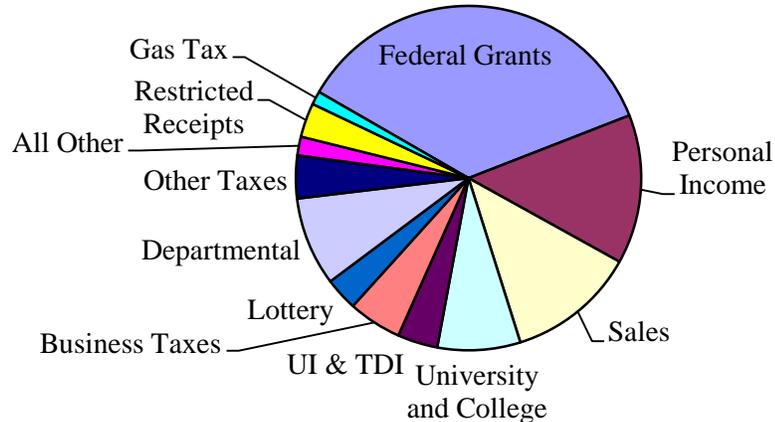


## FY 2026 Budget at a Glance

The Assembly adopted a budget with total expenditures of \$14,336.4 million, which is \$373.2 million more than the 2024 Assembly enacted for FY 2025 and \$120.3 million more than the Governor recommended. It contains \$5,809.4 million from general revenues, which is \$214.5 million more than originally enacted for FY 2025 and \$66.3 million more than the Governor recommended.

### Sources of Funds



### Budget Issues

- **Federal Government Action.** The Governor's budget recommendation is based on federal laws, grants, and spending commitments in place prior to the change in the Presidential administration. As is the general practice, it does not attempt to account for any future congressional action or the impact of any executive policy changes. Executive actions did affect grants for some agencies, but more material changes are likely to arise from action on the federal budget pending before Congress as of June 2025. The Assembly directed the administration to review and analyze the impacts of any federal actions and develop options for the Governor and Assembly to consider that address any changes.
- **ARPA - Fiscal Recovery.** Rhode Island received \$1.2 billion from State Fiscal Recovery and Capital Projects funds through the American Rescue Plan Act in March 2021, intended to respond to the coronavirus pandemic and its negative economic impacts. On January 4, 2022, the Assembly authorized use of the first \$119.0 million and, six months later, allocated the remaining funds as well as the Capital Projects Fund for use over several years. The 2023 Assembly moved all funding scheduled for later years into FY 2024 to ensure the state met federal deadlines for formally obligating the funds. Since then, funding for previously approved programs has generally been reflected in the current year, although actual spending can still occur over a longer time horizon. The 2024 Assembly made further adjustments based on updated needs and priorities. The 2025 Assembly adjusted certain programs and authorized the Governor some limited authority to reclassify funds at risk of federal forfeiture.
- **FY 2026 Gap.** In October, the Budget Office estimated a nearly \$400 million gap between revenues and current services expenditures for FY 2026. House Fiscal Staff's June 2024 estimates of the FY 2026 budget gap were only about \$260 million, with most of the difference from the subsequent Budget Office estimate being expenditure assumptions, primarily for recently settled employee contracts. There were also

differences in some human services and education aid assumptions. The November consensus estimate showed a \$67.5 million revenue increase, and the caseload estimate lowered general revenue expenses by \$23.3 million. Draft audit data for FY 2024 showed a \$47.3 million additional free surplus, up from the \$12.8 million in the preliminary data from September. However, most of that would be considered non-recurring. These items combine to produce about \$138 million more resources for FY 2025 than when the budget was adopted.

- ***Out-Year Projections.*** The out-years continue to be unbalanced. The forecast included with the Governor's budget estimates a roughly \$300 million gap for FY 2027, growing to about \$400 million by FY 2030. The Fiscal Staff estimates a FY 2027 budget gap similar to the Governor's forecast and also does not attempt to price potential federal impacts. Later years have larger gaps with one of the major differences from the Governor being the growth in local aid. The Assembly capped growth in car tax reimbursements to communities, but declined to end it, as the Governor proposed. The FY 2027 gap includes the impact of using one-time surplus funds in FY 2026 and the updated economic forecast. Like the Governor's, projection it also assumes the effects of employee contracts, new healthcare proposals, and revenue enhancements.

## **Taxes and Revenues**

- ***Supplemental Budget Reserve.*** The FY 2024 budget created a supplemental reserve fund to which it contributed \$55.0 million. The law also dedicated any unexpected excess revenues annually at fiscal close, half each to the supplemental reserve fund and the Employees' Retirement System. For FY 2024, it produced a \$43.3 million transfer. The Assembly exempts the transfer to the supplemental budget reserve fund for FY 2024 only, and the budget recaptures \$21.6 million of resources for FY 2025.

- ***OTP Tax on Nicotine Pouches.*** The Budget updates the definition of items subject to the tax on other tobacco products to include nicotine pouches. These small synthetic fiber pouches containing nicotine are designed to be placed between a person's gum and lip, but are not expressly included in the 80.0 percent of wholesale cost tax applied to tobacco or other tobacco products. Other states have similarly extended their taxes on this product, including Maine, Illinois, and Minnesota. This is estimated to generate \$7.5 million, assuming an effective date of October 1, 2025, which would annualize to \$12.0 million for FY 2027.

- ***Sales Tax on Parking.*** The Budget expands the application of the current 7.0 percent sales and use tax to short-term parking of up to one month, effective October 1, 2025. Currently, 15 states and Washington, D.C., charge either a specific parking excise tax or sales tax. This is estimated to generate \$1.6 million in FY 2026, with an annualized total of \$3.2 million for FY 2027, once fully implemented with a greater level of compliance. The Budget also includes general revenue support in the Department of Revenue for implementation costs of new revenue initiatives.

- ***Health Services Funding Assessment.*** The Assembly adopted legislation establishing an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. Current assessments are based on a per-member per-month fee applied to all covered lives, including self-insured. This assessment is estimated to be approximately \$4 per month per covered life. The funds would be deposited as general revenues and the FY 2026 impact is \$15.0 million for half a year.

- ***Financial Institution Data Matching.*** The Budget provides the Division of Taxation with the statutory authority to initiate a Financial Institution Data Matching Program, enabling it to match financial accounts to non-compliant taxpayers to support the collection of state tax liability. This is estimated to increase revenues by \$5.3 million in FY 2026 and \$8.0 million in FY 2027.

- **Traffic Fines.** The Budget revises the traffic violation schedule, increasing most fines from \$85 to \$100. The Budget assumes \$0.5 million in revenues for FY 2026. Fees have not been adjusted since 2008, although cumulative inflation over the same time period is around 50 percent.

## Commerce and Workforce

- **Air Service Development Fund.** The Budget includes \$2.7 million from general revenues, \$1.5 million more than enacted, to recapitalize the Air Service Development Fund to reimburse marketing expenses for airlines connecting to Rhode Island T.F. Green International Airport. All funding currently maintains one existing agreement with Breeze Airways.
- **ARPA - Bioscience Investments.** The 2023 Assembly authorized \$45.0 million from State Fiscal Recovery funds to create the Rhode Island Life Science Hub, finance one or more wet lab facilities, and capitalize a new fund to promote bioscience business and workforce development. The FY 2025 final budget includes the remaining \$43.0 million; \$2.0 million was spent in FY 2024.
- **ARPA - Minority Business Accelerator.** The Budget includes the remaining \$2.4 million from State Fiscal Recovery funds to establish a minority business accelerator program in coordination with minority small business associations, providing technical assistance, loans, and programming space. The 2022 Assembly authorized \$6.0 million; \$3.6 million was spent through FY 2024. The enacted budget provided \$0.5 million from general revenues for FY 2025 to supplement the limited federal funds. The Budget does not include general revenues beyond FY 2025.
- **ARPA - Small Business Technical Assistance.** The Budget includes the \$2.5 million remaining State Fiscal Recovery funds authorized to provide grants and technical assistance to businesses impacted by the COVID-19 pandemic. The 2024 Assembly authorized additional funding for a total of \$31.3 million; most of it has been spent.
- **ARPA Capital - Last-Mile Broadband.** The Budget includes \$25.8 million from Capital Projects funds to expand reliable, high-speed internet. The program provides funding to municipalities, public housing authorities, businesses, and internet service providers to expand internet access in underserved communities. The total is \$0.8 million higher and incorporates administrative costs associated with this project that were previously budgeted separately.
- **ARPA - Assistance to Impacted Industries.** The Budget maintains the authorized \$15.0 million from State Fiscal Recovery funds to address the negative impacts of the pandemic on the tourism, hospitality, and events industry. Through FY 2024, \$13.0 million has been spent, and the FY 2025 final budget includes the remaining \$2.0 million.
- **Commerce Corporation - Operations.** The Budget includes \$8.5 million from general revenues to support the Rhode Island Commerce Corporation's operations, which is the same as enacted for FY 2025.
- **Destination Marketing.** The Assembly authorized \$3.0 million from State Fiscal Recovery funds, matched by an equivalent amount from the Commerce Corporation's allocation of state hotel tax receipts, to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. The FY 2025 enacted budget allocated \$1.4 million from general revenues to continue the program. The Budget includes the same funding for FY 2026.
- **Experimental Program to Stimulate Competitive Research (EPSCoR).** The Budget includes the FY 2025 enacted amount of \$0.9 million from general revenues for the National Science Foundation's Experimental Program to Stimulate Competitive Research.

- ***First Wave Closing Fund.*** The Budget extends the sunset for the First Wave Closing Fund one year to December 31, 2026.
- ***I-195 Redevelopment Fund.*** The Budget extends the sunset for the I-195 Redevelopment Fund one year to December 31, 2026.
- ***I-195 Redevelopment District Commission.*** The Budget includes the enacted amount of \$1.2 million from general revenues for operating expenses of the I-195 Redevelopment District Commission.
- ***I-195 Redevelopment Commission Capital.*** The Budget includes \$0.7 million from Rhode Island Capital Plan funds annually for FY 2026 through FY 2028 for professional, legal, and engineering services related to the maintenance and marketability of the I-195 land, consistent with the approved capital plan.
- ***I-195 Park Infrastructure.*** The Budget includes \$7.1 million, including \$3.1 million from Rhode Island Capital Plan funds and \$4.0 million from general obligation bond funds approved by the voters in March 2021, to develop physical infrastructure at the I-195 Redevelopment District's parks. This includes facilities for concessions, restrooms, expanded utility services, and trash receptacles.
- ***Industrial Site Development.*** The Budget includes \$40.0 million from general obligation bond proceeds approved by voters in March 2021 for an initiative administered by the Quonset Development Corporation. This initiative provides small grants for pre-development purposes and competitively funds other projects to acquire industrial sites and develop facilities that create job-producing activities.
- ***Innovation Campus Bond.*** The Budget includes \$20.0 million from general obligation bonds approved by the voters on the November 2016 ballot to construct one or more innovation campuses affiliated with the University of Rhode Island. Final agreements are currently being negotiated with selected awardees.
- ***Innovation Initiative.*** The Budget extends the sunset one year to December 31, 2026, for the innovation voucher and network matching grant initiatives, and provides no new funding. The FY 2025 enacted budget provided \$1.0 million from general revenues for additional awards.
- ***Innovation Ecosystem.*** The Budget adds \$250,000 from general revenues to strengthen collaboration between higher education institutions and private industry to support workforce development. These funds may support research partnerships, internships, training programs, workforce assessments, business recruitment, and relocation incentives.
- ***Main Streets Revitalization.*** The Budget extends the sunset date of the Main Street RI Streetscape Improvement Fund one year to December 31, 2026, and provides \$125,000 from general revenues. The 2015 Assembly authorized the Commerce Corporation to award loans, matching grants, and other forms of financing to enhance infrastructure or provide technical assistance to create an attractive environment in local business districts.
- ***P-Tech Initiative.*** Recent budgets included \$2.3 million from general revenues to establish partnerships between high schools, higher education institutions, and employers to offer courses toward high school diplomas and associate's degrees. The program is estimated to have \$0.3 million of available resources after administrative costs. The Budget maintains the December 31, 2025, sunset date.
- ***ARPA - Port of Davisville.*** The FY 2025 final budget includes the remaining \$45.6 million of the \$65.0 million authorized from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. Support expands on existing funding to develop port infrastructure to create job opportunities, invest in marine transportation, and make capital improvements to prepare for offshore wind development.

- **Port of Davisville Modernization.** The Budget includes \$20.0 million from general obligation bond proceeds approved by the voters in March 2021 for infrastructure improvements at the Port of Davisville for its existing businesses and offshore wind projects.
- **Port of Providence.** The Budget includes \$20.0 million from general obligation bond funds approved by the voters on the November 2016 ballot to increase terminal capacity at the Port of Providence by funding the acquisition of up to 25 acres of land located between Allens Avenue in Providence and the Providence River and associated infrastructure improvements.
- **Quonset Infrastructure.** The Budget includes \$7.5 million from Rhode Island Capital Plan funds to modernize and expand Quonset Business Park infrastructure to accommodate new tenants. The Quonset Development Corporation manages infrastructure such as roadways, water supply and distribution systems, Corporation buildings, and a wastewater treatment facility.
- **PFAS Mitigation at Quonset Business Park.** The Budget includes \$1.0 million from Rhode Island Capital Plan funds for a new project to finance engineering, permitting, and other pre-construction services necessary for a new potable water treatment system at Quonset Business Park.
- **Rebuild Rhode Island Tax Credit.** The Budget includes \$10.1 million from general revenues to continue funding commitments under the Rebuild Rhode Island Tax Credit program. The program offers real estate development tax credits for qualified construction projects, which are redeemed over time. The Budget maintains the award cap of \$225.0 million, provides for a limited opportunity to exceed project caps, and extends the sunset date one year to December 31, 2026. Through FY 2025, the state has allocated \$184.6 million to satisfy commitments already made.
- **Real Jobs RI.** The Budget includes \$11.0 million for the Real Jobs Rhode Island program for FY 2026. This includes level funding of \$5.5 million from general revenues and \$5.5 million from the Governor's Workforce Board restricted receipts available from Job Development Fund assessments.
- **ARPA - Enhanced Real Jobs.** The 2022 Assembly authorized \$30.0 million from State Fiscal Recovery funds for multiyear support for an enhanced version of the Real Jobs RI workforce training program. The FY 2025 final budget includes the final \$5.9 million; \$24.1 million was spent through FY 2024.

#### **Housing (See Section VI, Special Reports: Housing)**

- **Hotel Tax on Whole Home Rentals.** The Budget creates a new tax equal to the 5.0 percent State Hotel Tax on whole-home short-term rentals, effective January 1, 2026, and dedicates 50.0 percent of new revenues to the Housing Resources and Homelessness restricted account and 25.0 percent each to the municipality and tourism district in which the rental occurs. This is estimated to generate \$1.0 million for the account for FY 2026, annualizing to \$2.4 million for FY 2027.
- **Real Estate Conveyance Tax Increase.** The Budget increases the first and second tiers of the real estate conveyance tax from 0.46 percent to 0.75 percent, effective October 1, 2025, for a top effective rate of 1.5 percent. The first tier applies to all real estate transfers, with revenues allocated in accordance with current law. The second tier applies to residential transfers exceeding \$800,000, indexed to inflation. This rate will now be split, with 0.50 percent of the 0.75 percent allocated to the Housing Production Fund, up from the current 0.46 percent, and the remaining 0.25 percent to the Housing Resources and Homelessness restricted account. These changes are estimated to generate \$13.5 million for FY 2026, annualizing to \$18.7 million for FY 2027. Municipal collections are estimated to increase by \$10.7 million for FY 2026 and \$14.7 million for FY 2027.

- ***Non-Owner Occupied Tax.*** The Budget creates a non-owner-occupied residential property tax, effective July 1, 2026. The tax does not apply to commercial property or property rented for more than half the year. Affected properties will be subject to a 0.5 percent annual tax on the portion of their value exceeding \$1.0 million, indexed to inflation, with all resulting revenues dedicated to the Low Income Housing Tax Credit Fund.
- ***Low Income Housing Tax Credit Fund.*** The Budget transfers \$4.0 million in each year from general revenues to the Low-Income Housing Tax Credit Fund. This raises the total prefunding to \$36.0 million, against an existing award maximum of \$120.0 million, based on the current sunset date.
- ***ARPA - Affordable Housing Development.*** The final budget includes the remaining \$60.1 million out of \$100.0 million authorized from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. This creates an additional directed subsidy that matches multiple sources of financing. Nearly all remaining funds have been awarded.
- ***ARPA - Home Repair and Community Revitalization.*** The final budget includes the remaining \$17.5 million out of \$24.5 million authorized from State Fiscal Recovery funds to support critical home repairs, redeveloping residential or commercial properties, and public and community spaces. As of the end of FY 2024, only \$4.5 million remains to be awarded for home repairs.
- ***ARPA - Site Acquisition.*** The final budget includes the remaining \$900 out of \$25.0 million authorized from State Fiscal Recovery funds to continue a site acquisition program administered by RI Housing, which began in 2020. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. All funds have been awarded.
- ***ARPA - Workforce Housing.*** The final budget includes the remaining \$16.3 million out of \$20.0 million authorized from State Fiscal Recovery funds to increase the housing supply for Rhode Island families earning up to 120 percent of area median income. RI Housing and the Department issued a consolidated request for proposals in October 2024, which included the remaining \$1.5 million of unobligated funds.
- ***ARPA - Homelessness Infrastructure.*** The final budget includes the remaining \$17.6 million out of \$45.0 million authorized from State Fiscal Recovery funds to increase facility capacity for individuals experiencing homelessness. The 2023 Assembly expanded allowable uses to include prevention and stabilization programs. All funds have been awarded.
- ***ARPA - Homelessness Assistance Program.*** The final budget includes the remaining \$23.1 million out of \$38.8 million authorized from State Fiscal Recovery funds to provide housing navigation, stabilization, and mental health services for people experiencing homelessness. The 2021 Assembly included a requirement to provide monthly progress reports regarding the achievement of these efforts. The Department of Housing submitted its first report in March 2023 and has not submitted one since July 2023. The 2024 Assembly provided \$17.3 million. All funds have been awarded.
- ***ARPA - Housing Strategic Plan.*** The final budget includes \$2.0 million from State Fiscal Recovery funds authorized for a statewide comprehensive housing plan to assess current and future housing needs, consider home ownership and affordability barriers, and identify services needed for increased investments toward disproportionately impacted individuals and communities. Funds also support municipal planning efforts. All funds have been obligated and \$38,650 was spent in FY 2024.
- ***ARPA - Affordable Housing Capacity.*** The final budget includes the remaining \$0.3 million of \$1.5 million authorized from State Fiscal Recovery funds for contracted consultants to provide administrative support to the Department of Housing. 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 Assembly appropriated funding from FY 2022 to FY 2024 and included a requirement to provide monthly progress reports regarding the achievement of these efforts. All funds have been obligated; the Department submitted its first report in March 2023 and has not submitted a report since July 2023.

- **ARPA - Targeted Housing Development.** The final budget includes the authorized amount of \$26.0 million from State Fiscal Recovery funds to allow the Secretary of Housing to target priority housing development projects. Of this amount, \$4.0 million supports transit-oriented housing. All funds have been awarded.

- **ARPA - Housing Related Infrastructure.** The final budget includes the authorized amount of \$3.0 million from State Fiscal Recovery funds for the Infrastructure Bank to support infrastructure necessary for affordable housing development. All funds were awarded in October 2024.

- **ARPA - Municipal Homelessness Support Initiative.** The final budget includes the remaining \$1.9 million out of \$2.2 million authorized from State Fiscal Recovery funds to award grants to municipalities to help pay for community services, such as trash collection, ambulance, or outreach that support homeless individuals. As of December 2024, only \$0.1 million remains to be obligated.

- **ARPA - Municipal Planning.** The Budget includes \$3.3 million, including the authorized amount of \$2.3 million from State Fiscal Recovery funds and \$1.0 million from general obligation bond funds approved in November 2024, to award grants to support municipal planning efforts. Of this amount, \$1.3 million is for a municipal fellows program and \$2.0 million is for transit- and zoning-related grants to municipalities. No funds were spent as of the end of FY 2024, but all municipal fellows funds have been awarded.

- **ARPA - Proactive Housing Development.** The final budget includes the authorized amount of \$1.4 million from State Fiscal Recovery funds to create a new proactive development subsidiary of RI Housing. The subsidiary was formally established in January 2024 and a president was appointed in September but no funds were spent.

- **Statewide Mandatory Rental Registry.** The FY 2025 final budget includes the enacted amount of \$1.3 million from general revenues to fund the required statewide publicly accessible online database of all rental units, including information on their compliance with lead laws. The FY 2026 budget also includes \$0.7 million for annual maintenance and operating costs of the registry.

## **Health Insurance**

- **Health Insurance Market Integrity Fund.** The Budget includes \$15.8 million to make reinsurance payments to health insurance carriers and \$0.7 million for program administration. This is supported by \$10.8 million from federal funds and \$5.7 million from the Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions.

- **HealthSource RI.** The Budget includes \$13.5 million from all sources, including \$1.9 million from general revenues, to support ongoing operating expenses for HealthSource RI. Total expenses are \$0.6 million less than enacted, reflecting an updated plan for costs shared with the Executive Office of Health and Human Services. The final budget includes savings of \$1.5 million from general revenues, reflecting the use of agency sources.

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

- ***Distressed Communities Relief Fund.*** The Budget includes \$14.9 million from general revenues for the Distressed Communities Relief Fund. This is \$2.5 million more than the FY 2025 enacted level. Redistribution of funding among qualifying communities is based on updated tax levies and reflects Coventry as a newly qualified community. In the first qualification year, a community receives a transition payment of half its proportional share; the year a community no longer qualifies, it also receives a transition payment.
- ***Motor Vehicles Excise Tax Phase-Out Program.*** The Budget includes \$239.5 million for the Motor Vehicles Excise Tax Phase-out program. This is \$4.8 million more than FY 2025. The Governor had recommended repealing the provision that requires increased aid proportional to the sales tax revenue change compared to the prior year. Under current law, the FY 2025 distribution increases for some and decreases for others based on rounding values as part of the indexing to the sales tax. The Assembly maintained the current law to allow growth, but capped the increase at 2.0 percent. It also held communities harmless for any decreases based on rounding values as part of the indexing to the sales tax.
- ***Payment in Lieu of Taxes Program.*** The Budget includes \$51.3 million from general revenues to fully fund the Payment in Lieu of Taxes program that reimburses cities and towns for property taxes that would have been due on real property exempted from taxation by state law. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The FY 2025 enacted budget of \$49.1 million equates to a 26.7 percent reimbursement; the Governor had proposed 25.9 percent by maintaining that total.
- ***Tangible Tax Exemption.*** The Budget includes \$25.9 million, or \$2.1 million less than enacted, from general revenues for the cost of the tangible tax reimbursement in FY 2025. This amount remains the same for FY 2026, but it is subject to updated data. The 2023 Assembly enacted legislation to exempt \$50,000 from the tangible property tax beginning January 1, 2024, and reimburse municipalities and fire districts for the lost revenues, subject to some limitations.
- ***Library Resource Sharing Aid.*** The Budget includes \$12.1 million from general revenues to fully fund state support of public libraries. Current law allows for a 25.0 percent reimbursement of expenditures from the second prior year, subject to appropriation.
- ***Library Construction Aid.*** The Assembly provided \$2.1 million from general revenues to fully fund library construction aid requirements. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the project's completion, acceptance, and audit.
- ***CPF - Community Learning Center Municipal Grants.*** The final budget includes the remaining \$79.6 million from Capital Projects funds in FY 2025 to cities and towns seeking to renovate or build community centers that comply with work, education, and health monitoring requirements set by the U.S. Department of the Treasury. A total of 18 municipalities are building 21 learning centers, and six municipalities are partnering to build four shared projects. Through late June 2025, \$12.5 million has been spent. The final budget also includes the enacted amount of \$2.0 million from State Fiscal Recovery funds to support the operation of approved Community Learning Centers. These funds would be distributed equally to each approved center that reaches substantial completion by October 31, 2026.

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

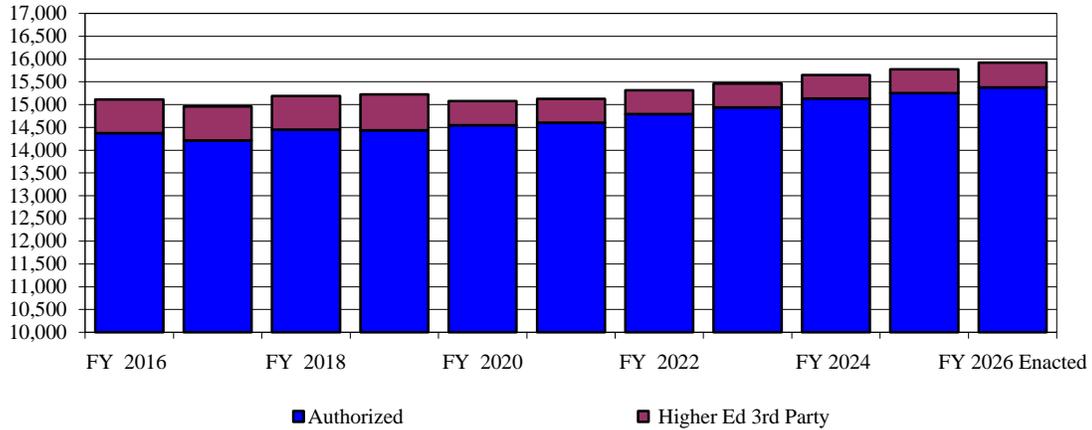
- ***FY 2026 Formula Education Aid.*** The Budget includes \$1,191.1 million for education aid for local school districts, excluding state schools and Central Falls, pursuant to the base funding formula. This is \$58.2 million more than enacted.
- ***Funding Formula Assumptions.*** The calculation of education aid uses March 15, 2025, student enrollment data, including projected charter school enrollments, a per-pupil core instruction amount of \$13,322, and state share ratio variables updated with June 30, 2024, data. The Budget maintains the current law funding formula.
- ***Enrollment Loss Transition Fund.*** The 2023 Assembly created an enrollment loss transition fund that provides two years of funding to districts experiencing enrollment declines, including from students transferring to charter schools. Districts receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year. The Budget includes \$8.8 million, based on updated data; this includes \$4.4 million for the second year of the FY 2025 calculation and \$4.4 million related to this year's new losses.
- ***Poverty Loss Stabilization Fund.*** The 2023 Assembly created a poverty loss stabilization fund to help districts adjust to significant changes in state aid by giving them more time to align their budgets. This fund is triggered when the foundation formula aid produces less than the prior year, and the state share ratio decreases by more than 2.0 percent. Payments equate to half the difference that the formula aid calculation produces under the prior year's share ratio, compared to the current year's share ratio. The Budget includes \$4.8 million for FY 2026.
- ***Group Home Aid.*** The Budget includes \$3.5 million to fund beds for communities hosting group homes. This includes \$2.1 million more to reflect the removal of the enrollment reduction related to group home beds and \$0.5 million less from the removal of CRAFT program beds from this category of aid.
- ***Central Falls.*** The Budget includes \$54.6 million from general revenues for the Central Falls School District, including \$43.8 million from formula aid and \$10.8 million in stabilization funding to assist until the city can begin to pay its local share. This includes \$0.3 million less from stabilization funding than FY 2025 to reflect the city beginning to share in expenses and a gradual transition of district finances and governance back to local control.
- ***Davies Career and Technical School.*** The Budget includes \$18.5 million from general revenues in education aid for the Davies Career and Technical School. Total funding includes \$10.6 million from formula aid and \$7.9 million from stabilization funds, which is \$0.4 million more than FY 2025 from general revenues. The Budget also includes \$0.2 million from restricted receipts for 2.0 new art teachers to satisfy updated graduation requirements.
- ***Metropolitan Career and Technical School.*** The Budget includes \$13.0 million from general revenues in education aid for the Metropolitan Career and Technical School. This includes \$9.8 million from funding formula aid and \$3.2 million from stabilization funding. Funding is \$1.8 million more than FY 2025, including \$1.1 million from stabilization funding.
- ***Early Childhood Funds/Prekindergarten.*** The education funding formula has an early childhood education category of aid that allows the state to provide additional resources to increase access to voluntary, free, high-quality prekindergarten programs. The Budget includes \$28.9 million from general revenues. This is \$1.0 million less than enacted for FY 2025, but consistent with updated data for the FY 2025 final budget based on capacity and demand.

- **Career and Technical Education.** The Budget includes \$4.5 million for the separate allocation of career and technical funds as allowed by the funding formula for FY 2026.
- **Special Education Excess Costs.** The funding formula allows the state to assume the costs related to high-cost special education students when those costs exceed four times the combined per-pupil core instruction amount and student success factor amount, subject to appropriation. The Budget includes \$17.5 million for FY 2026, which is \$2.5 million more than FY 2025 and 56.0 percent of allowable expenses, up from 48.0 percent in the Governor’s budget.
- **Non-Public School Transportation.** The funding formula allows the state to provide resources to mitigate the excess costs of transporting students to out-of-district non-public schools. The Budget includes \$4.7 million for FY 2026, which is \$0.7 million more than enacted, and fully funds this aid category.
- **Regional District Transportation.** The funding formula allows the state to provide resources to mitigate the excess costs of transporting students within regional school districts. The Budget includes \$7.8 million for FY 2026, which is \$0.5 million more than enacted, and fully funds this aid category.
- **School Construction Aid.** The Budget includes \$119.9 million to fund the projected costs of the traditional school housing aid reimbursement to local districts for FY 2026, which is \$13.7 million and 12.9 percent more than enacted.
- **Central Falls School Project.** The Budget includes general revenues of \$7.2 million for FY 2025 and \$10.7 million for FY 2026 for debt service associated with the construction of a new high school for the Central Falls School District. This arrangement is designed to achieve an overall cost reduction and differs from the traditional process used by districts in that the state issues all the debt, and the city reimburses its share. Expenses reflect that \$93.5 million of the debt was issued, and the remaining \$50.5 million will be issued in FY 2026. The state share of the \$144.0 million project cost is \$138.2 million.
- **Teacher Retirement.** The Budget includes \$138.0 million from general revenues for the estimated cost of the state’s share of teacher retirement costs. The state funds 40.0 percent of the employer’s share of retirement contributions for members of the teacher retirement system. This is \$3.2 million less than all funding enacted for FY 2025, including the \$8.9 million assumed in the Department of Administration’s budget for the estimated cost of the pension changes adopted by the 2024 Assembly, attributed to the teachers’ system. The FY 2025 final budget is \$139.4 million and reflects updated payroll information.

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

- **FTE Authorization.** The Assembly authorized 15,921.8 full-time equivalent positions, including 544.8 higher education positions dedicated for research or supported by other third-party funds. This is 149.0 positions more than enacted, including 100.0 new positions for the University of Rhode Island, of which 25.0 are limited to third-party sources. In FY 2024, the state averaged 13,934.7 filled full-time equivalent positions and an average of 1,718.1 vacancies. For FY 2025, it averaged 14,268.0 filled full-time equivalent positions, an average of 1,504.8 vacancies.
- **Specialized Information Technology Positions.** The Assembly created a designation for specialized information technology positions in state service, to be capped at 15.0 full-time equivalent positions in any fiscal year. It authorizes the personnel administrator to implement the pay plans for these positions without conducting a public hearing or obtaining approval from the Governor until December 31, 2026. It also requires the personnel administrator to submit a report within 30 days to the Governor, the Speaker of the House of Representatives, the Senate President, and the chairpersons of the House and Senate Finance Committees.

### Full-Time Equivalent Positions

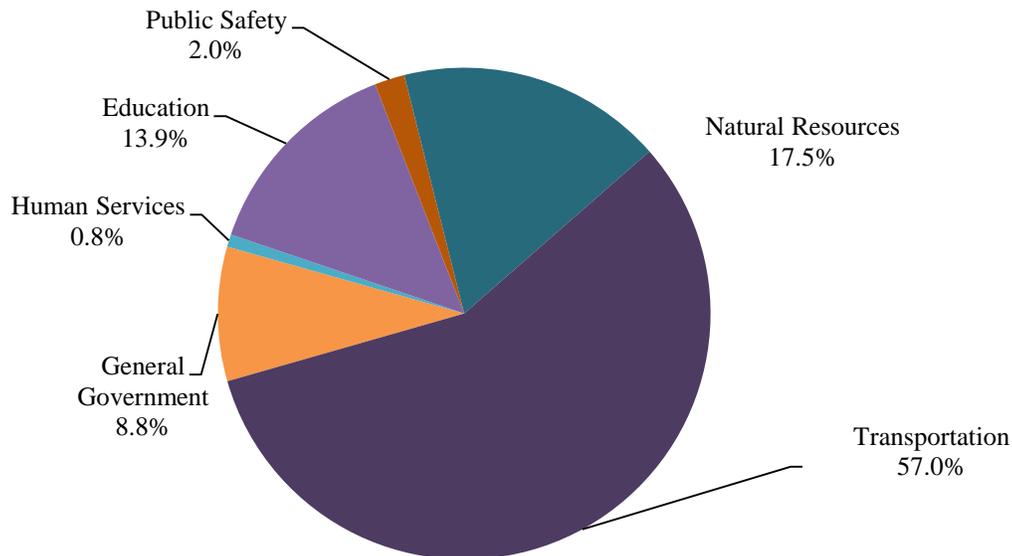


- **Procurement Assessment Fee.** The Assembly established a uniform fee of 0.33 percent to be assessed on all state contracts, effective January 1, 2026. This replaces the current 1.0 percent assessed on master price agreements from vendors, which generated \$1.0 million in FY 2023 and \$2.0 million in FY 2024. Fees will continue to be deposited as restricted receipts to support the operations of the Division of Purchases, alleviating some general revenue expenses.
- **Cannabis Control Commission.** The 2022 Assembly provided for the transfer of the Office of Cannabis Regulation from the Department of Business Regulation to the Cannabis Control Commission, effective upon issuance of final rules and regulations by the Commission. The Budget includes \$7.3 million from restricted receipts and 26.0 full-time equivalent positions for the new Cannabis Control Commission for FY 2026. This is \$0.3 million more than enacted for FY 2025.
- **Group Home Replacement and Rehabilitation.** The Budget includes new expenditures of \$5.0 million from Rhode Island Capital Plan funds in FY 2026 to construct or renovate group homes, for total funding of \$15.0 million from FY 2024 through FY 2026.
- **Integrated Data Systems.** The Budget includes \$1.4 million and six new positions to codify many of the recommendations of the 2023 Rhode Island Data Governance Program Plan and the Governor’s 2024 executive order on artificial intelligence and data centers by forming an integrated data system that will allow for data integration and analysis among the state’s different data systems, including higher education and health and human services. The Budget includes two positions each for the Office of Postsecondary Commissioner, the Department of Administration’s Division of Enterprise Technology Strategy and Services, and the Executive Office of Health and Human Services.
- **Unemployment Benefits.** The Budget assumes \$249.2 million for unemployment benefit payments from employer contributions for FY 2026, which is \$26.5 million more than enacted and \$18.3 million more than the FY 2025 final budget.
- **Temporary Insurance Payments.** The Budget assumes \$272.3 million for benefit payments from employee contributions for FY 2026, which is \$10.0 million more than enacted. It includes \$240.0 million for disability benefits and \$32.3 million for caregiver benefits. This is \$7.8 million above revised estimates, including \$12.0 million more for disability and \$4.2 million less for caregiver benefits.
- **Police and Fire Relief Fund.** The Budget includes \$3.7 million from general revenues for the Police and Fire Relief program for the estimated costs of annuity payments and in-state tuition to eligible spouses, domestic partners, and dependents of certain injured or deceased police officers and firefighters.

**Capital (See Section IV: Capital Budget)**

- **Outlays and Funding.** The FY 2026 through FY 2030 plan includes \$9,083.6 million of outlays on \$19,894.7 million of project estimates. Average outlays would be \$1,816.7 million per year for the five-year period, with \$747.6 million required at the end of the period to complete the projects.

**FY 2026 - FY 2030 Capital Projects by Function**



- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$752.0 million of general obligation bond debt issuances. This includes \$345.5 million from general obligation bonds approved by the voters in November 2024. The average bond referenda over the past five elections was \$347.7 million, including the \$400.0 million approved by the voters in March 2021 and November 2022.
- **Other Debt Approvals.** The plan includes \$174.6 million approved by the 2025 Assembly under the Public Corporation Debt Management Act. It includes \$151.6 million from revenue bonds for the University of Rhode Island's Combined Health and Counseling Center and Memorial Union projects. This represents increases to existing debt authority. It also includes \$23.0 million through Certificates of Participation for the construction of confined aquatic dredged material disposal cells.
- **Financing.** Paying for the five-year outlays includes \$1,894.4 million from debt financing and \$7,189.2 million from current or pay-go sources. Pay-go represents 79.1 percent with debt funding being 20.9 percent.
- **Debt Levels.** Total net tax supported debt increases during the period through FY 2030 by \$293.9 million from \$2,016.6 million to \$2,310.5 million. Past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this capital budget.
- **Debt Ratios.** Net tax supported debt would decrease from 2.5 percent of personal income reported for FY 2024 to 2.4 percent in FY 2030 assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected.
- **Rhode Island Capital Plan Fund.** The plan relies heavily on the use of Rhode Island Capital Plan funds, an important source of pay-go funds designed to reduce the need for borrowing. Total outlays for the five-year period are \$1,423.0 million.

## Debt Service

- **Convention Center Authority.** The Budget includes \$24.5 million from general revenues for both FY 2025 and FY 2026 to cover the Convention Center Authority's debt service requirements.
- **Garrahy Parking Garage.** The Assembly provided \$0.5 million from general revenues for both FY 2025 and FY 2026 for debt service for the Garrahy Parking Garage. No state support is assumed beyond FY 2026.
- **Historic Tax Credit Trust Fund Debt Service.** The Assembly provided \$9.9 million for both FY 2025 and FY 2026 from general revenues to fund debt service for historic tax credits.
- **Fidelity Job Rent Credits.** The Budget includes the FY 2025 enacted amount of \$1.0 million from general revenues for payments under the Fidelity Job Rent Credits agreement.

## Public Health

- **ARPA - Operational Support.** The FY 2025 final budget includes \$12.2 million from remaining State Fiscal Recovery funds for the Department of Health to continue COVID-19 mitigation activities and to address the public health impacts of the pandemic in the state. Through FY 2024, \$20.0 million has been spent from the total approved amount of \$32.2 million.
- **ARPA - Public Health Response Warehouse Support.** The FY 2025 final budget includes \$1.9 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies. A total of \$4.2 million was provided; through FY 2024, \$2.3 million has been spent. The Budget also includes \$0.6 million from general revenues for warehouse operations for FY 2025 and \$0.9 million for FY 2026.
- **ARPA - Public Health Clinics.** The FY 2025 final budget includes the remaining \$1.0 million from State Fiscal Recovery funds for the Rhode Island Free Clinic to improve statewide access and quality of primary care for uninsured adults and for Open Door Health to address issues for people who are disproportionately impacted by the COVID-19 pandemic. Each entity was allocated \$2.0 million, and \$3.0 million was spent through FY 2024.
- **New State Health Laboratory.** Consistent with the approved plan, the capital budget includes \$97.7 million, including \$81.7 million from a federal Centers for Disease Control and Prevention grant to construct a new State Health Laboratory facility. The Assembly shifted \$4.3 million of restricted receipt expenses to Rhode Island Capital Plan funds, for a total of \$15.9 million. These receipts have more flexible uses, including operating expenses, for which the Budget includes \$0.7 million for operational costs of the new health laboratory.
- **Medical Examiners - New Facility.** The capital budget includes \$12.1 million, including \$5.3 million from federal funds and \$6.7 million from Rhode Island Capital Plan funds, to renovate a 20,280 square foot building in Cumberland for the Office of State Medical Examiners. This is \$3.4 million more than the approved plan, including \$0.9 million in the later years for a new roof.

## Health and Human Services

- **ARPA - Health Care Facilities.** The FY 2025 final budget includes the enacted amount of \$10.0 million from State Fiscal Recovery funds to be disbursed in the first three months of FY 2025 to assist nursing facilities until the October 1, 2024, rate changes take effect. This brings total funding to \$87.5 million.

- **Hospital Financing.** The Budget includes \$331.3 million, of which \$99.5 million is from general revenues for the state-directed payment program through the managed care plans. These funds are designed to close the gap between what Medicaid currently pays and what commercial insurance pays for similar services to promote quality improvements at community hospitals. These increases are offset by reductions to the disproportionate share payments that total \$13.7 million, including \$6.0 million from general revenues. Hospital license fee payments to the state would increase by \$16.8 million.
- **Hospitals - Supplement Payments.** The Budget includes \$25.2 million, of which \$8.9 million is from general revenues for inpatient and outpatient upper payment limit reimbursements to be made to the community hospitals.
- **Hospitals - Long Term Care Behavioral Health Beds.** The Budget includes \$7.5 million, of which \$3.2 million is from general revenues, for a new Medicaid rate for long-term care behavioral health inpatient units at community hospitals, pending federal approval.
- **Primary Care Rates.** The Budget adds \$26.4 million, including \$8.3 million from general revenues, to raise primary care rates to 100 percent of Medicare rates, effective October 1, 2025.
- **Federally Qualified Health Centers.** The Budget adds \$10.5 million, of which \$4.0 million is from general revenues, to increase reimbursements to the federally qualified health centers, effective July 1, 2025.
- **Home Care Rates.** The Budget includes \$293.8 million, including \$125.7 million from general revenues, for fee-for-service home and community-based programs. It eliminates the statute that provides for an annual rate increase, as recommended by the Governor, for personal care attendants, skilled nursing and therapeutic services, and hospice care. These reimbursements became part of the biennial rate review process conducted by the Office of the Health Insurance Commissioner.
- **e-Consults Program.** The Budget includes \$5.4 million, of which \$1.4 million is from general revenues, for a new benefit that will allow for care coordination between primary and specialty care providers. The Budget includes savings of \$6.0 million, of which \$1.5 million is from general revenues, based on the expectation that this will result in an overall reduction in patient visits with specialists.
- **Medicare Savings Program.** The Budget includes \$7.1 million, of which \$0.7 million is from general revenues, to increase the eligibility income threshold for the Medicare Savings Program for those up to 168 percent of the poverty level, expanding the benefit to approximately 2,000 individuals. The program can cover Medicare Part A and Part B premiums, as well as co-payments and deductibles for seniors and other adults who are disabled.
- **Medicaid Fraud, Waste, and Abuse.** The Budget assumes savings of \$6.9 million, including \$2.9 million from general revenues, from payment recoveries related to increased efforts to reduce fraud, waste, and abuse in the Medicaid program. The Assembly added \$1.2 million for staff in the Program Integrity Unit in the Executive Office of Health and Human Services and the Department of Administration to achieve these savings, including \$0.7 million from general revenues.
- **Medicaid Pharmacy Expenses.** The Budget includes \$0.5 million, of which \$0.3 million is from general revenues, to add four positions in the Executive Office of Health and Human Services to evaluate pharmacy expenses and develop strategies to address program costs. The Governor's out-year projections include general revenue savings of \$3.7 million for FY 2027, growing to \$8.2 million in FY 2030.

- ***Nursing Facilities.*** The Budget includes \$477.3 million for fee-for-service payments to nursing facilities. It includes a 2.3 percent rate increase effective October 1, 2025, and a 3.0 percent base adjustment to address safe staffing standards.
- ***Nursing Facilities Minimum Staffing.*** The Budget makes changes to the state’s nursing home minimum staffing requirements, including expanding the types of direct care workers that count towards meeting the staffing ratios, adding flexibility to the ratios, and waiving past penalties. Any penalties collected will be deposited into an account to be used for workforce development and compliance assistance programs.
- ***Opioid Funds.*** The Budget includes \$43.3 million for FY 2025 and \$25.2 million for FY 2026 for the Department of Corrections and health and human services agencies, derived from assessments and lawsuit settlements related to the opioid epidemic. Expenditures support prevention and treatment programs, recovery housing, and new treatment facilities, as well as outreach and education programs. FY 2024 spending totaled \$15.3 million.
- ***Gloria Gemma Breast Cancer Resource Foundation.*** The Assembly provided \$50,000 from general revenues to support the Gloria Gemma Breast Cancer Resource Foundation’s new survivorship and well-being center in Lincoln.

### **Children and Families**

- ***Child Care - Infant Rates.*** The Budget adds \$3.0 million from federal funds to provide an infant rate for center-based child care providers that is 20 percent higher than the toddler rate starting July 1, 2025.
- ***Child Care for Child Care Workers.*** The Budget adds \$2.7 million from federal funds for FY 2026, extending the pilot program another three years until July 31, 2028.
- ***Mobile Response and Stabilization Services.*** The Budget includes the authority to seek federal approval for a Medicaid rate for Mobile Response and Stabilization Services, which began as a federally funded pilot program. This would be effective no later than October 1, 2026. It also includes \$900,000 from general revenues to support individuals who are uninsured or underinsured and cover costs not reimbursed by Medicaid or other commercial insurers.
- ***ARPA - Psychiatric Residential Treatment Facility.*** The Budget makes \$6.5 million from State Fiscal Recovery funds available to expand and maintain a psychiatric residential treatment facility, pending a future plan from the Department of Children, Youth and Families to expand capacity. The Department originally contracted with St. Mary’s Home for Children to increase its capacity for these beds. However, that facility closed in August 2024, and the unspent funds were recovered and reallocated.
- ***ARPA - Provider Workforce Stabilization.*** Prior budgets authorized \$24.1 million from State Fiscal Recovery funds to continue the workforce stabilization payments for providers contracted by the Department of Children, Youth and Families. The funding was in response to providers reporting a high number of vacancies and staff recruitment issues, which resulted in a capped or reduced capacity. As of the end of FY 2024, \$22.5 million has been spent. The FY 2025 final budget includes \$2.0 million, which brings the total to \$24.5 million.
- ***Congregate Care and Out-of-State Placements.*** The Budget includes \$7.7 million of savings, of which \$7.0 million is from general revenues from initiatives to reduce youth in out-of-state and congregate care placements in the Department of Children, Youth and Families by increasing in-state foster care placements and wrap-around services.

- ***Emergency Housing.*** The budgets include \$6.8 million in FY 2025 and \$6.1 million in FY 2026 all from federal funds for emergency hotel housing for families in which housing is a barrier to reunification. The Budget anticipates that the Department of Children, Youth and Families can utilize available Temporary Assistance for Needy Families funds instead of general revenues.
- ***Local Education Agency Costs.*** The Budget assumes \$3.0 million in general revenue savings for the Department of Children, Youth and Families by reducing uncollected payments owed by local education agencies for payments the Department has made to providers for education expenses for children in state care. The Department and Department of Elementary and Secondary Education will develop a plan to improve collections.
- ***Residential Youth Facilities.*** The Budget includes \$45.0 million from Rhode Island Capital Plan funds to construct a new residential treatment facility for females in Exeter and for planning costs for a second facility, available as the Exeter facility is projected to finish under budget. The facility is expected to be completed by Spring 2026.
- ***RICHIST System Replacement.*** The Budget includes \$56.9 million, including \$28.5 million from federal funds, for the project approved to create a new information system to replace the current Rhode Island Children’s Information System. The state match for these expenses is 50.0 percent, of which \$24.7 million is from state information technology funds, and the remaining \$3.8 million is from general revenues to be paid from the Department of Children, Youth and Families’ operating budget from FY 2025 through FY 2027.

### **Community Services and Advocacy**

- ***Rhode Island Alliance of Boys and Girls Clubs.*** The Budget includes the enacted level of \$450,000 from general revenues for the Boys and Girls Club Project Reach program, which provides homework assistance and afterschool activities.
- ***Day One.*** The Budget includes the enacted level of \$300,000 from general revenues for Day One to provide outreach and supportive service programs relating to sexual assault.
- ***Substance Use and Mental Health Leadership Council.*** The Budget includes \$150,000 from general revenues for the Substance Use and Mental Health Leadership Council, which provides a coordinated system of comprehensive community-based mental health and substance use prevention and treatment services. This is \$50,000 more than provided for FY 2025.
- ***Domestic Violence Prevention Activities.*** The Budget includes the FY 2025 enacted level of \$400,000 from general revenues for domestic violence prevention activities contracted through the Rhode Island Coalition Against Domestic Violence and distributed to domestic violence shelters in the state.
- ***Institute for the Practice and Study of Non-Violence.*** The Budget includes the enacted level of \$250,000 from general revenues to support the Institute’s Violence Reduction Strategy program.
- ***United Way - 211.*** The Budget includes the FY 2025 enacted level of \$200,000 from general revenues for United Way’s 211 system, which is a free, confidential service that provides information and referrals for food, housing, job training, and other community resources.
- ***Rhode Island Community Food Bank.*** The Budget includes \$950,000 from general revenues for food collection and distribution through the community food bank. This is \$150,000 more than the FY 2025 enacted budget.

- **Community Action Agencies.** The Budget includes the FY 2025 enacted level of \$600,000 from general revenues to support services provided by the state’s community action agencies.
- **Crossroads.** The Budget includes the FY 2025 enacted level of \$500,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues.
- **Refugee Services.** The Budget includes the FY 2025 enacted level of general revenues for immigrant and refugee support services. This includes \$125,000 for Higher Ground International and \$50,000 for the Refugee Dream Center.
- **Senior Services Support.** The Budget includes \$1.6 million from general revenues for senior support services through a grant process, which is \$0.2 million more than enacted for FY 2025.
- **Meals on Wheels/Elderly Nutrition Services.** The Budget includes \$730,000 from general revenues for elderly nutrition services, which includes \$680,000 for Meals on Wheels.
- **Respite Care.** The Budget includes the enacted level of \$325,000 from general revenues to support the respite care program through the Diocese of Providence, also known as CareBreaks.
- **Long Term Care Ombudsman.** The Budget includes the enacted level of \$40,000 from general revenues for the long term care ombudsman. The Alliance for Better Long Term Care advocates on behalf of residents of nursing homes, assisted living residences, and certain other facilities, as well as recipients of home care services.
- **RIBridges/UHIP.** The Budget includes \$89.8 million for FY 2025 and \$97.8 million for FY 2026 for expenses in multiple state agencies related to the RIBridges system, including staffing support for eligibility determination.
- **Supplemental Nutrition Assistance Program - Healthy Incentives Pilot.** The Budget maintains the total funding authorized for the Healthy Incentives Pilot program and includes swapping \$4.5 million from newly available State Fiscal Recovery funds for a portion of the general revenues.

## Higher Education

- **Public Higher Education.** The Budget includes \$1,597.9 million for Public Higher Education, including debt service. This includes \$12.7 million more from general revenues than enacted for FY 2025. The Budget includes \$327.2 million from general revenues and \$611.6 million from all other unrestricted sources, including tuition and fees.
- **Public Higher Education Tuition and Fees.** The Council of Postsecondary Education approved a 3.5 percent tuition increase and a \$67 fee increase at Rhode Island College and a 5.9 percent tuition increase and \$18 fee increase at the Community College of Rhode Island. The University of Rhode Island Board of Trustees approved a 3.5 percent tuition increase and \$16 fee increase.
- **Rhode Island Promise Scholarship.** The Budget includes \$7.4 million from general revenues to support the Rhode Island Promise Scholarship at the Community College of Rhode Island, which is \$1.0 million less than enacted based on updated enrollment projections; revised costs for FY 2025 are estimated to be \$6.9 million.
- **Hope Scholarship.** The Budget includes \$5.5 million from general revenues for the third year of the Hope Scholarship Pilot Program at Rhode Island College. The FY 2025 final budget includes \$3.4 million.

This program provides awards to students during their third and fourth years at the College who are part of the graduating classes of 2024 through 2029.

- ***Last Dollar Scholarship.*** The Budget includes \$9.9 million for the Last Dollar Scholarship Program, consistent with the FY 2025 enacted level. This includes \$6.5 million from general revenues, which is \$100,000 more to cover a decline in available resources from tuition savings fees.
- ***Dual and Concurrent Enrollment.*** The Budget includes \$2.9 million from general revenues for FY 2026 expenses for the dual and concurrent enrollment program, which allows qualified high school students to earn college credit at no cost to the student. The FY 2025 final budget includes \$2.7 million based on anticipated need. There is a separate transfer of Rhode Island Student Loan Authority funds to general revenues equal to the spending.
- ***Career Readiness.*** The Budget includes \$1.8 million from general revenues to be used for programs related to career readiness, career placement, internships, and work-based learning at higher education institutions, including \$0.9 million for the University, \$0.5 million for the College, and \$0.4 million for the Community College.
- ***ARPA - Cybersecurity Center.*** The FY 2025 final budget includes the remaining \$1.6 million of the \$2.0 million allocation from State Fiscal Recovery funds to support the establishment of the Institute for Cybersecurity and Emerging Technologies at Rhode Island College. Funding will support three years of program development and operating costs. The College launched the Center in November.
- ***ARPA - RI Reconnect.*** The FY 2025 final budget includes the remaining \$7.2 million of the \$8.0 million allocation from State Fiscal Recovery funds to establish the Rhode Island Reconnect program through the Office of Postsecondary Commissioner and fund it for two years. The program is designed to offer targeted coaching and wraparound support to individuals aged 16 and older, enabling them to continue their education. The authorization requires some funding to address barriers to attaining teacher certification as a Second Language Education Teacher, Grades PK-12, and as an All Grades Special Education Teacher.
- ***ARPA - Foster Care Youth Scholarship.*** The FY 2025 final budget maintains the enacted allocation of \$1.0 million from State Fiscal Recovery funds in the Office of Postsecondary Commissioner for a last dollar scholarship program for foster care youth exiting the Department of Children, Youth and Families' care to attend Rhode Island College. Recipients will receive tuition, room and board, and/or support services, including during the summer months. Ten students took advantage of this program in the fall of 2024.
- ***URI Memorial Student Union.*** The Assembly authorized an increase in the approved debt for the Memorial Student Union project by \$60.4 million from \$57.6 million to \$118.0 million. The 2019 Assembly initially authorized the debt for this project and subsequently increased it in 2021.
- ***URI Health and Counseling Center.*** The Assembly authorized an increase in the approved debt for the Health and Counseling Center by \$4.6 million from \$29.0 million to \$33.6 million. The 2019 Assembly initially authorized the debt for this project and subsequently increased it in 2021.
- ***URI Building Envelope.*** The Budget includes \$15.0 million from Rhode Island Capital Plan funds for a new project to address repairs to building envelope systems across the University's campuses. The plan includes \$3.0 million annually from FY 2026 through FY 2030.
- ***URI PFAS Removal Water Treatment.*** The Budget includes \$20.0 million from Rhode Island Capital Plan funds for the University of Rhode Island to implement a permanent water filtration solution to reduce

per and polyfluoroalkyl concentrations, consistent with the approved plan. The capital plan assumes that the projected cost increase of \$1.7 million will be covered through other sources, potentially the Emerging Contaminants Program at the Rhode Island Infrastructure Bank.

- **Public Higher Education Asset Protection.** The Budget includes \$125.7 million from Rhode Island Capital Plan funds for asset protection projects at the public higher education institutions for the five-year FY 2026 through FY 2030 period.
- **CCRI Campuswide Renovation and Modernization Phase I.** Consistent with the approved plan, the Budget includes \$59.5 million from all sources to renovate and modernize academic and student support spaces, and other infrastructure on its four campuses. It includes \$12.0 million from general obligation bonds approved by the voters in March 2021 and \$47.5 million from Rhode Island Capital Plan funds.
- **CCRI Campuswide Renovation and Modernization Phases II-IV.** The Budget includes \$7.7 million from Rhode Island Capital Plan funds for FY 2026 through FY 2028 for phases II through IV of the effort to renovate and modernize academic and student support spaces, and other infrastructure on its four campuses. This is \$2.7 million more than the approved plan, which included \$5.0 million for FY 2026. The budget also extends funding through FY 2028.
- **CCRI Data, Cabling, and Power Infrastructure.** The Budget includes \$20.0 million for the assessment, design, and construction of modernized data, cabling, and power infrastructure across the four campuses. The project will include upgrades to network wiring, infrastructure capacity, and support of various systems such as voice-over-Internet-protocol phones. Funding includes \$18.7 million from Rhode Island Capital Plan funds and \$1.4 million from College funds, consistent with the approved capital plan.
- **RIC Infrastructure Modernization.** The Budget includes \$29.3 million from Rhode Island Capital Plan funds for FY 2026 through FY 2030 for current and future infrastructure modernization at Rhode Island College. This is consistent with the approved five-year plan and adds a year.
- **URI Campus Accessibility.** The Budget includes \$7.0 million from Rhode Island Capital Plan funds for FY 2026 through FY 2030 for a new project to improve campus access for persons with disabilities. Projects include restrooms, exterior renovations, and building improvements, such as elevator modernizations.
- **URI Athletics Complex Renewal.** Consistent with the approved plan, the Budget includes \$83.1 million from all sources, including \$65.8 million from Rhode Island Capital Plan funds and \$17.3 million from University funds, to renovate six athletic facilities including Meade Stadium East Grandstands, Track and Field, Beck Baseball Field, the softball field, Tootell Aquatics Center, and the soccer field.
- **URI Narragansett Bay Campus Renewal - Phase I.** The Budget includes \$62.2 million for improvements to the existing pier and marine operations facilities as part of the first phase of the comprehensive renewal of the Narragansett Bay Campus. Funding includes \$45.0 million from general obligation bonds approved by the voters in 2018, \$12.0 million from Rhode Island Capital Plan funds, \$0.7 million from private funding, \$2.4 million from third-party financing, and a new \$2.1 million from University funds with expected completion in 2026.
- **URI Narragansett Bay Campus Renewal - Phase II.** Consistent with the approved plan, the Budget includes \$129.0 million for the second phase of the comprehensive renewal of the Narragansett Bay Campus programmed through FY 2028. Funding includes \$100.0 million from general obligation bonds approved in 2022 and \$57.5 million from Rhode Island Capital Plan funds. The plan assumes a completion date of FY 2028.

- ***URI Academic Mechanical, Electrical, and Plumbing Improvements.*** The Budget includes \$25.9 million from Rhode Island Capital Plan funds for a project to make mechanical, electrical, and plumbing improvements in Fogarty and White halls. Funding is \$7.7 million more than the approved plan and reflects an updated schedule and completion in FY 2028, one year later than the approved plan. Delays and more extensive code upgrades than expected have resulted in significant cost increases.
- ***URI - Undergraduate Housing.*** The Budget includes the University of Rhode Island's \$169.6 million project to build a new 500-bed apartment-style residence hall funded primarily from revenue bonds approved by the 2022 Assembly; funding is programmed from FY 2025 through FY 2029, two years later than the approved plan. The University reports progress on a public-private partnership to build a new dorm, instead of pursuing this project.
- ***Stormwater Management.*** Consistent with the approved plan, the Budget includes \$4.7 million from Rhode Island Capital Plan funds for stormwater improvements to existing drainage systems on campus through FY 2026. The drainage improvements would provide additional storage volume, improve channel and pipe sizes, and enhance alignment to reduce the frequency of overtopping and flooding.
- ***Rhode Island Vision Education and Services Program.*** The Budget maintains the \$1.8 million from general revenues in Rhode Island College's budget to support the Rhode Island Vision Education and Services Program. This appropriation supplements existing federal funds and funding from local education agencies that are billed on a fee-for-service basis.
- ***Higher Education Opportunities for Teachers of Color.*** The Budget includes \$100,000 from general revenues to support access to higher education opportunities for teachers of color at the Rhode Island School for Progressive Education.
- ***Best Buddies.*** The Budget includes the FY 2025 enacted amount of \$75,000 from general revenues for Best Buddies Rhode Island to support programs for children with developmental disabilities.
- ***Special Olympics Rhode Island.*** The Budget includes the FY 2025 enacted level of \$50,000 from general revenues for Special Olympics Rhode Island to support its mission of providing athletic opportunities for individuals with intellectual and developmental disabilities.
- ***Onward We Learn/College Crusade Support.*** The Budget includes \$5.3 million to support the operations and scholarship programs offered by Onward We Learn, including \$4.8 million from the GEAR-UP federal grant and the FY 2025 enacted level of \$455,000 from general revenues. The federal grant provides funds to states and nonprofits to support eligible low-income and disabled students in pursuit of secondary school diplomas and to prepare for postsecondary education.
- ***Institute for Labor Studies and Research.*** The Budget includes the FY 2025 enacted level of \$125,000 from general revenues for the Institute for Labor Studies and Research, a non-profit educational institution that provides education and training to Rhode Islanders.
- ***Wavemaker Fellowships.*** The Budget includes \$2.6 million from general revenues to fund the student loan forgiveness program enacted in 2015 that provides up to four years of loan forgiveness for employees with degrees in the fields of life, natural, or environmental sciences; computer technology; engineering; medicine; health care; and teaching who are working for Rhode Island employers. The Budget extends the sunset one year to December 31, 2026 and allows for broader eligibility for certain healthcare applicants. This funding level is expected to be sufficient for existing cohorts and to enable the addition of approximately 265 new fellows during FY 2026; the previous cohort comprised 262 fellows.

## Education and Arts

- ***Out-of-School Time Education Providers.*** The Budget includes \$1.3 million from general revenues to support out-of-school time programming as part of the Governor’s Learn365RI initiative. The FY 2025 final budget includes \$3.0 million from general revenues and \$4.0 million from State Fiscal Recovery funds.
- ***Child Opportunity Zones.*** The Budget includes the FY 2025 enacted level of \$395,000 from general revenues to support child opportunity zones through agreements with the Department of Elementary and Secondary Education to strengthen education, health, and social services for students and their families as a strategy to accelerate student achievement.
- ***Davies School Renovations.*** The Budget includes \$39.5 million from Rhode Island Capital Plan funds for significant renovations to the 1970s wing of the Davies Career and Technical School. This is \$4.5 million more than the approved plan, reflecting a necessary roof replacement.
- ***City Year.*** The Budget includes the FY 2025 enacted level of \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individual support to at-risk students.
- ***Fort Adams Trust.*** The Budget includes the FY 2025 enacted level of \$30,000 from general revenues to support the Fort Adams Trust’s restoration activities.
- ***WaterFire Providence.*** The Budget includes the FY 2025 enacted level of \$400,000 from general revenues to support operational costs of WaterFire Providence art installations.
- ***Arts Funds.*** The Budget includes the FY 2025 enacted level of \$0.8 million from general revenues for grant awards through the Rhode Island State Council on the Arts.
- ***Slave History Medallions Grant.*** The Budget includes the FY 2025 enacted level of \$25,000 from general revenues for a grant to the nonprofit Rhode Island Slave History Medallions to raise public awareness for sites connected to the history of slavery.
- ***Council for the Humanities.*** The Budget includes the FY 2025 enacted level of \$100,000 from general revenues for the Rhode Island Council for the Humanities, the state’s designated National Endowment for the Humanities organization, to provide direct grants to civic and cultural organizations throughout the state.
- ***We the People National Championship.*** The Budget includes the FY 2025 enacted level of \$50,000 from general revenues to cover the costs for Rhode Island’s participation in the We the People Civics Challenge.

## Public Safety

- ***Department of Corrections Efficiencies.*** The Budget includes \$1.6 million in efficiency savings within the Department of Corrections to partially replace the Governor’s proposed \$6.2 million of savings associated with closing Minimum Security. A feasibility study conducted in March 2025 indicated a requirement for at least \$67.1 million in capital upgrades to implement the proposal.
- ***Behavioral Management Unit.*** The Budget includes the FY 2025 enacted amount of \$4.2 million from general revenues to establish a pilot behavioral management unit for the Department of Corrections to provide psychiatric treatment for individuals who need specialized clinical intervention. The Department is a defendant in several federal lawsuits challenging the housing of seriously and persistently mentally ill individuals in a restrictive housing setting. Funds are intended to provide more appropriate

accommodations. The pilot began operation in January 2025. The capital plan also includes the approved amount of \$10.8 million from Rhode Island Capital Plan funds from FY 2025 through FY 2027 to construct a behavioral management unit.

- **ARPA - Support for Survivors of Domestic Violence.** The FY 2025 final budget includes \$9.3 million from State Fiscal Recovery funds to provide supportive services to victims of domestic violence and assault. No funds were spent in FY 2023; \$1.1 million was spent in FY 2024.
- **ARPA - Municipal Public Safety Infrastructure.** The final budget includes \$7.3 million from State Fiscal Recovery funds for FY 2025 to provide a pool of matching funds for municipal public safety infrastructure projects, subject to certain limitations. Through FY 2024, \$3.7 million has been spent, for the total approved amount of \$11.0 million.
- **GO Team Support.** The Assembly included the FY 2025 enacted level of \$0.4 million from general revenues for the Family Service of Rhode Island's GO Team program. The team consists of trauma experts who co-respond on the scene with police to support children who are victims of violence and other traumas.
- **Attorney General Staffing.** The Budget adds 4.0 full-time equivalent positions and \$0.8 million from restricted receipts to increase the capacity of the Office of the Attorney General's Civil Division.
- **Indigent Defense Program.** The Budget includes \$7.9 million from general revenues for the Judiciary's indigent defense program for each FY 2025 and FY 2026. This is \$1.8 million more than enacted for FY 2025.
- **Rhode Island Legal Services.** The Budget includes the FY 2025 enacted level of \$90,000 from general revenues for Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- **Rhode Island Coalition Against Domestic Violence.** The Budget includes the FY 2025 enacted level of \$500,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project.
- **Judicial Asset Protection.** The Budget includes \$7.6 million from Rhode Island Capital Plan funds for FY 2026 through FY 2030 for ongoing asset protection projects at judicial buildings, including security upgrades, courtroom restoration, fire suppression and alarm system upgrades, interior refurbishments to public areas and office spaces, lighting, and elevator upgrades. This is consistent with approved funding levels.
- **Garrahy Judicial Complex.** The Budget includes \$3.5 million from Rhode Island Capital Plan funds, consistent with the approved funding, to restore the Garrahy Judicial Complex for FY 2025 through FY 2027, including repairing tiles, replacing flooring and carpets, repainting, woodwork, and refurbishing bathrooms.
- **New Southern Barracks.** The Budget includes the approved amount of \$41.4 million from Rhode Island Capital Plan funds for the construction of a new Southern Barracks for the State Police.
- **Fire Academy Expansion.** The Budget includes \$11.0 million from Rhode Island Capital Plan funds to expand the State Fire Academy in Exeter, which is \$2.7 million more than enacted based on updated estimates. It includes \$2.5 million for FY 2025, \$7.0 million for FY 2026, and \$1.0 million for FY 2027.
- **Aviation Readiness Center.** The capital budget includes \$67.4 million, including \$51.8 million from federal funds and \$15.6 million from Rhode Island Capital Plan funds, to construct a National Guard Readiness Center to support training, administrative, and logistical requirements of the 1-126 Aviation Unit

of the Rhode Island Army National Guard. This is \$17.6 million more than the approved plan, including \$12.1 million from Rhode Island Capital Plan funds, to account for cost increases and an increased state share as required by the National Guard Bureau.

- ***Squadron Operations Facility.*** The capital budget includes the approved amount of \$3.4 million, including \$2.8 million from federal funds and \$0.6 million from Rhode Island Capital Plan funds, to renovate and upgrade the Air National Guard's Repair Squadron Operations Facility in Quonset.
- ***Quonset Airway Runway Reconstruction.*** The capital budget includes \$58.1 million, including \$3.1 million from Rhode Island Capital Plan funds, to reconstruct and upgrade runway 16-34 at Quonset State Airport to military specifications. Based on Airport Corporation administrative costs, the capital budget is \$0.1 million more from Rhode Island Capital Plan funds than the approved plan.
- ***Quonset Air National Guard Headquarters Facility.*** The capital budget includes \$38.6 million, including \$3.0 million from Rhode Island Capital Plan funds, to construct an operations, training, medical, and dining facility on an empty lot at the Quonset Air National Guard Base. Leadership, medical, and support staff would relocate from the current facility. The capital budget is \$0.6 million more from federal funds than the approved plan and extends completion by one year to FY 2026. Construction began in FY 2024 and is expected to be completed by October 2025.
- ***Sun Valley Armory.*** The capital budget includes \$7.2 million, including \$0.8 million from Rhode Island Capital Plan funds, to construct additional armory and storage space for sensitive equipment at the Sun Valley Armory. State funds will be used for any unforeseen costs above federal appropriations. The capital budget is \$0.4 million less than the approved plan to reflect revised costs.

## **Climate**

- ***ARPA - Electric Heat Pumps.*** The 2024 Assembly authorized \$25.0 million from State Fiscal Recovery funds to support low- and moderate-income households and community organizations in purchasing and installing energy-efficient electric heat pumps. The Office of Energy Resources began accepting applications for the program on September 5, 2023, and \$10.4 million has been allocated. The final budget includes \$14.0 million for FY 2025. This will close out the program at \$24.4 million; the state has since received \$63.8 million for home electrification and appliance rebates.
- ***Office of Energy Resources.*** The Budget reflects the Office of Energy Resources as a standalone agency. Its budget has been assigned to the Department of Administration for administrative purposes since 2008. The Assembly provided \$68.4 million and \$76.3 million for FY 2025 and FY 2026, respectively. It authorized staffing of 17.0 full-time equivalent positions for FY 2026, which is 1.0 more than the final budget for FY 2025.
- ***Executive Climate Change Coordinating Council.*** The Budget maintains annual funding of up to \$1.5 million from restricted receipts for the Council's project.

## **Environment**

- ***Underground Storage Tank Trust Fund.*** The Budget requires the transfer of \$3.0 million from the Underground Storage Tank Trust Fund to state general revenues by June 30, 2025.
- ***Seafood Marketing Collaborative.*** The Budget includes the FY 2025 enacted level of \$100,000 from general revenues to support local fishermen and small businesses and increase public awareness and consumption of local seafood products.

- ***Local Agriculture and Seafood Program.*** The Budget includes the FY 2025 enacted level of \$500,000 from general revenues for the local agriculture and seafood program grants for small businesses in the food sector.
- ***Litter Removal.*** The Budget includes the FY 2025 enacted level of \$100,000 from general revenues to support a new Litter-Free Rhody initiative to encourage the removal of trash and litter from state parks, beaches, and management areas.
- ***Conservation Districts.*** The Budget includes the FY 2025 enacted level of \$180,000 from general revenues for regional conservation districts. The districts are quasi-public subdivisions of state government, governed by volunteer boards of directors from the communities. This was increased from \$100,000 by the 2024 Assembly.
- ***Wildlife Clinic of Rhode Island.*** The Budget includes the FY 2025 enacted level of \$100,000 from general revenues to the Wildlife Rehabilitators Association of Rhode Island for a veterinarian at the Wildlife Clinic of Rhode Island.
- ***Marine Mammal Emergency Response.*** The Budget includes the FY 2025 enacted level of \$150,000 from general revenues to support rescue and rehabilitation programs for marine mammals that become stranded in Rhode Island waters.
- ***Facilities Asset Protection.*** The Budget includes \$0.8 million annually from Rhode Island Capital Plan funds for asset protection at parks and recreation facilities, consistent with approved funding levels.
- ***Fish and Wildlife Facilities.*** The Budget includes \$5.1 million from all sources for repairs and renovations to the Division of Fish and Wildlife facilities. This includes annual payments of \$0.2 million from Rhode Island Capital Plan funds matched with annual payments of \$0.6 million from federal grants from the Department of Interior.
- ***Fort Adams.*** The Budget includes annual support of \$500,000 from Rhode Island Capital Plan funds for the restoration and renovation of Fort Adams in Newport, consistent with the approved plan. It adds \$500,000 for an additional year of funding.
- ***Port of Galilee Rehabilitation.*** The Budget includes \$74.1 million from Rhode Island Capital Plan funds for facilities and infrastructure improvements at the Port of Galilee. The project includes repairing and/or replacing the 1,500-foot-long northern bulkhead section, replacing commercial fishing docks, and updating marine infrastructure and utility services. This reflects the addition of \$1.5 million annually from FY 2028 through the post-FY 2030 period for ongoing asset protection projects.
- ***Recreational Facility Improvements.*** The Budget includes \$74.1 million through FY 2030 for ongoing plans to address a variety of major capital development projects at state parks, beaches, and campgrounds. Funding includes \$44.1 million from Rhode Island Capital Plan funds, \$19.5 million from federal funds, and \$33.0 million from general obligation bonds. This is consistent with approved funding through FY 2029 and adds \$2.5 million for an additional year.
- ***Confined Aquatic Dredged Material Disposal Cells.*** The Assembly authorized \$23.0 million through Certificates of Participation for the construction of confined aquatic disposal cells for dredged material. This is part of a \$116.7 million project that includes \$11.4 million from Rhode Island Capital Plan funds, \$81.7 million from federal funds, and \$0.6 million from Dredge Fund balances. Total debt service on the borrowing is estimated to be \$36.9 million, supported by fees charged to marine operators for depositing dredged materials into these disposal cells and general revenues. The Budget also increases the minimum dredge fee from

\$11.65 to \$35.00 and redirects all fees to the Dredge Fund. Under current law, amounts up to \$11.65 are deposited as general revenues, with fees above that going to the Fund.

- ***South Coast Restoration.*** The Budget adds \$5.0 million from Rhode Island Capital Plan funds to FY 2026 for the South Coast Restoration project to repair the Charlestown Breachway, which was damaged in the 2023–2024 storms.
- ***Storm Tools.*** The Budget adds \$200,000 from general revenues to support technology applications used to help Rhode Island prepare for, respond to, and recover from coastal hazards.
- ***Municipal Resiliency.*** The capital budget includes \$10.0 million from general obligation bond funds approved by voters in November 2024, to provide grants to municipalities for projects that mitigate the effects of climate change. These projects aim to improve the resiliency of infrastructure and public safety in the face of increased flooding, major storm events, and environmental degradation.

## **Transportation**

- ***Truck Tolling Reimplementation.*** The Budget includes toll revenue of \$10.0 million for FY 2026, increasing to \$40.0 million for FY 2027 from the reimplementation of truck tolling. The U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute. The Department is in the process of obtaining a condition assessment of the gantry equipment, which will determine what equipment would need to be fixed and or replaced. It is also getting information to determine any of the changes needed to the tolling program. This information was not available as of June 2025.
- ***Washington Bridge Project.*** The Assembly provided an additional \$22.0 million from Rhode Island Capital Plan funds in FY 2027 to cover the updated state match required due to the increased costs. The contract was awarded in June, with construction starting in July.
- ***Highway Maintenance Account.*** The Assembly increased resources being deposited into the Highway Maintenance Account by establishing annual registration fees of \$200.00 for battery electric vehicles, \$100.00 for plug-in hybrid electric vehicles, and \$50.00 for hybrid electric vehicles. It also increased the current surcharges on licenses and most vehicle registrations from \$30.00 to \$40.00, effective January 1, 2026. The surcharges have not changed since 2016. These fee changes would generate \$6.7 million for FY 2026 and \$16.0 million for FY 2027. It also amended the allocation of the account to increase the Rhode Island Public Transit Authority's share of the funds.
- ***Gas Tax.*** The Assembly increased the motor fuel tax from the estimated current law amount of \$0.39 to \$0.41, including the one cent environmental protection fee, and dedicates the additional two cents to the Rhode Island Public Transit Authority. The budget assumed a \$4.359 million per penny yield for FY 2026.
- ***ARPA - RI Public Transit Authority - Operating Grant.*** The FY 2025 final budget includes the enacted amount of \$15.0 million from State Fiscal Recovery funds provided to assist the Authority with its projected operating deficit for FY 2025.
- ***RIPTA - Support.*** The Assembly adopted initiatives to increase resources available for transportation purposes and, in turn, increase the amount allocated to the Rhode Island Public Transit Authority. The Assembly provided a total of \$67.4 million from these sources to the Authority, which is \$15.4 million more than the Governor's recommendation; the additional resources are intended to assist the Authority with its projected operating deficit. It is also identifying efficiencies.

- ***Ride Anywhere.*** The Assembly required that the Authority maintains the expansion pilot known as Ride Anywhere.
- ***Public Transit Authority - Bus Match.*** The capital budget assumes the use of \$32.2 million in the five-year period, including \$6.4 million for FY 2026 from Authority sources to finance buses for the Rhode Island Public Transit Authority. A total of \$12.5 million from the Department of Transportation's share of highway maintenance funds had been used, including \$4.8 million for FY 2025 and \$4.6 million in FY 2024.
- ***Kingston Station Mobility Hub.*** The capital budget includes \$5.7 million, including \$1.1 million from Rhode Island Capital Plan funds for a new transit hub at the Kingston Station. The project has been revised to reflect this new location; it was previously assumed to be at the University of Rhode Island Kingston Campus. A feasibility review and conceptual design development are underway.
- ***ARPA - Municipal Roads Grant Program/RhodeRestore.*** The FY 2025 final budget includes the remaining \$23.2 million from State Fiscal Recovery funds for the Municipal Roads Grant Program, for which a municipal match of 67.0 percent is required. A total of \$27.0 million was approved for constructing and maintaining roads, sidewalks and bridges; \$3.8 million has been spent through FY 2024. The Assembly also made the program permanent and included \$6.5 million from transportation funds for FY 2026. It maintained the current match requirement and required that 25.0 percent of the funds be distributed equally and 75.0 percent be allocated proportionally based on each municipality's share of municipally maintained road miles, as determined by the most recent data available from the Department of Transportation. This is consistent with the prior distribution plan.
- ***ARPA - TBA Safety Barriers Study.*** The FY 2025 final budget includes \$0.6 million from State Fiscal Recovery funds for the Turnpike and Bridge Authority to conduct a study to identify and evaluate the options to prevent and address the risk of suicide on bridges under its purview. The studies have been completed. A total of \$1.8 million was approved, and \$1.1 million has been spent.
- ***Rhode Island Turnpike and Bridge Authority.*** The budgets include transfers of \$15.5 million in FY 2025 and \$15.3 million in FY 2026 from gasoline tax proceeds to the Turnpike and Bridge Authority for operations related to the four bridges under its purview.