passed by the 2022 Assembly, the Governor's budget transfers the Office of Housing and Community Development to the new Department of Housing from the Executive Office. It also includes a total of $3.5 million from general revenues and 38.0 full-time equivalent positions to support the new Department of Housing.

The Governor subsequently requested budget amendments which contained $30.0 million more for six new programs and authorized the Secretary to deny any contract, program guidelines, or award made using State Fiscal Recovery funds dedicated for housing.

The 2023 Assembly did not concur with expanding the Secretary's authority over State Fiscal Recovery funds but did concur with most of the amended recommendation and provided $11.5 million more. The table that follows shows these funds as approved by the 2023 Assembly, some of which are duplicated from the overview table on page one.

2023 Assembly Multi-Year Allocation of State Fiscal Recovery Funds for Housing				
Program	**FY 2022**	**FY 2023**	**FY 2024**	**Project Total**
Rhode Island Housing				
Development of Affordable Housing	$ 14,740,825	$ 30,259,175	$ 55,000,000	$ 100,000,000
Site Acquisition	6,000,000	9,000,000	10,000,000	25,000,000
Down Payment Assistance	-	10,000,000	20,000,000	30,000,000
Workforce Housing	-	12,000,000	8,000,000	20,000,000
Affordable Housing Predevelopment	-	2,500,000	7,500,000	10,000,000
Home Repair & Community Revitalization	-	15,000,000	9,500,000	24,500,000
Proactive Housing Development	-	-	1,400,000	1,400,000
Department of Housing				
Predevelopment & Capacity Building	78,609	921,391	500,000	1,500,000
Homelessness Assistance Program	-	8,500,000	13,000,000	21,500,000
Homelessness Infrastructure	-	15,000,000	30,000,000	45,000,000
Statewide Housing Plan	-	2,000,000	-	2,000,000
Targeted Housing Development	-	-	31,000,000	31,000,000
Municipal Homelessness Support Initiative	-	-	2,500,000	2,500,000
Municipal Planning	-	-	2,300,000	2,300,000
Preservation of Affordable Units	-	-	500,000	500,000
Infrastructure Bank				
Housing Related Infrastructure	-	-	4,300,000	4,300,000
Total	**$ 20,819,434**	**$ 105,180,566**	**$ 195,500,000**	**$ 321,500,000**

Structure of State Housing Policy

Since passage of the Housing Resources Act of 1998, three organizations have administered the vast majority of state housing programs and funds: the Office of Housing and Community Development, the Housing Resources Commission, and the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing. By statute, the Housing Resources Coordinating Committee was intended to oversee and coordinate all three entities, although this did not occur in practice. All originally existed within the Department of Administration but were transferred to the Executive Office of Commerce effective April, 2015. The Department retained the Division of Capital Asset Management and Maintenance, which is responsible for developing, monitoring, and assisting with the housing production portion of the state guide plan. The 2022 Assembly placed the Office of Housing and Community Development under the Secretary of Housing, removing it from the authority of the Coordinating Committee.

Consistent with legislation passed by the 2022 Assembly, the Budget transfers the Office of Housing and Community Development to the new Department of Housing, thereby turning the Office into a standalone Department with expanded responsibilities and staffing. The Assembly codified the role of the Department as the state's lead agency for housing initiatives and authorized it to deal in real estate.

Office of Housing and Community Development. The Housing Resources Act of 1998 established a state housing resources agency, later titled the Office of Housing and Community Development, to address issues related to housing, including the age of the housing stock; public health issues arising from inadequately maintained housing; supported living arrangements for the elderly; a growing population; affordability; declining federal commitment; and declining revenues at the time faced by RI Housing. It functioned as an administrative arm of the Housing Resources Commission, with limited direction from the Executive Office of Commerce, until the 2022 Assembly placed it under the oversight of the Secretary of Housing effective July 1, 2022. Most of the Office's work is coordinating the provision of supportive

services with nonprofit providers. It is the recipient of federal community development block grants for 33 municipalities and various other grants aimed at helping vulnerable populations. Consistent with legislation passed by the 2022 Assembly, the Budget transfers the Office to the new Department of Housing.

Rhode Island Housing and Mortgage Finance Corporation. Established in 1973, The Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing, is a quasi-public corporation statutorily authorized to finance, construct, upgrade, and act as landlord for residential housing and health care facilities. The Corporation supported three healthcare facilities in 1983 but has otherwise never exercised its broad statutory authority. It has intentionally limited its purview to financing housing development and administering housing vouchers and similar programs to minimize its legal, reputational, and financial liability. The Corporation has seven Commissioners detailed in the table that follows, three serve in an ex-officio capacity and four are appointed by the Governor based on professional expertise. The Governor designates the Commission's chair. In 2022, RI Housing maintained assets totaling $2.6 billion, although these are largely held in trust for the benefit of bondholders and other third parties and do not represent state resources.

	RI Housing Commissioners
Ex-Officio	Director of Administration Director of Business Regulation General Treasurer
Appointed	Four members experienced in housing design, development, finance, management, and state and municipal finance

The primary activities of the Corporation involve financing housing development and rehabilitation, single family loan origination, servicing associated loans, and carrying out federal rental programs, such as housing vouchers and contract administration. The Corporation's main products are single-family mortgage and multi-family development loans, often supported by insurance or guarantees through the federal Departments of Housing and Urban Development, Veterans Administration, or Agriculture. The Corporation's single-family and multi-family lending activities are often supported by insurance or guarantees through the federal Departments of Housing and Urban Development, Veterans Administration, Agriculture/Rural Development, Treasury, or government sponsored enterprises.

Article 6 of 2023-H 5200, Substitute A, as amended, contains facilitating language for the creation of a new proactive development subsidiary of RI Housing. Consistent with protections already granted to the Corporation and other quasi-public corporations, it exempts subsidiaries of the Corporation from taxation and limits tort actions to be against the organization itself and caps the amounts of such actions to less than $100,000 absent fraud or willful misconduct.

Housing Resources Commission. The Housing Resources Act of 1998 also created the Housing Resources Commission to administer policy, planning, and coordination of state housing functions as well to implement guidelines and monitor performance. The 2004 Assembly amended the Act to clarify the Commission's powers, including providing technical assistance and a formal role for the Division of Statewide Planning. The Commission consists of 28 members listed in the following table. Its chair is appointed by the Governor but cannot be an ex-officio member. The Commission is empowered to participate in lawsuits; enter into contracts; receive and make loans and grants; and to establish and collect fees for its services.

Housing Resources Commission Membership	
Enumerated Entities	**Representative of**
Director of Administration (Ex-Officio)	Chairperson *(Amended by 1999 Assembly)*
Director of Business Regulation (Ex-Officio)	Homelessness
Director of Elderly Affairs (Ex-Officio)	Community Development Corporation
Director of Health (Ex-Officio)	Agency Addressing Lead Poisoning Issues
Director of Human Services (Ex-Officio)	Local Planner
Director of Behavioral Health, Developmental Disabilities and Hospitals (Ex-Officio)	Local Building Official
Chairperson of Rhode Island Housing (Ex-Officio)	Fair Housing Interests
Attorney General (Ex-Officio)	Agency Advocating for Racial Minorities
President of the Rhode Island Bankers Association	Rhode Island Builders Association
President of the Mortgage Bankers Association	Insurers
President of the Rhode Island Association of Executive Directors for Housing	Community Development Intermediary for Non-Profits
President of the Rhode Island Realtors Association	Non-Profit Developer
Executive Director of the Rhode Island Housing Network	Senior Housing Advocate *(Amended by 1999 Assembly)*
Executive Director of the Rhode Island Coalition for the Homeless	
Executive Director of Operation Stand Down *(Added by the 2014 Assembly)*	

Housing Resources Coordinating Committee. The Housing Resources Act of 1998 established a four-member Housing Resources Coordinating Committee to oversee the Office of Housing and Community Development and the relationship between RI Housing and the Housing Resources Commission, including designating which is the state recipient for several federal grants. It was intended to provide coherence to all state housing programs and integrate activities of the Corporation and the Commission. In practice, it meets only after major statutory changes that affect both organizations, and did not meet from 2009 until 2021. In March 2022 and January 2023, respectively, it established guidelines for allowable uses of the Housing Production Fund and a municipal technical assistance program, both created by the 2021 Assembly. The Committee's responsibility to oversee the Office was effectively exercised by the Commission until July 2022, when oversight was transferred to the Secretary of Housing.

Housing Resources Coodinating Committee Members	
RI Housing	Chairperson
RI Housing	Executive Director
Housing Resources Commission	Chairperson
Department of Administration	Director

Housing Programs

Housing programs are broken out in the subsequent section into functional categories, including funding and administering agencies as enacted by the 2023 Assembly.

Housing Production. Housing production refers to all programs intended to increase the supply of new housing. This includes technical assistance and grants awarded for housing construction projects, renovation of existing buildings to create new or additional housing, as well as predevelopment assistance for businesses and municipalities to reduce barriers to housing production.

Housing Production				
Program	**FY 2024 Recommended**	**FY 2024 Enacted**	**Source**	**Managing Entity**
Low Income Housing Tax Credit Fund*	$ -	$ 28,000,000	General Revenues	Dept. of Housing
ARPA - Targeted Housing Development	-	31,000,000	Federal - SFRF	Dept. of Housing
ARPA - Housing Related Infrastructure	-	4,300,000	Federal - SFRF	Dept. of Housing
ARPA - Development of Affordable Housing	100,000,000	100,000,000	Federal - SFRF	RI Housing
ARPA - Site Acquisition	25,000,000	25,000,000	Federal - SFRF	RI Housing
ARPA - Workforce Housing	20,000,000	20,000,000	Federal - SFRF	RI Housing
ARPA - Affordable Housing Predevelopment	10,000,000	10,000,000	Federal - SFRF	RI Housing
ARPA - Home Repair & Community Revitalization	25,000,000	24,500,000	Federal - SFRF	RI Housing
Housing Production Fund*	2,958,058	2,958,058	Restricted	Housing Resources Commission
Affordable Housing	70,428,352	70,428,352	GO Bonds	RI Housing
Total	**$ 253,386,410**	**$ 316,186,410**		

**Ongoing program; amounts represent FY 2024 only*

- ARPA - Low Income Housing Tax Credit Fund. The Budget creates a five-year competitively awarded tax credit for housing developments to be administered by the Department of Housing subject to a $30.0 million annual program cap and a sunset date of June 30, 2028. The credits will be awarded for a five-year term in equal annual increments and may be redeemed for 90.0 percent of their value. To be eligible, developments must first have been awarded federal low-income housing tax credits. The Budget also includes $28.0 million from general revenues for the Low Income Housing Tax Credit Fund to prefund the credits.

- ARPA - Targeted Housing Development. The Budget includes $31.0 million from State Fiscal Recovery funds for a new program that allows the Secretary to target priority housing development projects. Of this amount $4.0 million will support transit-oriented housing. Priority projects are defined as permanent supportive housing, housing dedicated to vulnerable populations, individuals transitioning out of state care, and extremely low-income Rhode Islanders.

- ARPA - Housing Related Infrastructure. The Budget includes $4.3 million from State Fiscal Recovery funds to be transferred to the Infrastructure Bank for a new program to support infrastructure necessary for affordable housing development.

- ARPA - Development of Affordable Housing. The Budget includes $100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. This creates an additional direct subsidy as a match to multiple sources of financing. Of this amount, $10.0 million is reserved for a pilot program to support low income public housing vouchers and financing. The Budget also permits the pilot to include the establishment of a revolving fund.

- ARPA - Site Acquisition. The Budget includes the enacted amount of $25.0 million from State Fiscal Recovery funds to continue a site acquisition program administered by RI Housing which began during 2020 in response to the coronavirus pandemic. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. The Budget also accelerates $5.0 million from FY 2025 to FY 2024.

- ARPA - Workforce Housing. The Budget includes the enacted amount of $20.0 million from State Fiscal Recovery funds to increase the supply of housing for Rhode Island families earning up to 120 percent of area median income.

- ARPA - Affordable Housing Predevelopment. The Budget includes the enacted amount of $10.0 million from State Fiscal Recovery funds to reduce pre-construction barriers to housing development including prerequisite environmental studies and legal work. The Budget also accelerates $5.0 million from later years to FY 2024.

- ARPA - Home Repair and Community Revitalization. The Budget includes $24.5 million from State Fiscal Recovery funds, $0.5 million less than enacted to support critical home repairs and redeveloping residential or commercial properties, and public and community spaces. This is similar to a program previously administered by RI Housing funded with $10.0 million from general obligation bonds approved by the voters in November 2016. The Budget also specifies that $4.5 million of this amount is designated for critical home repairs.

- Housing Production Fund. The Budget includes the enacted amount of $3.0 million from Housing Production Fund restricted receipts for FY 2024, 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. 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. The Assembly also provided $10.6 million from available restricted receipts for FY 2023 to reflect awards made in November 2022.

- Affordable Housing. The Budget includes $105.0 million from previously approved general obligation bonds for affordable housing support, including rehabilitation of existing structures and new construction for FY 2023 through FY 2026. This includes $65.0 million approved by voters in March 2021 and $40.0 million from general obligation bond funds approved by the voters in November 2016. The Budget programs $70.4 million for the FY 2023 to FY 2026 period.

Housing Preservation. Housing preservation refers to programs designed to retain the existing supply of housing and protect its affordability. This includes support for upgrades, repairs, and maintenance that delay or prevent housing from exiting the housing stock; health related initiatives, such as lead abatement, to increase housing quality and longevity; and efforts to add deed restrictions or reduce capital and operating expenses to preserve the affordability of housing for low- and moderate-income households.

Housing Preservation

Program	FY 2024 Recommended	FY 2024 Enacted	Source	Managing Entity
Elderly Housing Security*	$ 85,000	$ 85,000	General Revenues	DHS
Livable Home Modification*	516,699	766,699	General Revenues	Governor's Commission on Disabilities
ARPA - Foster Home Lead Abatement/Fire Safety	1,875,000	1,875,000	Federal - SFRF	DCYF
ARPA - Preservation of Affordable Units	-	500,000	Federal - SFRF	Dept. of Housing
Total	**$ 2,476,699**	**$ 3,226,699**		

**Ongoing program; amounts represent FY 2024 only*

- Elderly Housing Security. The Budget includes the enacted level of $85,000 from general revenues to implement security measures in elderly housing complexes. The funds can be used for a variety of purposes

to help elderly persons feel safe in their homes. The Office of Healthy Aging annually issues a request for proposals to award the funds, which support new lighting, doors, and alarms.

- Livable Home Modification. The Assembly provided an additional $250,000 for total funding of $766,699 from general revenues for the Livable Home Modification Grant Program, which provides 50.0 percent of the total retrofit costs to support home modifications and accessibility enhancements to allow individuals to remain in community settings. The grant amount was previously capped at $4,000 and it is increasing to $4,500.

- ARPA - Foster Home Lead Abatement/Fire Safety. The Budget includes $1.9 million from State Fiscal Recovery funds, including $1.5 million for FY 2023 and $0.4 million in FY 2024, for lead remediation and fire suppression upgrades for foster homes.

- ARPA - Preservation of Affordable Units. The Budget includes $0.5 million from State Fiscal Recovery funds for a new program to preserve affordable housing units at risk of foreclosure and blight.

Supportive Services. Supportive services are programs that aid housing consumers. This includes financial and information support for prospective homebuyers as well as directed assistance and subsidies that address the special needs of certain populations, such as the homeless. State programs in this category typically take the form of pass-through funds to quasi-governmental and nonprofit organizations.

Supportive Services

Program	FY 2024 Recommended	FY 2024 Enacted	Source	Managing Entity
Housing Opportunities for Persons with AIDS*	$ 350,000	$ 350,000	Federal	Dept. of Housing
Homelessness Assistance Grants	3,332,598	3,332,598	Federal	Dept. of Housing
ARPA - Homelessness Assistance	21,500,000	21,500,000	Federal - SFRF	Dept. of Housing
ARPA - Homelessness Infrastructure	45,000,000	45,000,000	Federal - SFRF	Dept. of Housing
ARPA - Municipal Homelessness Support Initiative	-	2,500,000	Federal - SFRF	Dept. of Housing
ARPA - Down Payment Assistance	30,000,000	30,000,000	Federal - SFRF	RI Housing
Total	**$ 100,182,598**	**$ 102,682,598**		

**Ongoing program; amounts represent FY 2024 only*

- Housing Opportunities for Persons with AIDS. The Budget includes $0.4 million from federal funds for FY 2024 for administration of the federal Housing Opportunities for Persons with AIDS dedicated to supporting services and housing for low-income people living with HIV and AIDS. This is $0.4 million less than enacted to reflect available funding.

- Homelessness Assistance Grants. The Budget includes $3.3 million from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants to reflect new awards. This is $2.0 million less than enacted to reflect federal support returning to pre-pandemic norms. The Housing Resources Commission typically allocates funding to the private shelter system.

- ARPA - Homelessness Assistance. The Budget includes the enacted amount of $21.5 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. It also accelerates $6.0 million from FY 2025 to FY 2024. The 2021 Assembly included a requirement for the chief of the Office of Housing and Community Development to provide monthly progress reports regarding achievement of these efforts. The Department began submitting reports in March 2023.

- ARPA - Homelessness Infrastructure. The Budget includes $45.0 million from State Fiscal Recovery funds, $30.0 million more than enacted, to increase facility capacity for individuals experiencing homelessness. The Budget also expands allowable uses to include prevention and stabilization programs.

- ARPA - Municipal Homelessness Support Initiative. The Budget includes $2.5 million from State Fiscal Recovery funds for a new program to award grants to municipalities to help pay for public safety and other municipal services, such as trash collection, ambulance, or outreach that support homeless individuals.

- ARPA - Down Payment Assistance. The Budget includes the enacted amount of $30.0 million from State Fiscal Recovery funds to provide down payment assistance to eligible first-time homebuyers. It also raises the specified award amount from $17,500 to $20,000 and accelerates $10.0 million from FY 2025 to FY 2024.

Flexible. Some programs provide funding that is not limited to a specific purpose but can be put to a variety of uses at the discretion of the state through the Housing Resources Commission and Department of Housing.

Flexible				
Program	FY 2024 Recommended	FY 2024 Enacted	Source	Managing Entity
Community Development Block Grants	$ 10,896,940	$ 10,896,940	Federal	Dept. of Housing
Lead Abatement and Housing Rental Subsidies*	4,706,092	4,706,092	Restricted	Dept. of Housing
Total	**$ 15,603,032**	**$ 15,603,032**		

**Ongoing program; amounts represent FY 2024 only*

- Community Development Block Grants. The Budget includes $10.9 million from federal Community Development Block Grant funds, $2.1 million more than the enacted budget. Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket are entitlement communities which receive their Community Development Block Grants directly from the Department of U.S. Housing and Urban Development; the remaining 33 communities' grants are administered by the state.

- Lead Abatement and Housing Rental Subsidies. The Budget includes the enacted amount of $4.7 million from restricted receipts for lead hazard reduction abatement, rental subsidy and shelter operations of the Housing Resources Commission. The 2014 Assembly amended the Real Estate Conveyance 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 statutes to ensure that the tax applied to property transfers that were accomplished through a different legal maneuver.

Planning. Planning costs refer to nonrecurring expenses associated with planning, managing, and reporting on state housing programs. It should be noted that the operating expenses of quasi-governmental organizations do not appear in this publication.

Planning				
Program	FY 2024 Recommended	FY 2024 Enacted	Source	Managing Entity
ARPA - Municipal Planning	$ -	$ 2,300,000	Federal - SFRF	Dept. of Housing
ARPA - Statewide Housing Plan	2,000,000	2,000,000	Federal - SFRF	Dept. of Housing
ARPA - Predevelopment & Capacity Building	1,500,000	1,500,000	Federal - SFRF	Dept. of Housing
ARPA - Proactive Housing Development	-	1,400,000	Federal - SFRF	RI Housing
Total	**$ 3,500,000**	**$ 7,200,000**		

- ARPA - Municipal Planning. The Budget includes $2.3 million from State Fiscal Recovery funds for a new program to support municipal planning efforts. This includes $1.3 million for a municipal fellows program and $1.0 million for transit- and zoning-related grants to municipalities.

- ARPA - Statewide Housing Plan. The Budget includes the enacted amount of $2.0 million from State Fiscal Recovery funds for 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. Funds also support municipal planning efforts.

- ARPA - Predevelopment and Capacity Building. The Budget includes the enacted amount of $1.5 million from State Fiscal Recovery funds for contracted consultants to provide administrative support to the Office of Housing and Community Development. The funding is intended to assist with managing the increased resources for federal and other housing related programs and address the lack of administrative capacity as a barrier to implementing affordable housing initiatives. The 2021 Assembly included a requirement for the chief of the Office of Housing and Community Development to provide monthly progress reports regarding achievement of these efforts. The Department began submitting reports in March 2023.

- ARPA - Proactive Housing Development. The Budget includes $1.4 million from State Fiscal Recovery funds and facilitating language to create a new proactive development subsidiary of RI Housing.

Required Reports

The status as of June 2023 of all programmatic reports related to housing required to be submitted to the General Assembly or the Chairman of the House Finance Committee, among others, is shown in the following table. The table does not include annual organization-wide financial disclosures and audits, which are all submitted and compliant, nor does it include reports required for programs funded using State Fiscal Recovery funds.

R.I.G.L.	Program	Submitted	Compliant
	Department of Housing		
42-64.19	Integrated Housing Report	Yes	Partial
42-64.19	State Housing Reorganization Plan	Yes	Partial
42-128	Housing Resources Commission	No	No
42-128.1	Lead Hazard Mitigation	No	No
42-128.3	Housing Incentives Districts	No	No
44-71	Low Income Housing Tax Credit Fund	n/a	New
45-24	Accessory Dwelling Units	Yes	Yes
45-53	Comprehensive Permitting	Yes	Yes
	Rhode Island Housing and Mortgage Finance Corporation		
42-55-22.1	Mortgage Disclosure	Yes	Yes
42-55-22.2	Affirmative Action Fair Housing Policy	Yes	Yes
42-55.1	Housing Trust Fund	Defunct	Defunct
44-53	Development and Preservation Activity	Yes	Yes

Integrated Housing Report. Beginning December 31, 2021, the Secretary of Housing is required to submit an annual report including the total number of housing units, occupancy, change in units, net new units in development since the prior report, units by building occupancy and income type, the number and projection of status quo units, units necessary to meet housing formation trends, regional and similar-state comparisons, including fund sources, rental bedrooms, affordability level, permitting statistics, and affordability by municipality. Much of this data must be broken down by municipality, into cost brackets, and growth over the past five years. A small number of these requirements are similar to the Housing Resources Commission report required by the 1998 Assembly. 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 of Housing 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.

State Housing Reorganization Plan. The Secretary of Housing was required to submit a housing organizational plan by November 1, 2022 that includes a review, analysis, and assessment of functions related to housing of all state departments, quasi-public agencies, boards, and commissions. 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 transferred several programs housed within the Departments of Administration, Behavioral Healthcare, Developmental Disabilities and Hospitals, and Human Services as well as the Executive Office of Health and Human Services and the 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 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. These changes were not included in the Governor's recommendation or the Budget.

Housing Resources Commission. The Housing Resources Commission is required to file an annual report on its activities and findings and recommendations on housing issues, including by census tract details on all program spending, health related housing issues, and incidences of lead poisoning. Many of these requirements are similar to the Integrated Housing Report required by the 2021 Assembly. The Housing

Resources Commission indicates it believes this requirement is effectively fulfilled by the annual Housing Fact Book produced by HousingWorks RI, which is neither a state entity nor referenced in statute.

Lead Hazard Mitigation. The Housing Resources Commission is required to file a March annual report on progress made to achieving the four-year 2003 strategic plan to mitigate lead poisoning. The Commission signed a memorandum of understanding with the Department of Health to fulfill all responsibilities associated with this program; the report is regularly presented to the Commission but the Commission indicates it has never directly provided them to the General Assembly.

Housing Incentives Districts. As of FY 2022, the Coordinating Committee of the Housing Resources Commission is required to file an annual report on commitments and disbursements of technical assistance or school impact payments for municipalities that create and administer a Housing Incentive District. The Commission indicated that this municipal initiative has not yet been implemented and there is no status to report. It should be noted that the report is still required even if there is no status to update.

Low Income Housing Tax Credit Fund. Beginning November 1, 2024, the Department of Housing is required to file an annual report that contains the amount of credits approved in the prior fiscal year. Separately, a summary of tax credit agreements must be sent to the Division of Taxation and published on its website.

Accessory Dwelling Units. The Department of Housing is required to file a March 1 annual report containing all municipal ordinances related to accessory dwelling units and two prior years of information regarding unit permits and certificates of occupancy. Municipalities are required to provide the Department with this information by February 1.

Comprehensive Permitting. The Department of Housing is required to file a March 15 annual report to be posted on its website containing the prior 12 months of information regarding comprehensive permits for each municipality including: letters of eligibility, the number of subsidized units proposed and subsidy sources, status of applications, and the affordability of proposed units. Municipalities are required to provide the Department with this information by February 1.

Mortgage Disclosures. RI Housing is required to produce a disclosure of all of its mortgage lenders and loans by census tract with reference to age of recipient, state representative districts, and federal support. The report is required to be available to the public with copies at the Corporation's Office. RI Housing indicates the report takes one week of staff time to create and is provided upon request; however, it has no record of a request ever being received.

Affirmative Action Fair Housing Report. RI Housing is required to biennially assess minority participation in all of its programs. The Corporation indicates that producing this report takes four to six weeks of staff time; however, in 2022 its website logged only 16 views, almost all of which were internal. The report is regularly produced consistent with statute.

Development and Preservation Activity. RI Housing is required to file a March 15 annual report to be posted on its website containing a list of preservation or development projects approved by the Corporation, the value of support provided, and the resulting certificates of occupancy once available. It also contains the value of fees and taxes paid by affordable housing developments to each municipality.

Housing Data

The Department of Housing reports that as of 2021 there were a total of 481,168 housing units in Rhode Island. The number of households that are cost burdened, defined as those spending 30 percent or more of income on housing, has consistently risen over the past few decades and now represents 47 percent of renter

households and 27 percent of owner households. Detailed information on the quality and status of housing should be included in the Department's Integrated Housing Report, due annually on December 31. The following is a non-exhaustive list of sources for credible information on housing in the state:

RI House Commission on Land Use:
https://www.rilegislature.gov/commissions/laus/SitePages/hmaterials.aspx

RI House Commission on Low and Moderate Income Housing:
https://www.rilegislature.gov/commissions/LMIHA/Pages/hmaterials.aspx

Division of Statewide Planning:
https://planning.ri.gov/

HousingWorksRI:
https://www.housingworksri.org/Research-Policy/Publications-Reports

Office of Housing and Community Development:
https://ohcd.ri.gov/

RI Housing:
https://www.rihousing.com/research-reporting/

United States Census Bureau:
https://www.census.gov/topics/housing.html

Transportation

Transportation spending, including the state's highway and transit programs, accounts for 6.1 percent of operating budget expenditures in the FY 2024 enacted budget. Nearly half of the expenditures in the five-year capital plan are for transportation projects, including roads and bridges, rail, and public transportation. Funding comes from major federal grants as well as user charges and other dedicated state sources. This report contains detailed information on these sources and how they have changed over time as well as a review of the formal process for capital project planning.

Transportation Planning Process

Federal law requires that a statewide transportation improvement plan covers a period of no less than four years. Federal regulations also require that the first four years of the plan must be fiscally constrained, whereby the projects in the plan may not exceed the anticipated funding that is reasonably expected to be available over the four-year timeframe. No highway or transit project can utilize federal funds unless it appears in an approved Transportation Improvement Program. In Rhode Island, the Transportation Improvement Program is a culmination of a public outreach process to all communities, public interest groups, and citizens by the agencies involved in transportation planning and project implementation.

Following the public solicitation process, highway projects are selected for inclusion in the Transportation Improvement Program by a 26-member public body known as the Transportation Advisory Committee using criteria based on five major categories: mobility benefits, cost-effectiveness, economic development impact, environmental impact, and degree of support to local and state goals and plans. Certain types of projects are reviewed by special public committees prior to selection. Once a plan has gone through the Committee process, it is sent to the Governor's Office for concurrence and then it is submitted to the Federal Highway Administration and the Federal Transit Administration for final approval.

The Transportation Improvement Program includes a category for traditional highway projects. These projects primarily involve either a full reconstruction of the existing roadway or construction of a new highway facility. Projects are considered for this category if they involve a roadway and major work where more than resurfacing is involved. The pavement management program is another category of high interest that allows the state to pursue the most cost-effective pavement treatment for roads throughout the state. The work includes pavement resurfacing, crack sealing, and micro surfacing as appropriate. Roadways included in the pavement management program include community requested projects and those identified in the Department's pavement management program. Inclusion in the Transportation Improvement Program list does not guarantee the project will be implemented.

Projects are selected for implementation by the Department of Transportation based on an evaluation using four sources of information: pavement management system data, public input-priority assigned by communities, input from the Maintenance Division, and staff field review. Roadways with the worst ratings are candidates for resurfacing. Final selection considers traffic volumes and the distribution of projects statewide to insure an equitable geographic distribution. Roadways selected must be eligible for federal funding, which means the road must be functionally classified. State roads are given priority, but local roads may also be included in the program based on factors such as regional significance of the road or support for an economic development or enterprise zone initiative.

Recent Program Revisions

The Department refers to its ten-year capital and operating plans as RhodeWorks. It is a comprehensive initiative with one component aimed at accelerating the replacement and reconstruction of state bridges with the goal of reducing the percentage of deficient bridges. Annually, the Department will propose

changes to the plan to make sure that projects are appropriately coordinated and that communities and constituents can have input. The federal FY 2018 through FY 2027 Transportation Improvement Program was approved in December 2017. Over a three-year period, a total of 30 amendments were added to it; 28 of these changes were minor in nature and were classified as administrative, and there were two major amendments. On January 25, 2019, the Department requested major revisions to the adopted plan, classified as Amendment #11. The amendment would "significantly redistribute funding to projects to cover increased construction costs, funding reductions, and align the program with Bridge and Pavement asset management priorities." The Department subsequently submitted a request rescinding proposed changes included in the amendment. As such, two public hearings that were scheduled for the end of February to accept public comments on the proposed amendment were cancelled.

In July 2019, the Department proposed the other major amendment, classified as Amendment #19 to the Transportation Improvement Program. Solicitations for input were due on August 22 and two public hearings were held on August 13 and August 15. Among the proposed changes was the use of a $70 million federal grant that the Department received. Of this amount, $54.5 million is for the Henderson Bridge project. The amendment removed $120.0 million from Rhode Island Capital Plan funds for paving projects that the Department had programmed but was never recommended by the Governor, nor approved by the Assembly. It added $200.0 million of Grant Anticipation Revenue Vehicle (GARVEE) bonds that the 2019 Assembly approved for the Interstate 95 Northbound Providence Viaduct project. It also added $20.0 million for the Pell Bridge Ramps Realignment project and $2.8 million for preliminary engineering and an environmental assessment for an Amtrak stop at Rhode Island T.F. Green International Airport. All proposed changes were approved and adopted by the State Planning Council on August 29, 2019.

Transportation Improvement Programs

FFY	Date Approved	Total Amendments
2022-2031*	September 9, 2021	6
2018-2027	December 14, 2017	30
2017-2025	September 8, 2016	3
2013-2016	February 28, 2013	7
2009-2012	August 14, 2008	13

**As of January 1, 2023*

In June 2021, the Department proposed the federal FY 2022 through FY 2031 plan, which went through the planning process and was adopted in September 2021. It contained $8,244.7 million for transportation and transit projects and operations. Of this amount, $3,575.9 million was included in the first four years of the plan, and $4,668.9 million for the second half of the ten-year period. Funding for the plan in federal FY 2022 included $505.5 million from federal funds, $345.1 million from state sources, which included approved general obligation bonds, Rhode Island Capital Plan funds, gasoline tax proceeds, and highway maintenance funds. It assumed that the 2022 Assembly would authorize the issuance of $34.8 million from revenue bonds. Other funds included land sales, paratransit and passenger revenues generated by the Rhode Island Public Transit Authority and local match for projects.

Subsequent to adopting the plan, 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. Rhode Island will receive an average of $354 million annually. The increase from federal FY 2021 to FY 2022 is approximately $103 million; the state match for that amount would be $20.6 million.

The table on the following page shows the Department's annual allocation from MAP 2021, FAST Act and projections from the Infrastructure Investment and Jobs Act.

Federal FY	Federal Act	RI's Allocation	New: Bridge Replacement	New: Electric Charging Stations	Total	Required Additional Match
2015	Moving Ahead for Progress (MAP 21)	$ 211,081,927				
2016		$ 221,837,373				
2017		$ 224,957,309				
2018	Fixing America's Surface Transportation	$ 230,202,826				
2019	(FAST) Act	$ 236,184,138				
2020		$ 240,920,619				
2021		$ 239,414,545				
2022		$ 289,527,640	$48,384,691	$ 4,572,292	$ 342,484,623	$20,614,016
2023		$ 295,322,648	$48,384,691	$ 4,572,292	$ 348,279,631	$21,773,017
2024	Infrastructure Investment & Jobs Act	$ 301,233,552	$48,384,691	$ 4,572,292	$ 354,190,535	$22,955,198
2025		$ 307,262,674	$48,384,691	$ 4,572,292	$ 360,219,657	$24,161,022
2026		$ 313,412,378	$48,384,691	$ 4,572,292	$ 366,369,361	$25,390,963

In November 2021, the Department requested an amendment to the Transportation Improvement Program, which was classified as an "Administrative Adjustment." It essentially adjusted funding for 31 projects in the federal FY 2022 through FY 2025 period, the constrained period without an overall increase in funding; however, a total of $13.4 million was added in the latter year of the plan. The Department proposed a second amendment to the program on February 3, 2022, to incorporate funding it received from the Infrastructure Investment and Jobs Act. The amendment included changes to more than 150 projects and added $550.1 million over the federal FY 2022 through FY 2025 period and $197.6 million in the second part of the plan, for a total of $748.4 million over the ten-year period. Projects were advanced from the later years, reflecting the availability of funding. The amendment was available for public comment through February 14 and it was approved on February 17.

As part of his FY 2022 revised budget, the Governor recommended $100.0 million from general revenues be transferred to the Rhode Island Capital Plan Fund to be used as the state match for additional transportation projects authorized under the Infrastructure Investment and Jobs Act for both the Department and the Rhode Island Public Transit Authority for two years. As the table above shows, the additional match for federal FY 2022 and FY 2023 would be $42.4 million, supporting a great portion of the new matching funds are for discretionary projects.

The 2022 Assembly concurred with the Governor's subsequent request to adjust expenditures, reflecting updated discretionary grant awards and earmarked funds. The amendments added $10.0 million from Rhode Island Capital Plan funds to match $40.0 million from federal funds the Department received for bridge replacement projects and reduced previously recommended funds by $6.0 million for a project not approved, for a net increase of $3.9 million.

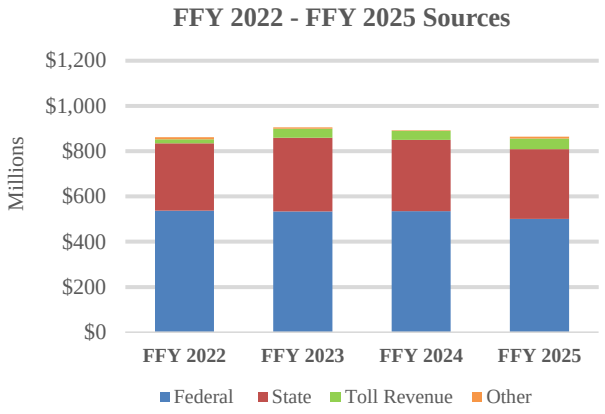
For the Rhode Island Public Transit Authority, the amendment removed $4.9 million for a project not approved by the Federal Transit Administration, and added a $1.0 million match for the Newport Bus Facility. This resulted in a net reduction of $3.9 million. Of the $100.0 million Rhode Island Capital Plan funds allocation, $75.3 million is for the Department, with the Authority receiving $24.7 million. Based on project delays, the 2023 Assembly shifted a total of $14.6 million from the Authority's allocation of the Rhode Island Capital Plan Fund from FY 2023 and FY 2024 to FY 2025 and FY 2026.

The following table includes program and funding for the amended Transportation Improvement Program, which reflects the adoption of six amendments through January 1, 2023.

Programs*	FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2022-FFY 2025	FFY 2026-FFY 2031	Total FFY 2022-FFY 2031
Active Transportation	$ 19.5	$ 27.6	$ 22.1	$ 35.3	**$ 104.5**	**$ 197.1**	**$ 301.6**
Bridge	164.5	161.8	172.5	157.5	**656.4**	**1,158.6**	**1,814.9**
Corridor Projects	2.2	24.5	40.4	38.8	**105.9**	**181.0**	**286.9**
Debt Service	113.4	116.2	116.1	112.4	**458.1**	**649.9**	**1,108.0**
Headquarters Operations	47.6	46.4	44.8	47.1	**185.9**	**286.9**	**472.8**
Maintenance Operations	76.5	80.0	80.5	81.2	**318.2**	**478.2**	**796.4**
Major Capital Projects	194.1	247.5	237.2	222.6	**901.4**	**467.2**	**1,368.5**
National Highway Traffic Safety Admin.	9.1	9.1	9.1	9.1	**36.3**	**54.5**	**90.8**
Pavement	102.8	97.4	89.3	76.0	**365.6**	**330.5**	**696.1**
Stormwater	16.8	15.0	11.0	10.0	**52.8**	**60.0**	**112.8**
Study and Development	17.4	15.6	15.5	15.6	**64.0**	**66.3**	**130.4**
Traffic Safety	57.1	32.9	31.5	38.3	**159.7**	**212.2**	**371.9**
Transit	40.9	30.9	22.7	20.2	**114.7**	**170.7**	**285.4**
DOT	**$ 861.9**	**$ 904.8**	**$ 892.6**	**$ 864.0**	**$ 3,523.4**	**$ 4,313.1**	**$ 7,836.5**
Transit Capital	$ 46.0	$ 33.0	$ 22.8	$ 22.8	**$ 124.5**	**$ 128.3**	**$ 252.8**
Transit Service	22.6	14.1	14.9	15.1	**66.8**	**92.3**	**159.1**
Transit Support Operations	115.3	122.2	124.4	126.5	**488.3**	**661.6**	**1,149.9**
RIPTA	**$ 183.9**	**$ 169.2**	**$ 162.1**	**$ 164.4**	**$ 679.6**	**$ 882.2**	**$ 1,561.8**
Total	**$ 1,045.9**	**$ 1,074.1**	**$ 1,054.7**	**$ 1,028.4**	**$ 4,203.0**	**$ 5,195.3**	**$ 9,398.3**

$ in millions
**As of January 2023*

The following chart shows the Department's funding sources for the first part of the ten-year period for the amended Transportation Improvement Program.



The constrained period assumes toll revenues of $169.2 million and allocates $144.2 million for project expenses, including $112.2 million for the Route 6/10 Interchange Reconstruction project. Collections and when these funds are used differ; funds are budgeted based on projects being funded.

On September 21, 2022, the U.S. District Court ruled that the tolling program was unconstitutional and ordered the Department to stop collections within 48 hours of the ruling. Collections ceased that same evening. The Department submitted its first quarter report on October 28, 2022, stating that "no active construction projects will be impacted." The state is appealing the decision.

The Governor's revised and FY 2024 recommended budgets submitted on January 19, 2023, include an additional $183.3 million of state support for transportation funding. This includes $70.0 million to backfill

lost toll revenues, based on three quarters of revenues for FY 2023 and a full year for FY 2024. It includes $87.8 million to provide more years of state match for federal infrastructure funds. The state's gasoline tax was projected to increase by $0.03 to $0.38, effective July 1, 2023, while the Department's budget request assumed only a one-cent increase. The Governor proposed legislation pausing the inflation indexing for two years and recommended $24.6 million from Rhode Island Capital Plan funds to replace the foregone revenues. Pertaining to the Highway Maintenance Account, the fee for duplicate licenses was increased and retained as general revenues in the FY 2019 enacted budget to help offset the staffing needs related to timely provision of Real ID compliant credentials to those seeking them. The Governor proposed the estimated $1.0 million from these fees be transferred to the account consistent with other similar fees. Net of current law allocations, the Department will receive an additional $0.9 million. The Assembly concurred with the fee shift but not the gas tax change. It maintained the gas tax at current law and included $24.6 million from gas tax proceeds for capital projects, instead of Rhode Island Capital Plan funds.

Electric Vehicle Charging Infrastructure Program. The Infrastructure Investment and Jobs Act authorized a National Electric Vehicle Infrastructure Formula Program, with the goal of establishing a nationwide network of 500,000 electric vehicle chargers by 2030. The 2022 Assembly concurred with the Governor's proposal to create an Electric Vehicle Charging Infrastructure Program in state law. The program will be funded with $22.9 million from federal funds through federal FY 2026. The program will be administered by the Department of Transportation and the Office of Energy Resources, with consultation from the Department of Environmental Management. The legislation requires reporting to the Governor and the General Assembly, by December 31, 2023, and annually thereafter until all the funds are used. The state submitted its plan for uses of the funds on July 29 and it received federal approval on September 14. It assumes $8.3 million to construct 7 to 14 stations in the Providence metropolitan area, and annual operating costs of $0.1 million per station for five years and $3.8 million to upgrade two existing fast charging stations along I-95 and operating expenses. It also reserves $2.0 million for Route 146, $6.6 million for the southern coastal routes to accommodate seasonal rentals, $0.5 million for data collection and analysis, and $1.8 million for workforce development, public awareness and other initiatives.

Bridge Replacement. Another category for new formula funding authorized under the Infrastructure Investment and Jobs Act is the Bridge Replacement, Rehabilitation, Preservation, Protection and Construction, for which the act provides a total of $27 billion over five years. The program is expected to help repair approximately 15,000 highway bridges nationwide.

Transportation Funding Reform

Transportation funding on the state and national levels began to pose greater problems to governments as the cost of maintaining and replacing infrastructure outpaced the revenue sources historically used to support them. Rhode Island's transportation funding plan relied heavily on debt and federal funds. Additionally, the state's gas tax was the primary source to repay debt costs, with the remainder available for all maintenance activities, including highway preservation. As the following table illustrates, the per penny gasoline tax yield and the total funding available to the Department has steadily declined.

Fiscal Year	Per Penny Yield	Fiscal Year	Per Penny Yield
2007	$ 4,707,603	2015	$ 4,396,313
2008	$ 4,513,744	2016	$ 4,479,185
2009	$ 4,327,710	2017	$ 4,417,413
2010	$ 4,289,568	2018	$ 4,493,241
2011	$ 4,210,324	2019	$ 4,637,224
2012	$ 4,205,959	2020	$ 4,135,558
2013	$ 4,137,712	2021	$ 4,074,036
2014	$ 4,236,402	2022	$ 4,294,775

Even with the additional penny in FY 2010, available funding through FY 2013 decreased $10.3 million, or approximately 12 percent. The per penny yield increased in FY 2014 for the first time in several years. Although declining gasoline tax revenue was a contributing factor to stagnant transportation funding, there were also other problems affecting Rhode Island. Beginning in 2011, the Assembly identified and addressed two of the major issues affecting the Department of Transportation: over reliance on debt and a limited amount of funding sources. In order to increase the amount of revenue for use by the Department, the state moved from its traditional financing model for matching federal funds to a pay-go model by establishing motor vehicle fee surcharges that would be transferred to the Highway Maintenance Account for use as a portion of the state's match. These funds, combined with Rhode Island Capital Plan funds provide the approximate $40 million of annual match for federal funds, which was historically generated through borrowing ended, making 2010 the last year of general obligation bonds for this match.

The 2014 Assembly made several additional changes to transportation funding in order to address concerns regarding the use of tolls, gasoline tax and Division of Motor Vehicles fees, while meeting the infrastructure needs of the state. Those changes to transportation funding were a culmination of efforts, which began when the 2013 Assembly created the Joint Commission to Study Transportation Funding. The Commission met from September through December 2013 and submitted its findings in January 2014. During the 2014 session, both chambers of the Assembly proposed legislation that combined many elements discussed during those meetings, including changes to funding sources and transportation governance.

The 2014 Assembly adopted legislation to transfer new revenue sources, as well as existing general revenues, into the Highway Maintenance Account for the Department to use for costs related to maintenance and repairs to highways, roads, and bridges. New sources included an increase in the inspection fee from $39 to $55 and the addition of a $25 surcharge to the good driving dismissal fee. The legislation also established a schedule to transfer the majority of other transportation related fees that were previously deposited as general revenues. Inspection fees and good driver dismissals were transferred beginning in FY 2015, and the remaining revenues were transferred incrementally, beginning with 25.0 percent in FY 2016, 75.0 percent in FY 2017, and all in FY 2018.

The 2014 legislation also indexed the gasoline tax to the Consumer Price Index every other year, rounded to the nearest cent. Additional sources include the utilization of $25 million of unallocated bond proceeds to bridge the funding gap that occurs as the fee transfers from general revenues were phased in. The proceeds were from previously authorized general obligation bonds that date back to before FY 2000, but had not been programmed by the Department. These were revealed following a FY 2014 review of bond proceeds as their use as federal match was ending. Additional Rhode Island Capital Plan funds were allocated to stabilize the annual funding.

The 2014 Assembly also transferred 3.5 cents of gas tax to the Turnpike and Bridge Authority to be used in lieu of tolls that would have been used for operations and maintenance of the new Sakonnet River Bridge and other bridges under the Authority's purview. The Authority maintains ownership of the four bridges it currently operates. The legislation also transferred 5.0 percent of funding from the surcharges enacted in 2011 and motor vehicle fees to the Rhode Island Public Transit Authority to support its operations beginning in FY 2016. This amount was initially projected to be $2.7 million in FY 2016 and grow with increasing amounts of revenue into the fund. The state also reduced the amount of debt service paid by the Department through the targeted use of general revenues in lieu of gas tax revenues, as well as the restructuring of debt in order to adjust the upcoming debt service payments to a more consistent amount. As part of the debt restructuring, $9.3 million of general revenues was used to pay a portion of the Department's debt service in FY 2014. For each year thereafter, the amount of general revenues used for this purpose increased in $10 million increments until FY 2018. The 2014 Assembly shifted debt service expenses from general revenues to funds available in the Highway Maintenance Account. This was part of the plan to align spending on transportation related costs with revenue raised from transportation sources.

The following table shows remaining debt service for the Department. It should be noted that general obligation debt service is included in the Department of Administration's budget.

Fiscal Year	2003 & 2016 GARVEE Issuance	2020 GARVEE	Federal Funds Debt Service	Outstanding Motor Fuel Revenue Bonds	Outstanding G.O. Debt*	Total Debt Service
2023	57,535,250	8,277,750	65,813,000	5,363,250	39,366,374	110,542,624
2024	42,501,250	19,932,750	62,434,000	5,358,750	34,103,952	101,896,702
2025	42,501,000	19,930,000	62,431,000	4,883,500	31,799,805	99,114,305
2026	42,500,250	19,933,250	62,433,500	4,885,500	31,908,963	99,227,963
2027	42,500,250	19,930,750	62,431,000	1,606,500	26,568,940	90,606,440
2028	42,502,000	19,931,250	62,433,250	-	26,046,003	88,479,253
2029	42,501,250	19,933,000	62,434,250	-	20,419,321	82,853,571
2030	42,498,750	19,929,250	62,428,000	-	20,414,342	82,842,342
2031	-	19,928,500	19,928,500	-	10,879,010	30,807,510
2032	-	19,928,750	19,928,750	-	11,340,458	31,269,208
2033	-	19,933,000	19,933,000	-	9,171,137	29,104,137
2034	-	19,929,000	19,929,000	-	7,684,474	27,613,474
2035	-	-	-	-	6,438,836	6,438,836
2036	-	-	-	-	5,624,237	5,624,237
2037	-	-	-	-	5,625,319	5,625,319
2038	-	-	-	-	5,625,805	5,625,805
2039	-	-	-	-	5,623,514	5,623,514
2040	-	-	-	-	5,626,126	5,626,126
2041	-	-	-	-	5,621,765	5,621,765
2042	-	-	-	-	3,348,249	3,348,249

**Net of general revenue share for FY 2017 restructuring*

Fund Sources

The Department receives funding through four major sources: federal funds, gasoline tax proceeds, Rhode Island Capital Plan funds, and transportation-related fees collected by the Division of Motor Vehicles. This analysis will explain the individual fund sources as well as expenditures from these sources. The following table illustrates the fund sources used in the FY 2023 and FY 2024 budgets.

Source	FY 2022 Reported	FY 2023 Enacted	FY 2023 Final	FY 2024 Enacted
Federal Highway Admin. Funds	$ 263,067,279	$ 225,559,586	$ 273,419,718	$ 269,998,557
Other Federal Funds	154,315,426	230,992,988	194,405,683	190,861,106
Gasoline Tax*	115,544,405	110,831,013	102,097,661	123,598,830
Motor Vehicle Fees	31,345,795	102,647,711	178705436	107,492,944
Toll Revenue	36,843,565	33,614,329	13,500,000	1,500,000
Rhode Island Capital Plan Funds	66,191,402	77,859,628	96,495,745	149,904,118
Restricted Receipts	2,555,165	5,949,070	6,164,531	6,210,256
Land Sale Revenue	1,407,737	7,760,141	7,983,563	8,023,299
Interstate 195 Land Sales	-	1,500,000	1,500,000	1,500,000
General Obligation Bonds**	-	[31,700,000]	[56,000,000]	[15,700,000]
Total	**$ 671,270,774**	**$ 796,714,466**	**$ 874,272,337**	**$ 859,089,110**

**Excludes gas tax debt service for DOT, RIPTA & costs for centralized services & consolidated initiatives in DOA*

***Bond proceeds are not reflected in the Department's budget but are included for illustrative purposes*

Federal Highway Administration Funds. 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. The Department's annual allotment of funds is based on existing and prior year contracts for projects, anticipated new construction, design and engineering costs, and other planning activities such as traffic studies. These funds appear in both the Department's capital and operating budgets. In the Department's capital plan, these funds appear in the project labeled Highway Improvement Program.

Rhode Island will receive an average of $354 million annually. The increase from federal FY 2021 to FY 2022 is approximately $103 million; the state match for that amount would be $20.6 million. As part of his FY 2022 revised budget, the Governor recommended $100.0 million from one-time general revenues be transferred to the Rhode Island Capital Plan Fund to be used as the state match for additional transportation projects authorized under the federal Infrastructure Investment and Jobs Act. This includes $71.3 million for the Department; the Capital Budget programs these as $66.7 million in FY 2024 and $4.7 million in FY 2025. This includes time for design and scoping before projects are constructed. A subsequent amendment altered the agency allocation, reflecting known federal awards and earmarked funds received. The Department will receive $75.3 million with the Authority receiving $24.7 million.

The Highway Improvement Program represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. The program utilizes state funds for matching purposes in the form of proceeds from general obligation bonds. Federal funds earmarked for the Department's transit projects administered by the Federal Transit Administration are not included under this project but are included in the Fixed Guideway Project. Rhode Island Public Transit Authority projects using transit funds are included in the Authority's capital budget submission. The Highway Improvement Program is directed towards implementing the Department's capital program as identified in the Transportation Improvement Program.

Other Federal Funds. These federal funds that the Department receives are outside its annual allotment for highway improvement projects. A majority of this funding comes from the National Highway Transportation Safety Administration and is used to fund safety activities such as enforcement, traffic studies, signage and research. Other federal funding comes from the Federal Transit Administration. They also may include funds received through other legislation adopted by Congress, such as stimulus funds.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, adopted in March 2020 provides $25.0 billion for Transit Infrastructure grants to help transit agencies prevent, prepare, and respond to COVID-19. The Department will receive $13.3 million; funds were allocated through existing formula grant programs and are available for use from January 20, 2020 until expended. The funds can be used for operational expenses of transit projects and there are no matching requirements. Through the end of FY 2022, $11.1 million has been spent; the remaining $2.3 million is budgeted in the FY 2023 final and the FY 2024 enacted budgets.

On December 27, 2020, President Trump signed into law the consolidated appropriations act for federal FY 2021 that contains $10.0 billion for Highway Infrastructure Programs. Uses of these funds appear to be flexible and no state match is required. Eligible uses include preventative maintenance, operations, personnel, contractors, debt service payments, and coverage for revenue losses. The Department's portion of the funds will be $54.3 million; $24.1 million was spent in FY 2022 and $30.1 million is included in the FY 2023 final budget. President Trump also signed into law a $1.4 billion omnibus appropriations act for federal FY 2021. It includes $86.7 billion for transportation, which is $553.0 million above the federal FY 2020 allocation. The Department's portion of the additional amount is $63.2 million; a 20.0 percent state match for use of these funds is required. The additional funds will be used for ongoing projects.

These funds also include discretionary grants; from time to time, these funding opportunities become available. These funds are awarded on a competitive basis, with a state match required for their uses, and are for specific projects which are above the Department's annual federal funds allotment. The discretionary grants allow the Department to advance and/or to enhance a project by adding traffic

improvements, transit features, or security measures. The 2020 Assembly adopted legislation requiring the Department to report, on a quarterly basis, a list of all federal, discretionary, and any other grants that it has applied for and to identify any changes from its prior report. For grants that require a state match, the Department must identify if the source for the state's match is available under currently authorized funding.

In the July 2022 Rhodeworks Report, the Department identified two grant applications pending, requiring $26.0 million of matching funds. This includes $25.0 million for Rebuilding the East Avenue Corridor and $1.0 million for safety projects. The report also noted an upcoming grant application opportunity, which would require matching funds of $16.2 million for the I-95 Missing Move and Quonset Ramps Construction. It should be noted that the Department had previously submitted grant applications for this project that were not successful. The RhodeWorks Report issued on October 30, 2022, removed the East Avenue project, as funding was not awarded but included $33.6 million for Revitalizing the Ashton Viaduct (Route 116). The discretionary match for that project would require $6.7 million. The Department indicated that it has a partial match for this project under its current funding authorization.

It should be noted that the Department's FY 2024 through FY 2028 capital budget request includes $176.0 million from a source not yet identified to be used from FY 2025 through FY 2028 for the match requirement of federal discretionary grants. Subsequently, the Department indicated that this amount is intended to include all of its current state match shortfall, not limited to discretionary grants. Accounting for the revenue bonds, assumed but not approved, would bring the shortfall to $210.8 million. The Assembly concurred with the Governor's recommendation to provide $140 million to cover the shortfall, including $87.8 million for the state's transportation match for FY 2025 and FY 2026, $40 million beyond the Department's request from the gasoline tax, and an additional $4.5 million or $0.9 million annually from transferring the fee for duplicate licenses into the account.

Gasoline Tax. The state's transportation funding is affected by its reliance on the gasoline tax and the revenue it yields. Section 31-36-7 of the Rhode Island General Laws sets the gasoline tax at 32 cents per gallon, indexed to the Consumer Price Index every other year, rounded to the nearest cent, effective July 1, 2014. Additionally, Section 46-12.9-11 of the Rhode Island General Laws, establishes a one-cent environmental protection regulatory fee, half of which is deposited in the Intermodal Surface Transportation Fund. The disposition of proceeds is outlined in Section 31-36-20 of the General Laws. Upon receipt, all gasoline tax proceeds are deposited into the Intermodal Surface Transportation Fund from which statutory transfers are made to the Department, the Rhode Island Public Transit Authority, the Rhode Island Turnpike and Bridge Authority, and the Department of Human Services for the elderly/disabled transportation program.

Entity	FY 2022 Reported	FY 2023 Final	FY 2024 Current Law	FY 2024 Recommended	FY 2024 Enacted
Department of Transportation	20.25	20.25	23.25	20.25	23.25
Rhode Island Public Transit Authority	9.75	9.75	9.75	9.75	9.75
Turnpike and Bridge Authority	3.5	3.5	3.5	3.5	3.5
Elderly Transportation	1.0	1.0	1.0	1.0	1.0
Underground Storage Tank Fund	0.5	0.5	0.5	0.5	0.5
Total (in cents)	**35.0**	**35.0**	**38.0**	**35.0**	**38.0**

The distribution of proceeds derived from the gasoline tax remained the same from FY 2009 through FY 2015. However, as previously noted, FY 2016 was the first year the gasoline tax increased as a result of inflation; it increased by one cent to 34 cents and again to 35 cents for FY 2020. The inflation was not sufficient to increase the gasoline tax in FY 2022.

For FY 2024, the gasoline tax is projected to increase by three cents to 38.0 cents, with 37.5 cents of that going towards transportation. The Governor recommended suspending the indexing for two years. The revised budget transfers $24.6 million from general revenues to the Rhode Island Capital Plan Fund to

cover gas tax revenues that would have been collected. The Assembly did not concur and maintained the gas tax at current law.

The following table shows how the New England states rank as of January 2022.

	Tax - Cents Per Gallon	
As of 1/1/2022	***Gas***	***Diesel***
Rhode Island [1]	***35.0***	***35.0***
Connecticut	35.8	40.1
Maine	30.0	31.2
Massachusetts[2]	26.5	26.5
New Hampshire	23.8	23.8
Vermont	32.1	32.0
New England Average	30.5	31.4
U.S. Average	38.7	40.2

Source: American Petroleum Institute includes state surcharges

[1] *Increased 1 cpg on 7/1/19*

[2] *Increased 3 cpg 7/1/13, indexed to inflation; 11/14 referendum repealed index*

Motor Vehicle Fees. FY 2014 was the first year of the phased-in vehicle surcharge fees, including a $10 surcharge on biennial vehicle registrations, a $5 surcharge on annual vehicle registrations and a $10 surcharge on operator licenses, purchased on a five-year basis. The following table summarizes the incremental fee increases.

Fiscal Year	Biennial Registration Fee	Annual Registration Fee	License Fee
2013	$ 60.00	$ 30.00	$ 30.00
2014	$ 70.00	$ 35.00	$ 40.00
2015	$ 80.00	$ 40.00	$ 50.00
2016	$ 90.00	$ 45.00	$ 60.00

The biennial registration surcharge increased in $10 increments to a total of $30, the annual registration surcharge increased in $5 increments to a total of $15, and the license surcharge increased in $10 increments to a total of $30 beginning in FY 2014 and ending in FY 2016. These fees are transferred to the Department for use as a portion of the state match for federal funds.

In addition to the surcharges, portions of other fees collected by the Division of Motor Vehicles are dedicated to the Department. The Assembly adopted Article 21 of 2014-H 7133, Substitute A, as amended, which allocated new revenue sources, as well as transferred existing sources previously deposited into general revenues into the Highway Maintenance Account for costs related to maintenance and repairs of highways, roads and bridges.

The following table shows revenue derived from the surcharges through FY 2022 and projected for FY 2023 and FY 2024. As those are flat fees, there is little change each year.

Fiscal Year	Biennial Registrations	Annual Registrations	Licenses	Total
2014	$ 3,817,669	$ 791,140	$ 1,260,140	$ 5,868,949
2015	$ 7,611,636	$ 1,989,693	$ 3,098,765	$ 12,700,094
2016	$ 10,557,994	$ 3,905,012	$ 6,978,578	$ 21,441,584
2017	$ 10,653,395	$ 3,940,297	$ 4,773,270	$ 19,366,962
2018	$ 10,380,521	$ 3,839,371	$ 4,957,571	$ 19,177,463
2019	$ 10,632,930	$ 3,932,728	$ 5,131,315	$ 19,696,973
2020	$ 10,249,974	$ 3,791,086	$ 5,140,119	$ 19,181,179
2021	$ 10,679,944	$ 3,999,535	$ 4,684,964	$ 19,364,443
2022	$ 10,459,504	$ 3,868,584	$ 4,901,874	$ 19,229,962
2023	$ 11,468,491	$ 4,241,771	$ 5,374,738	$ 21,085,000
2024	$ 11,729,764	$ 4,338,406	$ 5,497,185	$ 21,565,355

Those sources were in addition to the vehicle emission inspection fee increase from $39 to $55, the transfer of rental car surcharges, and the addition of a $25 surcharge for good driving dismissals. The legislation also established a schedule to transfer the majority of all other transportation related fees currently collected by the Division of Motor Vehicles to the Highway Maintenance Account. The inspection fee, the good driver dismissal surcharge and car rental surcharges were transferred as of FY 2015, and the remaining revenues were transferred incrementally beginning with 25.0 percent in FY 2016 and 75.0 percent in FY 2017, with all of the funds being transferred in FY 2018.

The 2017 Assembly amended the distribution of the Highway Maintenance Account to require transfers of 50.0 percent for FY 2017 and 80.0 percent for FY 2018. It also amended the disposition of the Highway Maintenance Account to provide the Authority with an additional $5.0 million in each FY 2018 and FY 2019. This is in addition to the 5.0 percent share that the Authority received. The 2018 Assembly concurred with the Governor's proposal to further alter the transfer from 80.0 percent to 60.0 percent for FY 2018. All funds collected in FY 2019 and after would be transferred to the account.

Governor Raimondo proposed legislation in Article 8 of 2019-H 5151 to provide the Authority with an additional $5.0 million from the Department's share of the Highway Maintenance Account for FY 2020. The legislation also proposed that the Department reimburse the Division of Motor Vehicles for costs of certain employees involved in the collection of fees going into the account. The Assembly concurred with the recommendation to use a portion of highway maintenance funds to offset the cost of collections by retaining 5.0 percent of total resources rather than allowing for administrative discretion. The Assembly also adopted legislation to permanently provide the Authority with an additional $5.0 million annually.

Governor McKee proposed legislation in Section 7 of Article 2 of 2021-H 6122, allowing "federal coronavirus relief funds" to be counted toward the fixed $5.0 million minimum allocation of highway maintenance funds dedicated to the Rhode Island Public Transit Authority to help support the free fare program for low income seniors and persons with disabilities. The Department received $13.3 million from federal CARES Act funds for operational expenses of transit projects to be used from January 20, 2020 until expended. The FY 2021 revised and FY 2022 recommended budgets shifted $7.1 million of these funds to the Authority, which made $7.1 million of additional funding available to the Department for state match on capital projects. The Authority's share of the CARES Act federal transit fund allocation was $91.2 million. Subsequently, the Department revised the assumption on the total that would be made available for state match. A total of $8.6 million was transferred to the Authority, including $3.5 million for FY 2022, $3.4 million for FY 2021, and $1.4 million for FY 2020.

The following table shows the sources and the total including surcharges explained previously.

Source	FY 2022 Reported	FY 2023 Enacted	FY 2023 Final	FY 2024 Enacted
Inspection Sticker Increase	$ 12,874,030	$ 12,843,100	$ 14,115,937	$ 14,437,523
Title Fees	10,368,314	10,341,375	11,368,505	11,627,500
Rental Car Surcharge	4,308,434	3,184,178	7,090,823	4,355,828
Good Driving Surcharge	315,988	399,711	315,988	315,988
License and Registration Transfer	53,537,286	56,229,757	53,621,186	55,190,748
Surcharges	19,229,962	19,649,590	21,085,000	21,565,355
Total	**$ 100,634,014**	**$ 102,647,711**	**$ 107,597,439**	**$ 107,492,942**
5.0 Percent for Collection Cost	(5,031,701)	(5,132,386)	(5,379,872)	(5,374,647)
Total	**$ 95,602,313**	**$ 97,515,325**	**$ 102,217,567**	**$ 102,118,295**

Does not include carry-forward funds

The Governor's recommendation assumes revenues of $104.0 million from highway maintenance funds, $1.0 million more than the November Revenue Estimating Conference, reflecting his proposal to dedicate the fee for duplicate licenses into the account. The Assembly concurred with the Governor's proposal and included revenues of $107.5 million, which reflects the Office of Revenue Analysis' May 2023 estimate.

Toll Revenue. At the end of May 2015, Governor Raimondo requested an amendment to her budget to permit the collection of tolls on large commercial trucks and authorize $900 million of borrowing in order to provide $700 million to partially fund the routes 6/10 connector project. Her plan was to ensure the number of structurally deficient bridges would be reduced to less than 10 percent in the next decade. The Rhode Island Turnpike and Bridge Authority would issue the debt. The House Finance Committee considered this proposal on June 2, 2015, but did not incorporate it into the FY 2016 budget. Separate bills containing a revised proposal were introduced on June 16 and 18 in the Senate and House, respectively. The House Finance Committee heard 2015-H 6321 on June 22 but took no further action. The Senate adopted a version of that legislation in 2015-S 997, Substitute A.

In October 2015, the Department proposed its ten-year Transportation Improvement Program, reflective of its capital budget. The program included $500 million of borrowing matched by $400 million of federal funds for the routes 6/10 connector project. Governor Raimondo signed into law the RhodeWorks legislation, contained in 2016-H 7409, Substitute A, as amended on February 11, 2016. The legislation also allowed the Department to borrow $300 million through the GARVEE Program and refinance prior GARVEE debt. The legislation adopted by the Assembly did not include any bonds backed by toll revenue. The legislation authorizes tolling on large commercial vehicles. The total amount of tolls imposed upon the same individual large commercial truck for making a border-to-border trip through Interstate 95 Connecticut to Interstate 95 Massachusetts shall not to exceed $20. The daily maximum amount collected upon the same individual large commercial truck shall not exceed $40. Tolls would be collected along six major highway corridors at 13 locations. The following table shows toll revenues through the U.S. District Court's ruling.

Fiscal Year	Toll Revenues	Cumulative
2018	$ 443,804	$ 443,804
2019	$ 8,109,772	$ 8,553,576
2020	$ 16,699,392	$ 25,252,968
2021	$ 34,761,828	$ 60,014,796
2022	$ 38,400,508	$ 98,415,304
2023	$ 7,670,625	$ 106,085,929

The Department contracted with Kapsch TrafficCom to design, build, operate, and maintain the electronic tolling system for ten years. The total cost of the contract is $68.9 million, including $41.8 million for

construction of the gantries and associated hardware and software, and $27.1 million over 10 years for operation and maintenance. Through the end of June 2022, all but one gantry was operational, including the Viaduct (location 5). Toll collections started on June 1, 2018 from two gantries.

The Governor's recommended capital budget does not assume any toll revenues in the out-years but only provides resources to backfill funds through FY 2024. The Assembly concurred.

Rhode Island Capital Plan Funds. These funds are appropriated according to the Department's capital budget request and appear as other funds in the operating budget. Funds are used for projects such as storage and maintenance facilities, as well as upgrades to department-owned property, such as roof repairs or fire alarm installation. Beginning in FY 2013, approximately $20 million from this source was included to be used as a portion of the state match for federal highway funds. These funds, combined with highway maintenance funds provide the $40 million of annual match for federal funds, which was historically generated through borrowing.

The 2021 Assembly concurred with the Governor's recommendation to provide the Department with an additional $58.5 million from Rhode Island Capital Plan funds for state match based on a review of its shortfall in match for discretionary grants. This includes $28.5 million for FY 2022 and $25.0 million for FY 2023.

As part of his FY 2022 revised budget, the Governor recommended $100.0 million from general revenues be transferred to the Rhode Island Capital Plan Fund to be used as the state match for additional transportation projects authorized under the federal Infrastructure Investment and Jobs Act for both the Department of Transportation and Rhode Island Public Transit Authority for two years. The additional match for federal FY 2022 and FY 2023 would be $42.4 million. This appears to assume a great portion of the funds are used for discretionary projects. A subsequent amendment altered the agency allocation, reflecting known federal awards and earmarked funds received, with $75.3 million for the Department and $24.7 million for the Authority.

The Governor's revised FY 2023 budget includes an additional $87.8 million to provide more years of state match for federal infrastructure funds. The Assembly concurred.

Restricted Receipts. This source includes funds the Department receives when it performs work for municipalities and other entities which are used to fund personnel costs for employees who perform work on the projects and track usage fees for the Rhode Island Public Rail Corporation. The 2021 Assembly adopted legislation allowing the Budget Officer to convert escrow liability accounts to restricted receipt accounts that are established prior to July 1, 2021, upon the directive of the Controller with the consent of the Auditor General.

At the end of FY 2022, the Intermodal Surface Transportation Fund included 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 indicated that there was a compliance issue that needed to be resolved with the Federal Transit Administration before it can receive the funds; the Department was reimbursed in November 2022. The reimbursement issue concerning the two municipalities was resolved; state funds were used to close out the project.

Land Sale Revenue. Sales of department-owned land can be used to purchase land and equipment or to offset operating costs throughout the Department, including personnel expenses. Funding is being used to upgrade the Department's materials testing facility in Providence. At the end of FY 2022, the Department had $11.8 million in available receipts. The amended Transportation Improvement Program assumes use

of $5.9 million in federal FY 2022 to support miscellaneous departmental projects, programs and initiatives; $5.0 million each in FY 2023 and FY 2026; and $3.0 million in FY 2024.

Interstate 195 Land Sales. The sale of land was made available through the relocation of Interstate 195. The Department sold the land made available from the relocation to finance a portion of project expenses. The Assembly enacted 2011-H 5994, Substitute A, as amended, which provided that after the appraisal of the parcels, they would be purchased by the Economic Development Corporation through the issuance of bonds. The proceeds allowed the Department to complete the relocation project, while the Corporation sells the parcels at its own pace. The principal of $38.4 million 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. Subsequent to its budget submission, the Department indicated that its requests should not include any activity related to these land sales.

At the end of FY 2022, the Department had $5.5 million of these proceeds available. It plans to allocate these funds and an additional $2.5 million from other sources, for a total of $8.0 million for phase two of the Airport Connector Project for landscaping and beautification. In phase one, $12.9 million was spent on paving and safety improvements.

General Obligation Bond Proceeds. The state had utilized general obligation bonds to provide a match totaling $40.0 million for federal funds in addition to the match used for GARVEE projects, which is provided by the Motor Fuel Tax Revenue Bonds. The voters approved $80.0 million in November 2006, 2008, and 2010 to provide $40.0 million each year, with funding programmed through FY 2014. General obligation bond debt service is paid with gasoline tax revenue and the Motor Fuel Tax Revenue Bonds' debt service is paid by $0.02 cents of the gasoline tax. Increasing amounts of motor vehicle fees and Rhode Island Capital Plan funds are being used as the state match in lieu of bonding; no new bonds had been authorized since 2010. The 2011 Assembly replaced borrowing with pay-go sources.

In July 2020, Governor Raimondo requested an amendment to add $30.0 million of new general obligation bonds for voter approval to account for match shortfalls related to gas tax collections. The Assembly provided $71.7 million of general obligation bonds for voter approval for the Department to make up for additional shortfalls in state match related to a decline in gas tax and other sources resulting from the coronavirus pandemic crisis. The capital budget assumes use of $56.0 million for FY 2023 and $15.7 million for FY 2024 from the newly approved general obligation bonds.

Other Funds. These funds are derived from the sale of department-owned surplus property and equipment, proceeds from the state infrastructure bank and proceeds derived from the sale of outdoor advertising at the Department's maintenance facilities.

Reporting

The RhodeWorks legislation that was adopted in 2016 requires the Department to provide quarterly reports on the progress and implementation of projects. The reports are due within 30 days of each fiscal quarter. They are due to the Office of Management and Budget, House and Senate Fiscal advisors. The requirement was designed to assist with oversight on the progress of the work. This includes quarterly reporting on plans to issue contracts, costs, and completion dates in order to track adherence to the aggressive goals of RhodeWorks. The Department must also report the number of workers hired through the contracts, including those with a Rhode Island address. The 2021 Assembly adopted legislation requiring the Department to report, on a quarterly basis, a list of all federal, discretionary, and any other grants that it has applied for and to identify any changes from its prior report. For grants that require a state match, the Department must identify if the source for the state's match is available under currently authorized funding. Since the adoption of the legislation, all reports have been submitted on time. The reports are also posted on the Department's website: https://www.dot.ri.gov/accountability/index.php.

2023-H 5200, Substitute A, as Amended

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2024.

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

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

Section 4. Contingency Fund. This section allows for expenditures from the contingency account located within the Office of the Governor's budget for unexpected expenditures or for those departments and agencies where appropriations are insufficient. The Governor must approve all expenditures and transfers from this account.

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

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

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

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

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

Section 10. Appropriation of CollegeBound Saver Funds. This section appropriates the funds received by the Office of the General Treasurer from the CollegeBound Saver program for transfer to the Office of Postsecondary Commissioner to support student financial aid for FY 2024. The Budget includes $3.2 million from these sources for state grant programs.

Section 11. Full-Time Equivalent Positions. This section limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2024. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee, may jointly adjust the authorization. It limits appointments for state employees supported through non-state funds to the availability of those fund sources.

This section also prevents departments from employing contracted employees to work under state supervisors or replace work done by state employees without determination of need by the Director of

Administration. Total staffing is 15,636.9 full-time equivalent positions, 181.4 positions more than the enacted budget. This includes 519.8 higher education positions supported by third-party funds, 4.0 positions fewer than enacted.

Section 12. Multi-Year Appropriations. This section makes multi-year appropriations for a number of capital projects included in the FY 2025 through FY 2028 Capital Budget that are funded from Rhode Island Capital Plan funds. The FY 2024 and multi-year appropriations supersede appropriations made for capital projects in Section 12 of Article 1 of the FY 2023 Appropriations Act.

Section 13. Reappropriation - RICAP. This section provides that any unexpended and unencumbered funds for Rhode Island Capital Plan Fund projects shall be reappropriated to the next year. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Unexpended funds of less than $500 can be reappropriated at the discretion of the State Budget Officer.

Section 14. Rhode Island Housing and Mortgage Finance Corporation. This section requires that the Rhode Island Housing and Mortgage Finance Corporation provide from its resources an appropriate amount to support the Neighborhood Opportunities Program. The Corporation is also required to provide to the director of the Department of Administration, the chair of the Housing Resources Commission and both chairs of the House and Senate Finance Committees a report detailing the amount of funding and information such as the number of housing units provided.

Section 15. Pawtucket Downtown Redevelopment. This section contains the necessary mechanism to allow for taxes collected pursuant to the tax incentive financing statute under Rhode Island General Law, Chapter 45-33.4 to be appropriated to the Downtown Pawtucket Redevelopment Economic Activity Fund to finance development projects in the existing economic development district, in accordance with the law passed in 2019. The Budget includes $2.9 million from restricted receipts for FY 2024 and recognizes a general revenue loss of $2.9 million to reflect a reallocation of base revenues.

Section 16. State Fiscal Recovery Funds. This section clarifies that appropriations of federal funds in section one shall not be construed to mean State Fiscal Recovery and Capital Projects funds enacted as part of the American Rescue Plan Act unless specifically designated as such. It contains a description of each of the projects for which any appropriation is made. It also notes that previously enacted multi-year expenditures have been consolidated into FY 2024 to ensure timely obligation of funding to comply with federal requirements.

Section 17. Reappropriation - State Fiscal Recovery Funds. This section provides that any unexpended and unencumbered funds from the State Fiscal Recovery and Capital Projects funds shall be reappropriated to the following year. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. This is similar to the treatment of Rhode Island Capital Plan funds.

Section 18. State Fiscal Recovery Funds Reporting and Compliance. This section requires the Pandemic Recovery Office to monitor programs funded with State Fiscal Recovery and Capital Projects funds. It requires the Office to report on a quarterly basis to the Speaker of the House and Senate President, with copies to the chairpersons of the House and Senate Finance Committees, identifying programs that are at risk of significant underspending or noncompliance with federal or state requirements. The report, at a minimum, must include an assessment of how programs that are at risk can be remedied.

Section 19. Supplemental State Budget Reserve Account. This section requires the state controller to transfer $55.0 million from general revenues to the Supplemental State Budget Reserve Account, created in Article 2, by July 14, 2023.

Section 20. IT Fund Transfer. This section requires the state controller to transfer $115.0 million from the Information Technology restricted receipt account to the Large Systems Initiatives Fund, established in Article 2, by July 14, 2023. It also lists the projects to be supported from the Fund.

Section 21. Municipal Zoning Exclusion. This section excludes the Department of Children, Youth and Families residential treatment facility project for female youth from municipal zoning and local comprehensive plan requirements. The facility is to be constructed on state-owned property in Exeter. The budget also includes $250,000 from Rhode Island Capital Plan funds in FY 2024 for land use planning.

Section 22. Effective Date. This section establishes the article is effective as of July 1, 2023 except as otherwise provided within the article.

Article 2. State Funds

Sections 1, 5, 6, 8 and 11. Information Technology Funds. This article establishes 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 formalizes the treatment of the current Information Technology Investment Fund as a restricted receipt account. The Large Systems Initiatives Fund would be supported from direct appropriations. The Budget transfers $115.0 million from the current Information Technology restricted receipt account for eight approved projects and $13.0 million from new general revenues. This includes $8.0 million for the RI Children's Information System, reflecting updated state cost share for the project and $5.0 million for the Gateway to Government initiative.

Sections 2 and 4. Supplemental Budget Reserve. Section 2 creates a Supplemental State Budget Reserve Account to provide additional reserves since the current Budget Reserve and Cash Stabilization Account or "rainy day fund" is constitutionally capped at 5.0 percent of revenues. Consistent with current law provisions for those reserve funds, the supplemental funds would be available only by legislative action after the third quarter and only to the extent revenue estimates were less than current appropriations. The budget transfers $55.0 million from general revenues to the account, essentially increasing total reserves from 5.0 percent to 6.0 percent of revenues.

Section 4 requires the controller to transfer 50.0 percent of all general revenues received in the completed fiscal year net of transfer to the state budget reserve and stabilization account in excess of adopted estimates for that year upon issuance of the audited financial statement to this newly created Supplemental Budget Reserve. It also requires the remaining 50.0 percent be transferred to the Employees' Retirement System.

Section 3. Indirect Cost Recovery. Section 3 exempts the Executive Climate Change Coordinating Council Projects restricted receipts account, created in Article 5, from the state's ten percent indirect cost recovery.

Section 7. Highway Maintenance Account. Current law exempts the fee for duplicate licenses from being deposited into the Highway Maintenance Account. The fee was increased and retained as general revenues in 2018 to help offset the staffing needs related to timely provision of Real ID-compliant

credentials to those seeking them. Section 7 removes the exemption and the Budget recognizes the $1.0 million general revenue loss.

Sections 9 and 10. Attorney General Non-Multi-State Initiatives. These sections establish a new restricted receipt account within the Office of the Attorney General for attorney's fees recovered pursuant to the Distributors - Rhode Island Settlement Agreement resolving opioid-related claims against McKesson Corporation, Cardinal Health, Inc., and/or AmerisourceBergen Corporation in the case of State of Rhode Island v. Purdue Pharma L. P. et al. All fees from the aforementioned case of which $10.0 million of the $16.5 million expected was received in July, will be deposited into this account. Also, 20.0 percent of any other fees collected through non-multi-state initiatives will be deposited into this account with the remaining 80.0 percent being deposited as general revenues. The Budget assumes expenditures of $1.9 million from this source to support new staff.

Article 3. Government Reform and Reorganization

Section 1. Inter-Agency Food and Nutrition Policy Advisory Council. This section adds the Secretary of Commerce or his/her designee and the Department of Children, Youth and Families or his/her designee to the Inter-Agency Food and Nutrition Policy Advisory Council. The Council currently consists of seven members and is charged with examining issues regarding the identification and development of solutions to regulatory and policy barriers to developing a strong sustainable food economy and healthy nutrition practices.

Section 2. Bridges. This section amends the definition of a bridge from any structure not less than five feet in width to one modeled after the federal definition and not less than eight feet. Currently, the Department of Transportation must perform inspections on all bridge structures and a more extensive inspection on those over five feet. The Department notes that the new definition would allow it to conduct less extensive inspections for 60 smaller structures. Of those, 52 are state-owned, seven are owned by municipalities and one is located in a state park. The cost of a full inspection is estimated at $15,000 compared to about $3,000 for the less extensive type.

Section 3. Veterans' Memorial Cemetery Burials. Current law allows for the burial of members of the Rhode Island National Guard and their spouses at the Rhode Island Veterans' Memorial Cemetery who were killed in the line of duty or honorably discharged after completing at least 20 years of service. This section extends burial privileges to include those who completed at least six years of service with any state national guard and were a resident of Rhode Island for at least two consecutive years prior to death. It also authorizes the burial of reservists who meet the same criteria. This change is made in compliance with the federal Burial Equity for Guards and Reserves Act signed by President Biden on March 15, 2022. The Budget provides $0.6 million to account for additional staff and operating expenses anticipated with this expansion.

Section 4. Director Salaries. This section clarifies existing law that the salaries of all directors and secretaries serving as the head of any state executive department or executive office are subject to current law limitations, including the public hearing process and Assembly approval.

Sections 5 and 6. Office of Management and Budget. The Office Management and Budget collects performance data and works with agencies to identify and carry out projects to help agencies achieve performance goals. Sections 5 and 6 require agencies of the executive branch to provide certain materials and documents to the Office in a timely manner to enhance performance management reviews and audits.

Section 6 also requires agencies to report the progress on any corrective action plans per the most recent annual findings of the Auditor General with their quarterly reports.

Section 7. Minority Business Enterprise. Current 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, a business must be 51.0 percent or more owned and operated by a disadvantaged individual. This section increases the threshold to 15.0 percent and requires at least 7.5 percent each for minority-owned and women-owned business enterprises. It also requires the Department of Administration to annually submit a report to the General Assembly on the status of achieving the aforementioned participation requirements in the most recent fiscal year.

In 2021, a statewide disparity study examining the procurement practices of state agencies that purchase goods and services pursuant to the provisions of the State Purchasing Act during July 1, 2014 to June 30, 2017 was issued. This section also requires that the study be conducted every five years, beginning in FY 2025.

Section 8. Police. This section eliminates the requirement that trainees attending the state police and municipal police training academies reimburse the state for meals consumed during the academies. The Budget accounts for the projected revenue loss of $0.1 million.

Section 9. Community Confinement. This section authorizes the Department of Corrections to cease in-person monitoring by correctional officers 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, at the discretion of the Director of Corrections, inmates may be classified to community confinement in a medical facility with electronic surveillance equipment monitoring. The section provides for a reversal of this classification and resumption of in-person monitoring if the inmate's condition improves in consultation with medical professionals. The Budget assumes overtime savings of $0.5 million for FY 2024 from this initiative.

Section 10. The Rhode Island Longitudinal Data System Act. This section establishes 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 Commissioner. This replaces the RI DataHub, the state's education and workforce longitudinal data system currently operated by DataSpark housed at the University of Rhode Island. It defines participating agencies, and the manner in which data can be collected, maintained, and analyzed in accordance with federal and state privacy laws.

It also instructs the governing board to provide a plan by November 1, 2023, to the Governor, House, and Senate on how to establish a statewide integrated data system to link and integrate records from state datasets on early childhood and prekindergarten, through elementary, secondary, and postsecondary education, and into the workforce. The report must consider the role an integrated data system can play in program evaluation, provide state agencies with evaluation services, data access to state analysts and researchers as well as implementation timelines and sustainable funding. The Budget includes $0.6 million from general revenues and 3.0 new data scientists to support the operation in the Office of Postsecondary Commissioner as well as $0.5 million from other sources and for staff shifted from the University.

Sections 11 and 12. Underground Storage Tank Advisory Board. These sections dissolve the Underground Storage Tank Advisory Board, as it is defunct. It does not have any members and no longer holds meetings. The Department of Environmental Management will continue its current statutory function with regard to the Underground Storage Tank Fund.

Article 4. Taxation

Sections 1 and 9. Tangible Taxes. These sections establish a statewide exemption of $50,000 from the tangible property tax beginning January 1, 2024. Municipalities and fire districts will be reimbursed for all current, uniformly-applied exemptions, excluding public service corporation and renewable energy resources and equipment taxes, beginning September 30, 2024, and annually thereafter.

Section 2. Public Service Corporation Tax. This section requires utility companies to suspend collection of the gross receipts tax on electricity and natural gas billed to consumers between December 2023 and March 2024. Utility companies would show the tax on customer bills with an offsetting credit. They would remit taxes owed as part of their regular quarterly filings and then apply to the state for a refund equal to the taxes paid, offsetting the credit. The FY 2024 budget lowers revenues by $35.6 million to account for the estimated impact, of which $18.3 million would benefit residential customers. The remaining $17.3 million is estimated to provide relief to commercial customers.

Section 3. Earned Income Tax Credit. This section increases the earned income tax credit by 1.0 percent to 16.0 percent of the federal rate, beginning January 1, 2024. Raising the earned income tax credit is estimated to lower revenues by $1.1 million for FY 2024. This would annualize to $2.3 million for FY 2025.

Section 4. Individual Mandate. This section exempts any person on Medicaid during calendar year 2023 from the current penalty assessed for not having health insurance.

Sections 5 through 7. Litter Control Permit Repeal. These sections eliminate the requirement for businesses that sell to-go food or beverages to obtain and annually renew a litter control participation permit and reduce FY 2024 revenues by $0.8 million. The Budget also includes $100,000 from general revenues to support litter removal efforts.

Section 8. Scholarship Tax Credit. This section increases the cap on the tax credit allowed for business entities making contributions to scholarship organizations from $1.5 million to $1.6 million beginning in tax year 2024. Currently, the funds are awarded on a first-come-first-serve basis. The maximum credit per tax year for a single filer is $100,000. The fiscal impact is a revenue loss of $0.1 million.

Article 5. Energy and the Environment

Receipts from the Regional Greenhouse Gas Initiative are derived from the sale of carbon emission credits through an auction process; four auctions are held annually. The article requires that for FY 2023 only, the Office of Energy Resources transfers $3.0 million from existing Regional Greenhouse Gas Initiative funds to the Executive Climate Change Coordinating Council to support its projects, including the electric vehicle rebate program. It also amends the distribution of the proceeds to annually allocate up to $1.5 million to the Executive Climate Change Coordinating Council to support its projects, effective for FY 2024 and thereafter. The article establishes a restricted receipt account for the purpose of receiving and expending these funds, and it requires the Council to annually report to the Governor and the General Assembly how the funds were used in meeting objectives of the 2021 Act on Climate.

Energy efficiency programs are funded through surcharges on gas and electric customers. The surcharges are based on a least cost procurement provision, which allows the Public Utilities Commission to determine the funding level for investments based on the annual plans for the energy efficiency programs that have been reviewed and approved by the Energy Efficiency and Resource Management Council. The article

requires the Office of Energy Resources and the Energy Efficiency and Resource Management Council, with consultation from the Public Utilities Commission, to issue a request for proposals for the cost-effective administration of the programs by September 30, 2023, and periodically thereafter. If the Office, in consultation with the Energy Efficiency and Resource Management Council, determines the use of a third-party administrator to manage the programs is likely to achieve the most net benefits for electric and gas customers, it must file its recommendation with the Public Utilities Commission. If the Office does not recommend use of a third-party administrator, the electric and gas distribution company must continue to administer the programs. The article includes the procedural process for transfer of the programs, including funding if a third-party administrator were to manage them.

The 2021 Assembly amended the least cost procurement provision to require an annual allocation of $5.0 million to the Rhode Island Infrastructure Bank's Clean Energy Fund for clean energy efficiency, renewable energy or demand side management project financing programs. The article also expands the Bank's allowable uses of the funds to include clean transportation, clean heating and energy storage.

Article 6. Housing

Sections 1 and 2. RI Housing Subsidiary. These sections exempt subsidiaries of the Rhode Island Housing and Mortgage Finance Corporation from taxation and limits tort actions against the organization itself and caps amounts to less than $100,000 absent fraud or willful misconduct. The Budget provides $1.4 million to fund the creation of a new proactive housing development subsidiary facilitated by these sections.

Sections 3 and 4. Department of Housing. These sections clarify the existing role and powers of the Secretary of Housing and the Department of Housing, including dealing in real estate.

Section 5. State Low-Income Housing Tax Credit. This section establishes a five-year competitively awarded tax credit for housing developments to be administered by the Department subject to a $30.0 million annual program cap and a sunset date of June 30, 2028. The credits are awarded in five equal annual increments and may be redeemed for 90.0 percent of their value. To be eligible, developments must first have been awarded federal low-income housing tax credits. This section also contains an annual November 1 reporting requirement and establishes a fund to hold appropriations to forward-fund credit redemptions. The Budget includes $28.0 million to capitalize it.

Sections 6 and 7. Housing Reports. These sections transfer accessory dwelling and comprehensive permit reporting requirements from the Division of Statewide Planning to the Department of Housing.

Article 7. Economic Development

Section 1. Second-Hand Dealers Act. This section exempts consignment, thrift, resale, and antique sellers and buyers from the local licensing and public hearing requirements. Local licensing jurisdiction will remain for second-hand metal.

Sections 2 and 3. Life Science Hub Act. These sections establish a Rhode Island Life Science Hub to coordinate state life science initiatives. The Hub will be governed by a 15-member board and manage a fund to make investments and provide grants, loans, technical assistance, and other incentives to promote economic and workforce development in the life science industry. The Budget includes $45.0 million from State Fiscal Recovery funds for FY 2024 to establish the Hub, capitalize the fund, and provide incentives.

Section 4. Rebuild Rhode Island. This section raises the Rebuild Rhode Island aggregate tax credit cap from $210.0 million, inclusive of sales tax exemptions, to $225.0 million and extends the sunset from December 31, 2023 to December 31, 2024. The Budget includes $26.4 million from general revenues to continue funding commitments under this program, which are redeemed over time, including pre-funding the value of the cap increase.

Sections 5 through 9 and 13 through 15. Sunset Extensions. These sections extend the sunset provisions for the Tax Increment Financing, Tax Stabilization Incentive, First Wave Closing Fund, I-195 Redevelopment Fund, Small Business Assistance Program, High School, College, and Employer Partnerships, Air Service Development, and the Qualified Jobs Tax Credit from December 31, 2023 to December 31, 2024. The Budget adds $16.3 million to fund four of these programs, including $10.0 million for the First Wave Closing Fund, $2.0 million for the I-195 Redevelopment Fund, $2.0 million for the Small Business Assistance Program, and $2.3 million for the Air Service Development Fund.

Section 10. Wavemaker. This section expands eligibility under the Wavemaker student loan forgiveness program to teachers. Current eligibility is limited to those employed in the healthcare field or with degrees in the fields of natural or environmental sciences, computer technology, engineering, and medicine. The Commerce Corporation will define "teacher" in consultation with the Department of Elementary and Secondary Education as part of establishing regulations. This section eliminates the separate Healthcare fund established in the FY 2023 Appropriations Act, so that all awards are made from the same fund with award prioritization to be determined by the Corporation. It retains the role of the Executive Office of Health and Human Services on the selection committee. This section also extends the sunset date by one year to December 31, 2024. The Budget includes $4.0 million from general revenues for FY 2024, $0.8 million more than enacted to support the expansion.

Section 11. Main Street Rhode Island Streetscape Improvement Fund. This section expands allowable uses of the Main Street Rhode Island Streetscape Improvement Fund to include technical assistance. The program authorizes 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. This section also extends the sunset date by one year to December 31, 2024. The program has been appropriated $8.0 million, including $5.0 million by the 2022 Assembly. The Budget includes $1.0 million to further capitalize the fund.

Section 12. Innovation Initiative. This section increases the maximum innovation voucher award from $50,000 to $75,000. Vouchers are for small businesses with less than 500 employees for research and development assistance from a Rhode Island university, research center or medical center, or to a small business manufacturer for internal research and development. This section also extends the sunset date by one year to December 31, 2024. The Budget includes $2.0 million from general revenues, $1.0 million more than enacted, to support this and the Innovation Matching Grants Program, which make awards out of the same fund.

Article 8. Education

Section 1. School Construction. The 2018 Assembly enacted legislation to temporarily expand incentives used to enhance the school housing aid ratio in order to encourage new school construction and renovation projects, contingent upon approval of a bond referendum to be put before the voters on the November 2018 ballot to help fund the work. Districts are eligible for share ratio increases of up to 20.0 percent for projects that meet certain criteria. While the maximum state share increase is 20.0 percent, a district's local share cannot decrease by more than half of its regular share regardless of the incentives earned, nor can a district's

state share increase by more than half of its regular share. This section removes this second limitation for the remainder of the incentive period, which would allow minimum share communities the potential to earn an additional 2.5 percent. The Budget adds $0.7 million to fund the estimated cost for FY 2024.

Under current law, the incentives require that projects begin by December 30, 2023 and be completed within five years. Section 1 extends the start deadline for eligibility for these incentives by six months to June 30, 2024, and maintains the five-year completion deadline.

The section also ensures that the minority business enterprise participation rate requirement on school construction projects is linked to that of other state projects. It increases from 10.0 percent to 15.0 percent consistent with the change in Article 3.

Section 2. Funding Formula Aid. This section makes several changes to the education funding formula.

Poverty Status. Section 2 changes how poverty status is measured to use direct certifications, that is students categorically eligible for free lunch because they receive a means tested benefit, multiplied by a factor of 1.6. The use of that factor is intended to address shortcomings of the direct certification data including that it relies on voluntary household participation and excludes some non-citizens. These data will also be used in the annual calculation of state share ratios.

Share Ratio. Since FY 2012, the share ratio uses a quadratic mean calculation that considers both the district's poverty concentration and its ability to generate revenues. The first component is the percent of children in poverty status. The second component is a measure of a community's per pupil wealth as compared to the per pupil wealth of the rest of the state. It uses property values adjusted for the median family income. This component is the share ratio formula used prior to FY 2012. The article allows use of that value alone for districts with more than 50.0 percent poverty status if it is greater.

Poverty Loss Stabilization Funding. The article creates a poverty loss stabilization fund to support districts when the foundation formula aid produces less than the prior year and the decrease in the state share ratio is more than 2.0 percent. The fund will provide 50.0 percent of the difference that the formula aid calculation produces under the prior year's share ratio compared to the current year's share ratio.

Enrollment Loss Transition Fund. The article eliminates the school of choice density aid for traditional school districts with 5.0 percent or more resident students enrolled in schools of choice, including charter schools, Davies and the Met as proposed by the Governor. It replaces it with a new enrollment loss transition fund that will provide two years of funding to districts experiencing enrollment declines, including from students transferring to charter schools. Districts will receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year. The Governor had proposed a fund limited to enrollment shifts to charter schools.

High Cost Special Education. The current formula allows for additional funding from the state for high cost special education students when those costs exceed five times the district's combined per pupil core instruction and student success factor amounts. This article lowers that threshold to costs that exceed four times the district's combined per pupil core instruction and student success factor amounts.

English Language Learner Aid. The current formula also provides support for English language learners that are in the most intensive programs. The funding is used on evidence-based programs proven to increase outcomes and are monitored by the Department of Elementary and Secondary Education. The calculation is 10.0 percent of the Core Instruction Amount, applied to students in the most intensive English language

learner programs, and then ratably reduced to the appropriation. This article increases that calculation to 15.0 percent and removes the allowance for a ratable reduction, requiring full funding.

Reporting. The article also adds new reporting elements for the Department to submit as part of its annual budget submission. Beginning with the FY 2025 budget, it must report local contributions to education aid and its compliance with relevant statutes for this support and share those compliance reports with each city or town school committee and city or town council. The Department must also provide detailed data on English learners to aid in the understanding of related costs. Beginning with the FY 2026 budget submission, it must reexamine options for changing the measure for identifying students in poverty using more available data options.

Section 3. Last Dollar Scholarship. This section increases Last Dollar Scholarship funding for qualified students attending participating independent, non-profit, higher education institutions in Rhode Island to $1.8 million from $1.5 million. The Budget includes $300,000 from general revenues to implement this change.

Sections 4 and 5. Hope Scholarship. These sections establish a new Rhode Island Hope Scholarship program to provide the final two years of free tuition and mandatory fees at Rhode Island College for qualifying Rhode Island students. The program is intended to be a "last dollar scholarship," meaning that after a student exhausts all other sources of student aid, the program would cover the rest. Room and board and other non-mandatory fees would not be covered by this program. Recipients would be required to maintain a 2.5 grade point average and must commit to remaining in Rhode Island after graduation. The program would be implemented for four cohorts of students beginning in the fall of 2023 with the last cohort entering in the fall of 2027. The legislation requires a program evaluation be conducted on or before July 1, 2024, and annually thereafter. The Budget includes $4.0 million from general revenues for FY 2024.

Article 9. Human Services

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 5.78 percent. The section also establishes a separate rate for Eleanor Slater Hospital at a 5.25 percent rate based on 2022 revenues.

The Budget assumes total revenues of $212.4 million of which $0.7 million is from the Eleanor Slater Hospital fee.

Section 2. Child Care and RI Works. This section includes a new one-year pilot program starting August 1, 2023 to provide child care without a co-payment to staff who work for child care providers and have a family income up to 300 percent of poverty. The Department of Human Services is required to submit a report with utilization data to the Assembly and the Governor on the pilot program by November 1, 2024. The section also expands eligibility for the Rhode Island Works program to cover the full period of a pregnancy.

Section 3. Personal Needs Allowance - SSI. This section increases the monthly Supplemental Security Income personal needs allowance to $45, and combined with the $30 federal payment, results in a $75 monthly payment. The Budget includes $0.2 million from general revenues for the increase.

Section 4. Personal Needs Allowance - Nursing Homes. This section increases the monthly personal needs allowance for an individual in a nursing home to $75. Residents who pay a portion of their nursing home care will be able to keep more of their monthly income lowering private resources being paid to the nursing homes. The Budget includes $1.3 million, of which $0.6 million is from general revenues, to backfill the loss to the nursing homes.

Section 5. 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 $14.8 million. It also revises the FY 2023 payment to not exceed $159.0 million, which is $13.8 million more than enacted. This reflects the increase to the state's federal allotment for the uncompensated care payment from $87.3 million to $93.7 million, matched by general revenues.

Section 6. Ticket to Work Medicaid Buy-In Program. This section expands the options for the Medicaid Buy-In program by adding a new program. The federal Ticket to Work program is for disabled, working adults ages 16 through 64 and has no income eligibility limit or asset threshold test to buy into the Medicaid program. The current Sherlock Plan will remain an option and primarily be available to individuals over age 65. The Budget includes $1.2 million, of which $0.5 million is from general revenues for expected increased participation.

Section 7. 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 8. Certified Community Behavioral Health Clinics. This section postpones the start of the federal Certified Community Behavioral Health Clinics model from July 1, 2023 to February 1, 2024, based on implementation delays. 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 determinations 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 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 9. Annual Reporting. This section adds a requirement that the information that is already submitted to the Centers for Medicare and Medicaid Services to ensure compliance with the Bipartisan Budget Act of 2018 be included as part of the annual Medicaid report. This includes the Core Set of Children's Health Care Quality Measures for Medicaid and Children's Health Insurance Program, behavioral health measures on the Core Set of Adult Health Care Quality Measures for Medicaid and the Core Sets of Health Home Quality Measures for Medicaid.

It also instructs the Executive Office to identify opportunities for inclusion with its October 1, 2023 budget submission to remove fixed eligibility thresholds for programs under its purview by establishing sliding

scale decreases in benefits commensurate with income increases up to 450 percent of the federal poverty level.

Section 10. 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 $88.3 million is general revenues. It also authorizes the pursuit of federal approval for the new multi-tiered license fee for the community hospitals.

The section includes the language to seek federal approval to allow individuals with developmental disabilities who enter an acute care facility, such as a hospital, to still have access to their personal care attendants. This section also includes the necessary language to seek federal approval to allow parents and other relatives to be paid to provide services for individuals with developmental disabilities receiving services through the community-based system. This makes permanent the opportunity allowed during the pandemic for this payment, also referred to as Appendix K. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals is required to report the number of participants and expenses in its monthly caseload report.

Article 10. Revised Appropriations

Section 1. Appropriations. This section contains the revised appropriations for FY 2023.

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

Section 3. Internal Service Funds. This section authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 4. Full-Time Equivalent Positions. This section limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2023. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization. It also limits appointments for state employees supported through non-state funds to the availability of those fund sources. Total staffing is 15,463.5 full-time equivalent positions, 8.0 more positions than enacted. It includes 523.8 higher education positions supported by third-party funds, consistent with the enacted budget.

Section 5. State Fiscal Recovery Funds. This section clarifies that appropriations of federal funds in section one shall not be construed to mean State Fiscal Recovery and Capital Projects funds enacted as part of the American Rescue Plan Act unless specifically designated as such. It also removes the multiyear expenditures authorized in the FY 2023 enacted budget. Article 1 of 2023-H 5200, Substitute A, as amended, advances all remaining fiscal recovery funds to FY 2024 to ensure timely obligation of funding to comply with federal requirements.

Section 6. Workers Compensation Administrative Fund. This section requires the transfer of $4.4 million from general revenues to the Workers' Compensation Administrative Fund by June 30, 2023.

Section 7. Effective Date. This section provides that the article shall take effect upon passage.

Article 11. State Leases

This article includes joint resolutions to seek General Assembly approval for five long-term lease agreements for the Departments of Human Services, Children, Youth and Families, and Revenue. Legislative approval is required for lease agreements for terms of five years or longer, and exceeding $500,000 in value. All of the leases are for five years. The FY 2024 budget includes $1.6 million from all sources to fund the five leases.

Article 12. Pensions

This article requires the General Treasurer to establish and convene a working group to review and analyze the impacts of the Rhode Island Retirement Security Act of 2011 on the retirement systems and its current and retired members. The analysis will assist in determining if the stated goals are being met, as well as inform any changes that may be needed to improve the pension programs and address any unintended consequences of the act and any impacts on the ability of the state to attract and retain a stable workforce. A report of the findings, recommendations, and any proposed options for consideration must be submitted to the Governor, Speaker of the House, and President of the Senate no later than March 1, 2024.

Under current law, the cost-of-living adjustment is suspended until the system is 80.0 percent funded; there are intermittent cost-of-living adjustments every four years. The article replaces that provision with a requirement for 25.0 percent of what the cost-of-living calculation would produce if the system was 80.0 percent funded, effective beginning in calendar year 2024. The calculation uses both investments returns and inflation with a maximum of 3.5 percent and is limited for calendar year 2023 to the first $28,878 of pension benefit for those who retired after July 1, 2015 and $34,654 for those that retired before July 1, 2015. This provision will be in effect until the reinstatement of the current cost-of-living adjustment. As of the June 30, 2022 valuation, the state employee's system is 58.8 percent funded and the teacher system is 61.5 percent funded. The systems are projected to reach 80.0 percent funded status in FY 2031.

Article 13. Effective Date

Article 13 provides that the act shall take effect on July 1, 2023, except where a provision within an article specifies a retroactive or prospective effective date.