

# House Fiscal Advisory Staff

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## 2025-5076, Substitute A As Recommended by the House Finance Committee



Submitted to the 2025 House of Representatives

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# **Introduction**

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# Introduction

This document provides information concerning the FY 2026 budget contained in 2025-H 5076, Substitute A, as passed out of the House Finance Committee on June 10. The sections that follow contain descriptions of the Committee’s recommended changes to the Governor and current law. Section I is a short summary of the budget.

Section II presents the changes to the Governor’s recommendations for FY 2026 introduced and referred to House Finance on January 16. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section III contains State Aid to Cities and Towns, Education Aid, Revenues Changes, and brief descriptions of the articles contained in 2025-H 5076, Substitute A.

Section IV contains the changes to the Governor’s revised budget which was included as Article 1 of 2025-H 5075, also submitted on January 16, but now incorporated into Article 13 of 2025-H 5076, Substitute A. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section V contains summary tables of general revenues by source, expenditures by agency, by fund source, and full-time equivalent positions. The expenditure and full-time equivalent positions tables show values for the FY 2025 enacted budget, the final FY 2025 budget as reported by the House Finance Committee, the Governor’s FY 2026 recommendations and the House Finance Committee’s recommendations.

The names of the House Fiscal Staff are listed below by their assignments. Please feel free to allow staff to assist you with any questions you may have concerning the budget.

## General Government Agencies

## Analyst

Department of Administration .....	Chantale Sarrasin
Office of Energy Resources .....	Chantale Sarrasin
Department of Business Regulation.....	Ethan Freiermuth
Executive Office of Commerce .....	Patrick Edwards
Rhode Island Cannabis Control Commission .....	Ethan Freiermuth
Department of Housing.....	Ethan Freiermuth
Department of Labor and Training .....	Patrick Edwards
Legislative Department.....	Liza Pinto
Department of Revenue .....	Sharon Reynolds Ferland
Lieutenant Governor .....	Liza Pinto
Secretary of State .....	Patrick Edwards
Office of the General Treasurer .....	Liza Pinto
Board of Elections.....	Patrick Edwards
Rhode Island Ethics Commission .....	Linda Haley
Office of the Governor.....	Liza Pinto
Commission for Human Rights .....	Ethan Freiermuth
Public Utilities Commission .....	Liza Pinto

## Human Services Agencies

Executive Office of Health and Human Services .....	Linda Haley
Department of Children, Youth and Families.....	Stanley Marczyk

Department of Health.....	Chantale Sarrasin
Department of Human Services .....	Linda Haley
Dept. of Behavioral Healthcare, Developmental Disabilities & Hospitals .....	Linda Haley
Office of the Child Advocate .....	Stanley Marczyk
Commission on the Deaf and Hard of Hearing.....	Chantale Sarrasin
Governor’s Commission on Disabilities .....	Chantale Sarrasin
Office of the Mental Health Advocate.....	Linda Haley

**Education Agencies**

Department of Elementary and Secondary Education .....	Stanley Marczyk
Public Higher Education .....	Liza Pinto
Rhode Island State Council on the Arts .....	Ethan Freiermuth
Rhode Island Atomic Energy Commission .....	Liza Pinto
Historical Preservation and Heritage Commission .....	Ethan Freiermuth

**Public Safety Agencies**

Attorney General.....	Stanley Marczyk
Department of Corrections.....	Ethan Freiermuth
Judicial Department .....	Ethan Freiermuth
Military Staff.....	Patrick Edwards
Rhode Island Emergency Management Agency .....	Liza Pinto
Department of Public Safety .....	Liza Pinto
Office of the Public Defender .....	Stanley Marczyk

**Natural Resources Agencies**

Department of Environmental Management.....	Liza Pinto
Coastal Resources Management Council.....	Liza Pinto
Rhode Island Infrastructure Bank .....	Patrick Edwards
Narragansett Bay Commission .....	Liza Pinto
Rhode Island Resource Recovery Corporation.....	Liza Pinto

**Transportation Agencies**

Department of Transportation.....	Chantale Sarrasin
Rhode Island Public Transit Authority .....	Chantale Sarrasin
Rhode Island Airport Corporation .....	Chantale Sarrasin
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# **Section I Overview**

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## Summary

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>Expenditures by Function*</b>				
General Government	\$ 2,286.0	\$ 2,772.1	\$ 2,354.9	\$ 2,301.1
Human Services	6,265.9	6,286.1	6,431.2	6,476.6
Education	3,483.3	3,551.6	3,584.7	3,615.5
Public Safety	888.6	921.0	824.0	879.5
Natural Resources	149.9	161.6	170.1	179.3
Transportation	889.6	1,075.3	851.2	882.8
<b>Total</b>	<b>\$ 13,963.2</b>	<b>\$ 14,767.6</b>	<b>\$ 14,216.1</b>	<b>\$ 14,334.7</b>
<b>Expenditures by Category*</b>				
Salaries and Benefits	\$ 2,107.1	\$ 2,148.1	\$ 2,240.6	\$ 2,259.1
Contracted Services	620.0	598.4	569.3	524.5
<b>Subtotal</b>	<b>\$ 2,727.1</b>	<b>\$ 2,746.5</b>	<b>\$ 2,809.8</b>	<b>\$ 2,783.7</b>
Other State Operations	1,198.3	1,239.1	1,225.0	1,228.6
Aid to Local Units of Government	2,102.7	2,141.2	2,108.1	2,133.7
Assistance, Grants, and Benefits	6,393.2	6,834.3	6,679.4	6,772.2
Capital	1,014.4	1,219.0	867.9	882.3
Capital Debt Service	271.6	265.8	284.8	284.8
Operating Transfers	256.0	321.8	241.1	249.5
<b>Total</b>	<b>\$ 13,963.2</b>	<b>\$ 14,767.6</b>	<b>\$ 14,216.1</b>	<b>\$ 14,334.7</b>
<b>Sources of Funds*</b>				
General Revenue	\$ 5,594.9	\$ 5,597.6	\$ 5,743.1	\$ 5,807.8
Federal Aid	5,066.5	5,612.7	5,090.2	5,108.5
Restricted Receipts	463.1	491.6	446.2	455.0
Other	2,838.7	3,065.7	2,936.6	2,963.4
<b>Total</b>	<b>\$ 13,963.2</b>	<b>\$ 14,767.6</b>	<b>\$ 14,216.1</b>	<b>\$ 14,334.7</b>
<b>FTE Authorization</b>	<b>15,772.8</b>	<b>15,772.8</b>	<b>15,806.8</b>	<b>15,920.8</b>

*\*Data in millions*

The Governor's budget recommendations for FY 2026 are contained in 2025-H 5076, introduced on January 16, 2025, which is the day it was due by law. Supporting documents required as part of that submission were made available with the introduction.

The Governor recommends a total FY 2026 budget of \$14,216.1 million. Total expenditures increase by \$252.8 million from the FY 2025 budget enacted by the 2024 Assembly, or 1.8 percent. His FY 2025 revised budget totals \$14,933.2 million; final FY 2024 expenditures were \$13,030.0 million.

The recommended budget includes \$5,743.1 million of expenditures funded from general revenues, \$148.2 million, or 2.6 percent more than the enacted general revenue funded budget. This is also \$132.4 million more than his revised recommendation.

<b>FY 2026</b>	<b>General Revenue</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>All Funds</b>
FY 2025 Enacted	\$ 5,594.9	\$ 5,066.5	\$ 463.1	\$ 2,838.7	\$ 13,963.2
Governor	5,743.1	5,090.2	446.2	2,936.6	14,216.1
Change to Enacted	\$ 148.2	\$ 23.7	\$ (16.9)	\$ 97.9	\$ 252.8
Percent Change	2.6%	0.5%	-3.7%	3.4%	1.8%
<b>FY 2026 HFC</b>	<b>\$ 5,807.8</b>	<b>\$ 5,108.5</b>	<b>\$ 455.0</b>	<b>\$ 2,963.4</b>	<b>\$ 14,334.7</b>
Change to Enacted	213.0	41.9	(8.2)	124.7	371.5
Percent Change	3.8%	0.8%	-1.8%	4.4%	2.7%
Change to Governor	\$ 64.8	\$ 18.3	\$ 8.8	\$ 26.8	\$ 118.6
Change to FY 2025	\$ 210.2	\$ (504.2)	\$ (36.7)	\$ (102.3)	\$ (432.9)
Percent Change to FY 2025	3.8%	-9.0%	-7.5%	-3.3%	-2.9%
Change to FY 2024	\$ 571.7	\$ 172.7	\$ (18.7)	\$ 579.7	\$ 1,305.5
Percent Change to FY 2024	10.9%	3.5%	-4.0%	24.3%	10.0%

*\$ in millions*

<b>FY 2025 Revised</b>	<b>General Revenue</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>All Funds</b>
FY 2024 Final	\$ 5,334.9	\$ 5,608.3	\$ 435.7	\$ 2,753.6	\$ 14,132.5
FY 2024 Audit	5,236.1	4,935.7	473.7	2,383.7	13,029.2
Difference	\$ (98.8)	\$ (672.6)	\$ 38.0	\$ (370.0)	\$ (1,103.3)
FY 2025 Enacted	\$ 5,594.9	\$ 5,066.5	\$ 463.1	\$ 2,838.7	\$ 13,963.2
Governor's FY 2025 Revised	5,610.7	5,660.4	491.0	3,171.1	14,933.2
Governor's Change to Enacted	\$ 15.8	\$ 593.8	\$ 27.8	\$ 332.5	\$ 970.0
Percent Change	0.3%	11.7%	6.0%	11.7%	6.9%
<b>FY 2025 HFC</b>	<b>\$ 5,597.6</b>	<b>\$ 5,612.7</b>	<b>\$ 491.6</b>	<b>\$ 3,065.7</b>	<b>\$ 14,767.6</b>
Change to Enacted	2.7	546.1	28.5	227.0	804.4
Percent Change	0.0%	10.8%	6.2%	8.0%	5.8%
Change to Governor	\$ (13.1)	\$ (47.7)	\$ 0.7	\$ (105.5)	\$ (165.6)
Change to FY 2024	\$ 361.5	\$ 676.9	\$ 17.9	\$ 682.0	\$ 1,738.4
Percent Change to FY 2024	6.9%	13.7%	3.8%	28.6%	13.3%

*\$ in millions*

General revenue expenditures recommended by the Committee are \$213.0 million, or 3.8 percent more than general revenues appropriated for FY 2025 by the 2024 Assembly. General revenue expenditures are \$210.2 million more than the FY 2025 revised budget, also contained in 2025-H 5076, Substitute A.

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. Most of the difference from the subsequent Budget Office estimate was due to expenditure assumptions, primarily for recently settled employee contracts that included pay raises in both FY 2025 and FY 2026. There were also differences in some assumptions regarding human services and education aid.

The November consensus estimate shows 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.

The Governor's revised budget makes other revisions to spending and revenue assumptions based on updated information or policy choices that further increase available resources in FY 2025. The revised budget, as recommended, assumes \$187.3 million to be available for use in FY 2026. The Governor's FY 2026 budget uses those one-time surplus general revenues to fund ongoing operating expenses.

His budget follows the traditional Rhode Island budgeting practice of assuming passage of legislation submitted with the budget and approval by requisite federal agencies of changes under their purview. Should any of that legislation not pass; the budget will be significantly unbalanced.

Additionally, 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. In the months that followed, it became clear that federal action presented a significant unknown for the state budget, which relies heavily on funding from federal programs and is closely tied to federal tax policy.

The House Finance Committee recommends that the Administration establish advisory working groups to study and report on the impacts of pending federal changes to tax policy, Medicaid, or other federal grants, as well as options for addressing those changes. The budget recommendations also recognize these uncertainties in other policy choices.

The May revenue conference noted a combined revenue increase of \$80.2 million compared to November. The concurrent caseload conference reflected some changes in expenditures in both years as well. These changes, in concert with items already included in the Governor's budget, meant there would be about \$65 million more in available resources over the two-year period. Also, information provided through required quarterly reporting and requested amendments from the Governor highlighted other changes needed, including significant increases for updated education aid data and labor contract agreements that substantially exceeded amounts budgeted. Also, some savings proposals appeared to be unachievable.

The Committee's recommendation accounts for these items and makes increased investments in primary care, nursing homes, and hospitals, some of which are funded from new revenue sources. It also restores some local aid reductions and makes other targeted revenue increases to support transportation, housing, and homelessness, and to increase revenues to municipalities.

The descriptions that follow represent a selection of budget items of interest. Additional items and further information are contained in the sections describing the changes to the Governor's budget, budget article explanations, revenues, housing, and aid reports.

### **Commerce and Workforce**

- ***Air Service Development Fund.*** The Governor's 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. The 2023 Assembly provided a one-time \$2.3 million capitalization. There is no proposed change to the December 31, 2027 sunset date. The House Finance Committee concurs.

- **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 Governor’s budget includes the remaining \$43.0 million; \$2.0 million was spent in FY 2024. The House Finance Committee concurs.
- **Minority Business Accelerator.** The Governor’s 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 to provide 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 Governor does not include general revenues beyond FY 2025. The House Finance Committee concurs.
- **ARPA - Small Business Technical Assistance.** The Governor’s budget includes the \$2.5 million remaining from 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. The House Finance Committee concurs.
- **ARPA Capital - Last-Mile Broadband.** The Governor’s budget includes \$25.8 million from Capital Projects funds to expand reliable, high-speed internet. The program provides municipalities, public housing authorities, businesses, and internet service providers with funding to expand internet access to underserved communities. Funds provide a state match and additional support for projects applying for at least \$108.7 million in federal broadband funds that Rhode Island is eligible for under the Infrastructure Investment and Jobs Act. The total is \$0.8 million higher and incorporates administrative costs associated with this project that were previously budgeted separately. The House Finance Committee concurs.
- **ARPA - Assistance to Impacted Industries.** The Governor’s 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 revised recommendation includes the remaining \$2.0 million. The House Finance Committee concurs.
- **Blackstone Valley Visitor Center.** The Governor’s budget includes \$75,000 from general revenues to support the operation of the Blackstone Valley Visitor Center. The House Finance Committee concurs.
- **Chafee Center at Bryant.** The Governor’s budget includes the enacted amount of \$476,200 from general revenues for the Chafee Center at Bryant University. As the state’s designated State International Trade Office, its consultants work with local companies to offer guidance and advice to initiate and/or develop international trade opportunities. The House Finance Committee concurs.
- **Commerce Corporation - Operations.** The Governor’s 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. The House Finance Committee concurs.
- **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. All funds were spent by FY 2024, and the FY 2025 enacted budget allocated \$1.4 million from general revenues to continue the program. The Governor recommends the same funding for FY 2026. The House Finance Committee concurs.

- ***East Providence Waterfront Commission.*** The Governor’s budget includes the enacted amount of \$50,000 from general revenues for the East Providence Waterfront Commission. The House Finance Committee concurs.
- ***Experimental Program to Stimulate Competitive Research (EPSCoR).*** The Governor’s 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. The House Finance Committee concurs.
- ***First Wave Closing Fund.*** The Governor proposes to extend the sunset for the First Wave Closing Fund one year to December 31, 2026. Prior appropriations to the Fund, net of amounts recaptured, total \$20.3 million and are intended to provide flexible financing for transactions deemed critical to the state’s economy. Through 2024, \$19.8 million has been awarded to 13 recipients, including \$7.8 million to support the redevelopment of 111 Westminster Street. The House Finance Committee concurs.
- ***I-195 Redevelopment Fund.*** The Governor’s budget proposes to extend the sunset for the I-195 Redevelopment Fund one year to December 31, 2026. The Fund received a total of \$30.0 million from general revenues in recent years to provide developers and businesses with financing for capital investment, including land acquisition to promote the development of the former highway land administered by the I-195 Redevelopment District Commission. The Commission had active commitments of \$24.5 million as of December 2024. The House Finance Committee concurs.
- ***I-195 Redevelopment District Commission.*** The Governor’s budget includes the enacted amount of \$1.2 million from general revenues for operation expenses of the I-195 Redevelopment District Commission. The House Finance Committee concurs.
- ***I-195 Redevelopment Commission Capital.*** The Governor’s 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. The House Finance Committee concurs.
- ***Industrial Site Development.*** The Governor’s budget includes the \$40.0 million from general obligation bond proceeds approved by the voters in March 2021 for an initiative administered by the Quonset Development Corporation to provide small grants for pre-development purposes and competitively fund other projects to acquire industrial sites and develop facilities that create job-producing activities. The House Finance Committee concurs.
- ***Innovation Campus Bond.*** The Governor’s budget includes the \$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. The House Finance Committee concurs.
- ***Innovation Initiative.*** The Governor’s 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 budget provided \$1.0 million from general revenues for additional awards. The House Finance Committee concurs.
- ***Innovation Ecosystem.*** The Governor’s 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. The House Finance Committee concurs.

- ***Main Streets Revitalization.*** The Governor’s budget extends the sunset date of the Main Street RI Streetscape Improvement Fund one year to December 31, 2026, and provides no additional funding. The 2015 Assembly authorized the Commerce Corporation to award loans, matching grants, and other forms of financing to enhance sidewalks, wayfinding signage, and lighting to create an attractive environment in local business districts. The program has been appropriated \$10.0 million, including \$1.0 million by the 2024 Assembly. The House Finance Committee concurs.
- ***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. There is no proposed change to the December 31, 2025 sunset date. The House Finance Committee concurs.
- ***Polaris Manufacturing Extension Partnership.*** The Governor’s budget includes the enacted amount of \$500,000 from general revenues for the Polaris Manufacturing Extension Partnership to support Rhode Island manufacturers by continuing to deploy technical experts to provide LEAN training facility layouts and aid in manufacturing optimization. The House Finance Committee concurs.
- ***ARPA - Port of Davisville.*** The Governor’s 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. The House Finance Committee concurs.
- ***Port of Davisville Modernization.*** The Governor’s budget includes \$20.0 million of 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. The House Finance Committee concurs.
- ***Port of Providence.*** The Governor’s 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. The House Finance Committee concurs.
- ***Quonset Infrastructure.*** The Governor’s budget includes \$7.5 million from Rhode Island Capital Plan funds for a new project 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. The House Finance Committee concurs.
- ***PFAS Mitigation at Quonset Business Park.*** The Governor’s 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. The House Finance Committee concurs.
- ***Small Business Innovation Research.*** The Governor’s budget includes the enacted amount of \$1.0 million from general revenues to support the Innovate RI Small Business Fund and the Bioscience and Engineering Internship programs. The House Finance Committee concurs.
- ***Unemployment Insurance Administration.*** The Governor’s revised recommendation adds \$250,000 from general revenues to supplement support for administrative costs for the unemployment insurance program, including the Board of Review and the Employer Tax Unit. Historically, administrative costs

have been entirely funded through federal funds and restricted sources. The House Finance Committee does not concur.

- **Urban Ventures.** The Governor’s budget includes the enacted amount of \$140,000 from general revenues for Urban Ventures, a 501(c)(3) urban minority business incubator. This is assumed to satisfy the state’s responsibility to support a non-profit urban business incubator, pursuant to Rhode Island General Law, Section 42-64-13.1(e). The House Finance Committee concurs.
- **Real Jobs RI.** The Governor recommends \$13.3 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. His budget assumes \$2.3 million in new funding would be available from extending the assessment to large non-profit employers who are not currently subject to this charge. The House Finance Committee does not concur with the new non-profit assessment.
- **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 Governor’s budget includes the final \$5.9 million for FY 2025; \$24.1 million was spent through FY 2024. The House Finance Committee concurs.
- **Small Business Development Center.** The Governor’s budget includes the enacted amount of \$700,000 from general revenues for the Small Business Development Center at the University of Rhode Island. The House Finance Committee concurs.

## Housing

- **ARPA - Affordable Housing Development.** The Governor’s budget maintains the authorized amount of \$100.0 million 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. Of this amount, \$10.0 million supports a pilot program for low income public housing vouchers and financing. For FY 2025, \$60.1 million remains to be spent, but nearly all of it has been awarded. The House Finance Committee concurs.
- **ARPA - Home Repair and Community Revitalization.** The Governor’s budget maintains the authorized amount of \$24.5 million from State Fiscal Recovery funds to support critical home repairs, redeveloping residential or commercial properties, and public and community spaces. For FY 2025, \$17.5 million remains to be spent but only \$4.5 million remains to be awarded for home repairs. The House Finance Committee concurs.
- **ARPA - Site Acquisition.** The Governor’s budget maintains the authorized amount of \$25.0 million 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. For FY 2025, \$1.5 million remains to be spent, and all funds have been awarded. The House Finance Committee concurs.
- **ARPA - Workforce Housing.** The Governor’s budget maintains the \$20.0 million authorization from State Fiscal Recovery funds to increase the housing supply for Rhode Island families earning up to 120 percent of area median income. For FY 2025, \$16.3 million remains to be spent, but as of October 2024, only \$1.5 million remains to be awarded and is subject to a request for proposals. The House Finance Committee concurs.

- **ARPA - Homelessness Infrastructure.** The Governor’s budget maintains the \$45.0 million authorization 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. For FY 2025, \$17.6 million remains to be spent, but as of September 2024, only \$13.5 million remains to be awarded. The House Finance Committee concurs.
- **ARPA - Homelessness Assistance Program.** The Governor’s budget maintains the \$38.8 million from State Fiscal Recovery funds authorized 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 and are programmed for FY 2025; \$15.7 million has been disbursed as of the end of FY 2024. The House Finance Committee concurs.
- **ARPA - Housing Strategic Plan.** The Governor’s budget maintains the \$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. The House Finance Committee concurs.
- **ARPA - Affordable Housing Capacity.** The Governor’s budget includes the enacted amount of \$1.5 million 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 achievement of these efforts. For FY 2025, \$0.3 million remains to be spent and all funds have been obligated; the Department submitted its first report in March 2023 and has not submitted a report since July 2023. The House Finance Committee concurs.
- **ARPA - Targeted Housing Development.** The Governor’s budget maintains 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 and are programmed for FY 2025. The House Finance Committee concurs.
- **ARPA - Housing Related Infrastructure.** The Governor’s budget includes the enacted 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 and are programmed for FY 2025. The House Finance Committee concurs.
- **ARPA - Municipal Homelessness Support Initiative.** The Governor’s budget includes the enacted amount of \$2.2 million 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. For FY 2025, \$1.9 million remains to be spent, but as of December 2024, only \$0.1 million remains to be obligated. The House Finance Committee concurs.
- **ARPA - Municipal Planning.** The Governor’s budget includes \$3.3 million, including the enacted amount of \$2.3 million from State Fiscal Recovery funds to award grants to support municipal planning efforts. This includes \$1.3 million for a municipal fellows program and \$1.0 million for transit- and zoning-related grants to municipalities. For FY 2025, no funds have been spent, but all municipal fellows funds have been awarded. The House Finance Committee concurs.

- **ARPA - Proactive Housing Development.** The Governor’s budget maintains 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. The House Finance Committee concurs.
- **ARPA - Preservation of Affordable Units.** The Governor’s budget includes the enacted amount of \$0.5 million from State Fiscal Recovery funds to preserve affordable housing units at risk of foreclosure and blight. All funds have been awarded and are programmed for FY 2025. The House Finance Committee concurs.
- **Statewide Mandatory Rental Registry.** The Governor’s FY 2025 revised 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 includes \$0.7 million for annual maintenance and operating costs of the registry. The House Finance Committee concurs.

## Health Insurance

- **ARPA - HealthSource RI Automatic Enrollment.** The revised budget includes the remaining \$0.2 million from State Fiscal Recovery funds for HealthSource RI to automatically enroll qualified individuals transitioning off Medicaid at the end of the COVID-19 emergency into a qualified public health plan. Of the \$1.6 million, \$1.4 million was spent through FY 2024 to support two months of premiums and information technology upgrades to the Unified Health Infrastructure Project. The House Finance Committee concurs.
- **Health Insurance Market Integrity Fund.** The Governor’s 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. The House Finance Committee concurs.
- **HealthSource RI.** The Governor’s FY 2026 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 Governor’s revised budget includes savings of \$1.5 million from general revenues, reflecting the use of agency sources. The House Finance Committee concurs.

## State Government

- **Artificial Intelligence Pilot Project.** The Governor recommends \$750,000, to be funded through agency charges, to purchase desktop artificial intelligence applications on a voluntary basis for certain state agencies. The House Finance Committee concurs.
- **Group Home Replacement and Rehabilitation.** The Governor recommends 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. The House Finance Committee concurs.
- **Treasury Cybersecurity Manager.** The Governor recommends \$0.2 million from various sources, including general revenues, to fund a new cybersecurity manager position for the Office of the General Treasurer. The House Finance Committee concurs.

- ***Unemployment Benefits.*** The Governor’s 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 revised recommendation. The House Finance Committee concurs.
- ***Temporary Insurance Payments.*** The Governor’s 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. The House Finance Committee concurs.
- ***Police and Fire Relief Fund.*** The Governor’s 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. The House Finance Committee concurs.
- ***Rhode Island Historical Society.*** The Governor recommends the enacted amount of \$125,000 in general revenue support for the Rhode Island Historical Society. The House Finance Committee concurs.
- ***Newport Historical Society.*** The Governor recommends the enacted amount of \$18,000 in general revenue support for the Newport Historical Society. The House Finance Committee concurs.
- ***Rhode Island Black Heritage Society.*** The Governor’s budget includes the enacted amount of \$25,000 from general revenues to support the Rhode Island Black Heritage Society. The House Finance Committee concurs.
- ***Semiquincentennial Commission.*** The Governor’s budget includes \$0.4 million from general revenues for the Semiquincentennial Commission, which is dedicated to preparing commemorative celebrations for the 250th anniversary of the founding of the United States. This supports one staff person and program funding consistent with the FY 2025 allocation. The House Finance Committee concurs.
- ***Contingency Fund.*** The Governor’s budget includes the enacted amount of \$150,000 from general revenues for the Governor’s Contingency Fund. The House Finance Committee concurs.

## **Public Health**

- ***ARPA - Operational Support.*** The Governor’s revised budget includes \$12.2 million from remaining State Fiscal Recovery funds for FY 2025 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. The House Finance Committee concurs.
- ***ARPA - Public Health Response Warehouse Support.*** The revised budget includes \$1.9 million for FY 2025 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 recommendation also includes \$0.6 million from general revenues for warehouse operations for FY 2025 and \$0.9 million for FY 2026. The House Finance Committee concurs.
- ***ARPA - Public Health Clinics.*** The FY 2025 revised 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. The House Finance Committee concurs.

- ***Certificate of Need.*** The Governor’s budget proposes changing the Department of Health’s certificate of need process for reviewing and approving new healthcare equipment and institutional health services to limit the entities and services subject to this requirement. Under this proposal, home care, home health, hospice, and outpatient surgical centers, as well as state healthcare projects, would be exempt. It also increases the capital expenditure threshold for review to \$50.0 million. The House Finance Committee does not concur.
- ***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. The House Finance Committee concurs.

## **Health and Human Services**

- ***Hospital Financing.*** The Governor’s budget includes \$333.8 million, of which \$99.2 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. This is \$47.1 million more than enacted, including \$9.1 million from general revenues. These increases are offset by reductions to the upper payment limit and disproportionate share payments that total \$32.0 million, including \$13.0 million from general revenues. Hospital license fee payments to the state would also increase by \$16.8 million. The House Finance Committee recommends restoring the upper payment limit reimbursement and concurs with the remainder of the recommendation.
- ***Hospital Rates.*** The Governor’s budget proposes to limit the rate increase for hospitals to 2.3 percent instead of the current law projection of 3.4 percent and 2.9 percent for inpatient and outpatient rates, respectively, included in the November Caseload Conference estimate. This produces savings of \$5.3 million for fee-for-service and managed care payments, of which \$1.7 million is from general revenues. The House Finance Committee does not concur and recommends the full statutory rate increase.
- ***Hospital Care Transitions Initiative.*** The Governor’s budget includes the enacted level of \$500,000, with half funded from general revenues for the Hospital Care Transitions Initiative. The 2024 Assembly added this funding to continue a prior program begun during the pandemic that addresses more expensive institutional placements, such as nursing homes, by transferring eligible individuals to less costly, more appropriate community-based alternatives. The House Finance Committee concurs.
- ***Medicaid Fraud, Waste, and Abuse.*** The Governor’s 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 budget adds \$1.2 million to support staff to achieve these savings, including \$0.7 million from general revenues. Staff would be added to the Program Integrity Unit in the Executive Office of Health and Human Services, and the Department of Administration. The House Finance Committee concurs.
- ***Medicaid Pharmacy Expenses.*** The Governor’s 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. The House Finance Committee concurs.
- ***Opioid Funds.*** The Governor’s budget includes \$43.3 million for FY 2025 and \$25.2 million for FY 2026 in the Department of Corrections and the health and human services agencies from assessments and

lawsuit settlements related to the opioid epidemic. Expenditures support prevention and treatment programs, recovery housing and new treatment facilities, and outreach and education programs. FY 2024 spending totaled \$15.3 million. The FY 2025 revised amount appears to be based on newly available resources rather than an updated spending plan. The House Finance Committee concurs.

- ***Gloria Gemma Breast Cancer Resource Foundation.*** The Governor recommends adding \$50,000 from general revenues to the Department of Health’s budget to support the Gloria Gemma Breast Cancer Resource Foundation’s new survivorship and well-being center in Lincoln. The House Finance Committee concurs.

- ***Cannabis Testing Oversight.*** The Governor recommends \$0.2 million from cannabis funds for a new data analyst position in the Department of Health to increase cannabis product testing, respond to compliance investigations, and ensure that products meet public health and safety standards. The House Finance Committee concurs.

- ***Human Services Fund Shift.*** The Governor’s FY 2026 budget assumes \$2.0 million of general revenue savings in the Department of Human Services by shifting personnel expenses from general revenues to the Temporary Assistance to Needy Families Block Grant funding. The House Finance Committee concurs.

### **Children and Families**

- ***Baby Bonds.*** The Governor recommends establishing a \$3,000 trust for each Rhode Island child under age one born to a family enrolled in the Rhode Island Works Program. Upon the child’s 18th birthday, they could withdraw the initial contribution and any investment earnings for eligible expenditures, such as higher education, purchase of an in-state home, or investment in a business. The program would apply to babies born on or after January 1, 2026, but would not go into effect until FY 2027. The estimated cost is \$0.8 million for FY 2027, which represents 18 months of births. It would cost \$0.5 million annually after that. The House Finance Committee does not concur.

- ***ARPA - Psychiatric Residential Treatment Facility.*** The Governor recommends making \$6.5 million from State Fiscal Recovery funds available for FY 2025 to expand and maintain a psychiatric residential treatment facility at Bradley Hospital. The Department of Children, Youth and Families originally contracted with St. Mary’s Home for Children to increase its capacity for these beds; that facility closed in August 2024, and unspent funds were recovered and reallocated. The House Finance Committee made no changes to this allocation, pending a final plan from the Department and Administration to address capacity for these youth.

- ***ARPA - Provider Workforce Stabilization.*** The Assembly 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 Governor’s FY 2025 revised recommendation includes \$2.0 million, which brings the total to \$24.5 million. The House Finance Committee concurs.

- ***Congregate Care and Out-of-State Placements.*** The Governor recommends \$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. The House Finance Committee concurs.

- ***Emergency Housing.*** The Governor recommends \$6.8 million in FY 2025 and \$6.1 million in FY 2026, all from federal funds, for emergency hotel housing for families for which housing is a barrier to

reunification. The recommendation assumes the Department of Children, Youth and Families can utilize available Temporary Assistance for Needy Families funds instead of general revenues. The FY 2024 final budget included expenses of \$6.3 million and assumed these federal funds would pay half. Final expenses were \$7.3 million and only included \$0.9 million from federal funds, as the Department indicated difficulty qualifying families to use this funding. The Governor's budget assumes a fund transfer to the Social Services Block Grant to ensure expenses qualify and excludes the \$1.8 million of general revenues enacted for this expense. The House Finance Committee concurs.

- ***Comprehensive Needs Study.*** The Governor recommends \$350,000 in FY 2025 and \$250,000 in FY 2026 for the Department of Children, Youth and Families to conduct a comprehensive needs study to identify areas of improvement. The House Finance Committee concurs.

- ***Residential Treatment Facilities.*** Consistent with the approved plan, the Governor recommends \$45.0 million from Rhode Island Capital Plan funds to construct a new residential treatment facility for females in Exeter. The facility is expected to be completed by Spring 2026. The House Finance Committee concurs with the Governor's amended recommendation to repurpose anticipated savings to include an additional facility to address in-state capacity for youth.

- ***RICHIST System Replacement.*** The Governor recommends \$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. The House Finance Committee concurs.

### **Community Services and Advocacy**

- ***Veterans' Programs and Services.*** The Governor recommends the enacted level of \$350,000 from general revenues for grants to organizations that provide veteran, active-duty military, and family support services in the community. This includes \$50,000 for Operation Stand Down, \$100,000 to support the Veterans Services Officers Program, and \$200,000 for entities to be determined by the Office of Veterans Services. The House Finance Committee concurs.

- ***Rhode Island Alliance of Boys and Girls Clubs.*** The Governor recommends 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. The House Finance Committee concurs.

- ***Day One.*** The Governor recommends the enacted level of \$300,000 from general revenues for Day One to provide outreach and supportive service programs relating to sexual assault. The House Finance Committee concurs.

- ***Substance Use and Mental Health Leadership Council.*** The Governor recommends the enacted level of \$100,000 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. The House Finance Committee recommends at total of \$150,000 from general revenues.

- ***Domestic Violence Prevention Activities.*** The Governor recommends the 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. The House Finance Committee concurs.

- ***Institute for the Practice and Study of Non-Violence.*** The Governor recommends the enacted level of \$250,000 from general revenues to support the Institute’s Violence Reduction Strategy program. The House Finance Committee concurs.
- ***United Way - 211.*** The Governor recommends the 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. The House Finance Committee concurs.
- ***Rhode Island Community Food Bank.*** The Governor recommends \$550,000 from general revenues for food collection and distribution through the community food bank. This is consistent with the FY 2024 enacted level and excludes the one-time \$250,000 increased funding provided for FY 2025. The House Finance Committee recommends adding \$450,000 for a total of \$950,000 in FY 2026.
- ***Community Action Agencies.*** The Governor recommends the enacted level of \$600,000 from general revenues to support services provided by the state’s community action agencies. The House Finance Committee concurs.
- ***Crossroads.*** The Governor recommends the enacted level of \$500,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues. The House Finance Committee concurs.
- ***Refugee Services.*** The Governor recommends the 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. The House Finance Committee concurs.
- ***Center for Southeast Asians.*** The Governor recommends the enacted level of \$25,000 from general revenues to support the Center for Southeast Asians. This is a community-based organization that provides education and job development, small business support, translation, and other social services to Rhode Island’s Southeast Asian community. The House Finance Committee concurs.
- ***Senior Services Support.*** The Governor recommends \$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. The House Finance Committee concurs.
- ***Meals on Wheels/Elderly Nutrition Services.*** The Governor recommends the enacted level of \$680,000 from general revenues for elderly nutrition services, which includes \$630,000 for Meals on Wheels. The House Finance Committee recommends a total of \$680,000 from general revenues for Meals on Wheels.
- ***Respite Care.*** The Governor recommends the enacted level of \$325,000 from general revenues to support the respite care program through the Diocese of Providence, also known as CareBreaks. The House Finance Committee concurs.
- ***Elder Housing Security.*** The Governor recommends eliminating the \$85,000 from general revenues provided to implement security housing measures in elderly housing complexes. The House Finance Committee concurs.
- ***Long Term Care Ombudsman.*** The Governor recommends 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. The House Finance Committee concurs.

- ***Child Support Enforcement Case Management Transition.*** The Governor recommends \$0.3 million, including \$102,000 from restricted receipts and \$198,000 from federal funds, to transition the Child Support Services Case Management System off the mainframe platform in FY 2026. The House Finance Committee concurs.
- ***Supplemental Nutrition Assistance Program – Healthy Incentives Pilot.*** The Governor maintains the total funding authorized for the Healthy Incentives Pilot but recommends swapping \$4.5 million from newly available State Fiscal Recovery funds for a portion of the general revenues. The House Finance Committee concurs.

## **Education and Arts**

- ***Rhode Island Promise Scholarship.*** The Governor recommends \$8.3 million from general revenues to support the Rhode Island Promise Scholarship at the Community College of Rhode Island, which is \$1.0 million more than enacted based on updated enrollment projections; FY 2025 revised costs are estimated to be \$0.2 million more. The House Finance Committee recommends \$6.9 million, or \$1.0 million less than the Governor, based on the May Promise report.
- ***Hope Scholarship.*** Based on updated enrollment projections, the Governor recommends \$5.5 million from general revenues for the third year of the Hope Scholarship Pilot Program at Rhode Island College. The enacted budget assumed the need for \$3.4 million in FY 2025 and the revised budget increases that to \$3.6 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. The House Finance Committee concurs.
- ***Last Dollar Scholarship.*** The Governor recommends \$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. The House Finance Committee concurs.
- ***Dual and Concurrent Enrollment.*** The Governor recommends \$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 budget provided \$2.3 million from general revenues, replacing exhausted federal loan reserve funds. The Governor’s FY 2025 revised recommendation increases that total to \$2.7 million based on anticipated need, but relies on a transfer of Rhode Island Student Loan Authority funds to general revenues equal to the recommended spending. The House Finance Committee concurs.
- ***Culinary and Hospitality Hub.*** The Governor recommends \$850,000 from Rhode Island Capital Plan funds to build out space and install equipment at the Community College’s Newport campus to train culinary and hospitality workers. The House Finance Committee concurs.
- ***Career Readiness.*** The Governor recommends that \$1.8 million from general revenues 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. The House Finance Committee concurs.
- ***ARPA - Cybersecurity Center.*** The Governor’s revised 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. The House Finance Committee concurs.

- ***ARPA - Fresh Start Scholarship.*** The Governor’s revised budget includes the remaining \$3.0 million of the \$5.0 million allocation from State Fiscal Recovery funds for two years of a new adult scholarship program that targets adult students with some college credits, but no degree, with a focus on students who dropped out of the Community College. Funding the first semester back will allow students to regain federal financial aid eligibility. The House Finance Committee concurs.
- ***ARPA - RI Reconnect.*** The Governor’s revised 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 intended to provide targeted coaching and wraparound support for those 16 and older 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. The House Finance Committee concurs.
- ***ARPA - Foster Care Youth Scholarship.*** The Governor’s revised 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. The House Finance Committee concurs.
- ***URI Memorial Student Union.*** The Governor recommends 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. The House Finance Committee concurs.
- ***URI Health and Counseling Center.*** The Governor recommends increasing 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. The House Finance Committee concurs.
- ***URI PFAS Removal Water Treatment.*** The Governor recommends \$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. He also recommends that the projected cost increase of \$1.7 million be covered through other sources, potentially the Emerging Contaminants Program at the Rhode Island Infrastructure Bank. The House Finance Committee concurs.
- ***Public Higher Education Asset Protection.*** The Governor recommends \$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. The House Finance Committee concurs.
- ***Westerly Higher Education Center Expansion.*** The Governor recommends \$1.2 million from Rhode Island Capital Plan funds for FY 2026, consistent with the approved plan, to expand the Westerly Higher Education and Job Skills Center to an annex site. The expansion would allow the Center to create laboratories, additional classrooms, and conference space. The House Finance Committee concurs.
- ***CCRI Campuswide Renovation and Modernization Phase I.*** Consistent with the approved plan, the Governor recommends \$59.5 million from all sources to renovate and modernize academic and student support spaces and other infrastructure on its four campuses. The request 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. The House Finance Committee concurs and includes revisions to the programming of Rhode Island Capital Plan funds based on updated plans.

- ***CCRI Office of Work-Based Learning and Apprenticeships.*** The Governor recommends a new expenditure of \$550,000 from Rhode Island Capital Plan funds to construct office space for the Community College's Office of Work-Based Learning and Apprenticeships. The House Finance Committee concurs.
- ***CCRI Campuswide Renovation and Modernization Phases II-IV.*** The Governor recommends \$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 recommendation also extends funding through FY 2028. The House Finance Committee concurs.
- ***CCRI Data, Cabling, and Power Infrastructure.*** The Governor recommends \$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. Based on updated spending plans, the House Finance Committee recommends shifting some funding to later years.
- ***RIC Infrastructure Modernization.*** The Governor recommends \$29.2 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. The House Finance Committee concurs.
- ***URI Campus Accessibility.*** The Governor recommends \$7.0 million from Rhode Island Capital Plan funds for FY 2026 through FY 2030 for a new project to improve campus access to persons with disabilities. Projects include restrooms, exterior renovations, and building improvements like elevator modernizations. The House Finance Committee concurs.
- ***URI Athletics Complex Renewal.*** Consistent with the approved plan, the Governor recommends \$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. The House Finance Committee concurs.
- ***URI Narragansett Bay Campus Renewal - Phase I.*** The Governor recommends \$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. The House Finance Committee concurs.
- ***URI Narragansett Bay Campus Renewal - Phase II.*** Consistent with the approved plan, the Governor recommends \$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 recommendation assumes a completion date of FY 2028. The House Finance Committee concurs.
- ***URI Academic Mechanical, Electrical, and Plumbing Improvements.*** The Governor recommends \$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. The House Finance Committee concurs.

- **URI - Undergraduate Housing.** The Governor 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. The House Finance Committee concurs.
- **Stormwater Management.** Consistent with the approved plan, the Governor recommends \$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 and improve channel and pipe sizes and alignment to reduce the frequency of overtopping and flooding. The House Finance Committee concurs.
- **Rhode Island Vision Education and Services Program.** The Governor's 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. The House Finance Committee concurs.
- **Higher Education Opportunities for Teachers of Color.** The Governor recommends \$100,000 from general revenues to support access to higher education opportunities for teachers of color at the Rhode Island School for Progressive Education. This is \$100,000 less than enacted. The House Finance Committee concurs.
- **Best Buddies.** The Governor recommends the FY 2025 enacted amount of \$75,000 from general revenues for Best Buddies Rhode Island to support programs for children with developmental disabilities. The House Finance Committee concurs.
- **Special Olympics Rhode Island.** The Governor recommends 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. The House Finance Committee concurs.
- **Onward We Learn/College Crusade Support.** The Governor recommends \$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 enacted state support includes \$100,000 added by the 2024 Assembly. 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. The House Finance Committee concurs.
- **Institute for Labor Studies and Research.** The Governor recommends 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. The House Finance Committee concurs.
- **Hasbro Children's Hospital.** The Governor's budget includes the enacted level of \$90,000 from general revenues to support the school at Hasbro Children's Hospital. The House Finance Committee concurs.
- **Child Opportunity Zones.** The Governor's budget includes the 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. The House Finance Committee concurs.

- **City Year.** The Governor’s budget includes the 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. The House Finance Committee concurs.
- **Fort Adams Trust.** The Governor’s budget includes the enacted level of \$30,000 from general revenues to support the Fort Adams Trust’s restoration activities. The House Finance Committee concurs.
- **WaterFire Providence.** The Governor’s budget includes the enacted level of \$400,000 from general revenues to support operational costs of WaterFire Providence art installations. The House Finance Committee concurs.
- **Arts Funds.** The Governor’s budget includes the enacted level of \$0.8 million from general revenues for grant awards through the Rhode Island State Council on the Arts. The House Finance Committee concurs.
- **Slave History Medallions Grant.** The Governor’s budget includes the 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. The House Finance Committee concurs.
- **Council for the Humanities.** The Governor recommends 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. The House Finance Committee concurs.
- **We the People National Championship.** The Governor recommends 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. The House Finance Committee concurs.

## **Public Safety**

- **ARPA - Support for Survivors of Domestic Violence.** The Governor’s budget maintains the authorization of \$10.5 million from State Fiscal Recovery funds to provide supportive services to victims of domestic violence and assault and assumes most of it will be spent in FY 2025. No funds were spent in FY 2023; \$1.1 million was spent in FY 2024. The House Finance Committee concurs.
- **ARPA - Municipal Public Safety Infrastructure.** The revised budget includes \$7.3 million from State Fiscal Recovery funds 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. The House Finance Committee concurs.
- **GO Team Support.** The Governor recommends the 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. The House Finance Committee concurs.
- **Indigent Defense Program.** The Governor’s 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. The House Finance Committee concurs.

- ***Rhode Island Legal Services.*** The Governor recommends the enacted level of \$90,000 from general revenues for Rhode Island Legal Services to provide housing and eviction defense to indigent individuals. The House Finance Committee concurs.
- ***Rhode Island Coalition Against Domestic Violence.*** The Governor recommends the enacted level of \$500,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project. The House Finance Committee concurs.
- ***Judicial Asset Protection.*** The Governor recommends \$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. The House Finance Committee concurs.
- ***Judicial Complexes HVAC.*** The Governor recommends \$2.5 million from Rhode Island Capital Plan funds for FY 2026 through FY 2030 to replace and restore the heating, ventilation, and air conditioning systems for all judicial complexes, consistent with previously approved annual funding. The House Finance Committee concurs.
- ***Garrahy Judicial Complex.*** The Governor recommends \$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. The House Finance Committee concurs.
- ***Licht Window and Masonry Repairs.*** The Governor recommends \$3.0 million from Rhode Island Capital Plan funds, consistent with the approved funding, for the window and masonry repairs to the Licht Judicial complex for FY 2028 and FY 2029. This reflects a decennial maintenance project last undertaken during FY 2018 and FY 2019. The House Finance Committee concurs.
- ***New Southern Barracks.*** The capital 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. The House Finance Committee concurs.
- ***Fire Academy Expansion.*** The capital budget recommendation 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 \$7.1 million for FY 2025 and \$3.4 million for FY 2026. The House Finance Committee concurs.
- ***Squadron Operations Facility.*** The capital budget recommendation 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. The House Finance Committee concurs.
- ***Quonset Airway Runway Reconstruction.*** The Governor's 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 recommendation is \$0.1 million more from Rhode Island Capital Plan funds than the approved plan. The House Finance Committee concurs.
- ***Quonset Air National Guard Headquarters Facility.*** The capital budget recommendation 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 proposal 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 complete by October 2025. The House Finance Committee concurs.

## **Climate and Environment**

- ***ARPA - Electric Heat Pumps.*** The Assembly authorized \$25.0 million from State Fiscal Recovery funds to support low-and moderate-income households and community organizations to purchase and install energy efficient electric heat pumps. The Office of Energy Resources started taking applications for the program on September 5, 2023, and \$10.4 million has been spent. The Governor's revised 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. The House Finance Committee concurs.
- ***Office of Energy Resources.*** The Governor's 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. He includes \$68.4 million and \$76.8 million for FY 2025 and FY 2026. The recommended staffing of 20.0 full-time equivalent positions is 4.0 more than its current share of the Department of Administration's staffing allocation. The House Finance Committee concurs, with the exception of authorizing 17.0 full-time equivalent positions.
- ***State Facilities Benchmarking and Performance Standards Program.*** The Governor recommends legislation establishing the State Facilities Benchmarking and Performance Standards program. This program would collect and report annual energy usage and greenhouse gas emission data for state-owned and state-occupied facilities and develop performance standards to reduce emissions. The recommendation includes \$0.1 million from restricted receipts to fund a new Office of Energy Resources position to support the program. The House Finance Committee does not include the legislation, but recommends the position.
- ***Underground Storage Tank Trust Fund.*** The Governor proposes to transfer reserves of \$3.0 million from the Underground Storage Tank Trust Fund to state general revenues by June 30, 2025. The House Finance Committee concurs.
- ***Seafood Marketing Collaborative.*** The Governor's 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. The House Finance Committee concurs.
- ***Local Agriculture and Seafood Program.*** The Governor recommends 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. The House Finance Committee concurs.
- ***Litter Removal.*** The Governor recommends 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. The House Finance Committee concurs.
- ***Conservation Districts.*** The Governor recommends the 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. The House Finance Committee concurs.
- ***Wildlife Clinic of Rhode Island.*** The Governor recommends the 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. The House Finance Committee concurs.

- ***Marine Mammal Emergency Response.*** The Governor recommends the enacted level of \$150,000 from general revenues to support rescue and rehabilitation programs for marine mammals that become stranded in Rhode Island waters. The House Finance Committee concurs.
- ***Paint Recycling.*** The Governor proposes ending the state’s paint recycling program and fee collection as of August 1, 2025, and transferring any remaining fees to the Rhode Island Resource Recovery Corporation by December 31, 2025, to support the EcoDepot system. The House Finance Committee does not concur.
- ***Facilities Asset Protection.*** The Governor recommends \$0.8 million annually from Rhode Island Capital Plan funds for asset protection at parks and recreation facilities, consistent with approved funding levels. The House Finance Committee concurs.
- ***Fish and Wildlife Facilities.*** The Governor recommends \$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. The House Finance Committee concurs.
- ***Fort Adams.*** The Governor recommends 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. He adds \$500,000 for an additional year of funding. The House Finance Committee concurs.
- ***Port of Galilee Rehabilitation.*** The Governor recommends \$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 adding \$1.5 million annually from FY 2028 through the post-FY 2030 period for ongoing asset protection projects. The House Finance Committee recommends revising the programming of funds based on an updated schedule. This includes removing \$7.3 million from FY 2025, adding \$4.0 million to FY 2026, and \$3.3 million to FY 2027.
- ***Recreational Facility Improvements.*** The Governor recommends \$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. The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for the Galilee Piers project based on an updated schedule. This includes removing \$7.3 million from FY 2025, adding \$4.0 million to FY 2026, and \$3.3 million to FY 2027. The House Finance Committee concurs.
- ***Municipal Resiliency.*** The Governor’s capital budget assumes the \$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, including improving the resiliency of infrastructure and public safety in the face of increased flooding, major storm events, and environmental degradation. The House Finance Committee concurs.

## **Transportation**

- ***Truck Tolling Reimplementation.*** The Governor’s budget assumes 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. Specifics of timing and other potential changes

in the toll program are not known. The House Finance Committee concurs; additional information remains pending.

- **Washington Bridge Project.** The Governor's budget maintains the approved amount of \$35.0 million from State Fiscal Recovery funds for FY 2025 as a partial state match for the Washington Bridge Project. His budget does not alter the FY 2025 budget assumptions for a total project cost of \$455.2 million, with a state share of \$83.6 million. The contract for the bridge replacement has not been awarded, and there were change orders for the demolition component. These will impact the actual project costs. Any additional federal funds would need a state match. On June 6, revised cost estimates were released showing an increase in total costs of \$572.1 million. The House Finance Committee adds \$22.0 million from Rhode Island Capital Plan funds for FY 2027 to account for the increased state match.
- **ARPA - Municipal Roads Grant Program/RhodeRestore.** The Governor's revised 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 Governor also recommends making the program permanent and includes \$6.5 million from transportation funds for FY 2026. The House Finance Committee concurs.
- **Rhode Island Turnpike and Bridge Authority.** The budgets include transfers of \$15.3 million in FY 2025 and \$14.9 million in FY 2026 from gasoline tax proceeds to the Turnpike and Bridge Authority for operations related to the four bridges under its purview. The House Finance Committee provides \$15.5 million in FY 2025 and \$15.3 million in FY 2026, reflecting updated estimates.
- **Rhode Island Public Transit Authority.** The budgets include \$52.8 million in FY 2025 and \$52.0 million in FY 2026 for the Authority's current share of the gasoline tax proceeds and highway maintenance funds. The House Finance Committee increases these resources by about \$16.1 million from increased allocations from the gas tax and other transportation sources and updated yield estimates over the two-year period.
- **Public Transit Authority - Bus Match.** The Governor's 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. The House Finance Committee concurs.
- **Kingston Station Mobility Hub.** The Governor's 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. The House Finance Committee concurs.

## General Revenue Surplus Statement

The following table shows the general revenue balances as recommended by the House Finance Committee. The Committee recommends an ending FY 2026 surplus of \$0.9 million, and an operating deficit of \$221.8 million reflecting use of the FY 2025 surplus. The Governor’s budget recommended an ending surplus of \$0.8 million.

	FY 2024	FY 2025	FY 2026
<b>Opening Surplus</b>			
Free Surplus	\$ 412,262,973	\$ 326,355,037	\$ 229,213,958
Reappropriated Surplus	45,152,130	34,569,423	-
Adjustment to Opening Surplus	6,530,494	-	-
Adjustment to Fund Balance	23,811,475	-	-
<b>Subtotal</b>	<b>\$ 487,757,072</b>	<b>\$ 360,924,460</b>	<b>\$ 229,213,958</b>
<b>Revenues</b>			
Actual/Enacted/Estimated	\$ 5,418,703,841	\$ 5,489,117,361	\$ 5,467,100,000
Governor	-	78,082,639	266,984,512
Assembly	-	56,045,831	31,755,556
<b>Revenues</b>	<b>\$ 5,418,703,841</b>	<b>\$ 5,623,245,831</b>	<b>\$ 5,765,840,068</b>
Cash Stabilization Fund	(175,124,919)	(178,488,026)	(179,851,621)
<b>Total Available Resources</b>	<b>\$ 5,731,335,994</b>	<b>\$ 5,805,682,265</b>	<b>\$ 5,815,202,405</b>
<b>Expenditures</b>			
Actual/Enacted/Estimated	\$ 5,236,111,578	\$ 5,594,861,257	\$ 5,743,054,676
Reappropriations	-	34,569,423	-
Governor	-	(18,760,160)	-
Assembly	-	(13,072,447)	64,783,445
<b>Total Expenditures</b>	<b>\$ 5,236,111,578</b>	<b>\$ 5,597,598,073</b>	<b>\$ 5,807,838,121</b>
<b>Total Surplus</b>	<b>\$ 495,224,416</b>	<b>\$ 208,084,192</b>	<b>\$ 7,364,284</b>
Transfers	(91,000,000)	(520,212)	(6,500,000)
Excess Closing Revenue to SDF/Retirement	(43,299,956)	21,649,978	-
Reappropriations	(34,569,423)	-	-
<b>Free Surplus</b>	<b>\$ 326,355,037</b>	<b>\$ 229,213,958</b>	<b>\$ 864,284</b>
<i>Operating Surplus/(Deficit)</i>	<i>52,619,474</i>	<i>(118,270,845)</i>	<i>(221,849,674)</i>
<b>Budget Stabilization and Cash Reserve</b>	<b>\$ 291,537,003</b>	<b>\$ 297,426,453</b>	<b>\$ 299,793,117</b>
Percent of Revenues	5.4%	5.3%	5.2%

The Budget Reserve and Cash Stabilization Account, the “rainy day fund” would have ending balances of \$291.5 million in FY 2024, \$297.4 million in FY 2025 and \$299.8 million in FY 2026. The account receives 3.0 percent of general revenues plus free surplus annually.

The FY 2024 budget created a supplemental reserve fund to which it contributed \$55.0 million. It also dedicated any unexpected excess revenues annually at fiscal close, half each to the supplemental reserve fund and the Employees’ Retirement System. The Governor proposed repealing the transfer provision for FY 2024 only and recapturing the \$43.3 million that would have been transferred to those two funds for use in FY 2025. The House Finance Committee maintains the current law transfer to the Retirement System, meaning only a \$21.6 million increase to available revenues.

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## **Section II**

# **Adjustments to Governor's FY 2026 Budget**

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	<b>FY 2026 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
	<b>Revenue Changes</b>					
1	May Revenue Estimate	19,316,249	-	-	-	19,316,249
2	Vital Records Receipts - H-5349	(8,475)	-	-	-	(8,475)
3	Digital Advertising Tax	(9,464,191)	-	-	-	(9,464,191)
4	Cigarette Tax Increase	(4,433,039)	-	-	-	(4,433,039)
5	OTP Tax on Nicotine Pouches - Oct 1	7,500,000	-	-	-	7,500,000
6	Motion Picture Tax Credit Cap Shift (GBA)	(3,239,365)	-	-	-	(3,239,365)
7	Real Estate Conveyance Tax Increase (Oct 1)	8,364,646	-	-	-	8,364,646
8	Sales Tax on Parking	1,600,000	-	-	-	1,600,000
9	Fire Arms Safety Device Sales Tax Exemption	85,714	-	-	-	85,714
10	Health Services Funding Assessment Jan 1, 2026	15,000,000	-	-	-	15,000,000
11	Low Income Housing Tax Credit Accounting (GBA)	[(4,000,000)]	-	-	-	[(4,000,000)]
12	Housing Resources & Homelessness Recapitalization	[(2,500,000)]	-	-	-	[(2,500,000)]
13	Dental Insurance Loss Ratio	(24,000)	-	-	-	(24,000)
14	Dredge Fee to Restricted	(100,000)	-	-	-	(100,000)
15	HMA Fee Rebase Impact	246,525	-	-	-	246,525
16	Traffic Fines Rebase from 2008 Eff July 1, 2025	511,492	-	-	-	511,492
17	Workers' Compensation Indirect Cost Recovery	(3,600,000)	-	-	-	(3,600,000)
	<i>Other Fund Sources</i>		18,278,058	8,784,691	26,790,208	53,852,957
	<b>Total</b>	<b>31,755,556</b>	<b>18,278,058</b>	<b>8,784,691</b>	<b>26,790,208</b>	<b>85,608,513</b>
	<b>Expenditures Changes</b>					
	<b>Administration</b>					
18	Capital - 560 Jefferson Boulevard	-	-	-	2,000,000	2,000,000
19	Capital - Cannon Building (GBA)	-	-	-	(900,000)	(900,000)
20	Capital - Chapin Health Laboratory (GBA)	-	-	-	(250,000)	(250,000)
21	Capital - DoIT Enterprise Operations Center	-	-	-	3,500,000	3,500,000
22	Capital - State Office Property Acquisition	-	-	-	(31,000,000)	(31,000,000)
23	Capital - State Office Reorganization & Relocation	-	-	-	(1,000,000)	(1,000,000)
24	Capital - Washington County Government Center (GBA)	-	-	-	(500,000)	(500,000)
25	Capital - Zambarano Buildings & Campus (GBA)	-	-	-	1,650,000	1,650,000

	<b>FY 2026 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
26	Capital - Zambarano LTAC Hospital	-	-	-	(26,065,740)	(26,065,740)
27	Contract Reserve Distribution	(18,959,345)	(1,049,581)	(243,816)	(389,706)	(20,642,448)
28	DCAMM Project Managers	2,004,962	-	-	-	2,004,962
29	FEMA Contingency Reserve Timing	2,500,000	-	-	-	2,500,000
30	Library Aid Full Funding	239,594	-	-	-	239,594
31	Primary Care Health Assessment State Cost	750,000	100,500	44,575	477,295	1,372,370
	<b>Office of Energy Resources</b>					
32	Staffing Expansion (3.0 FTE)	-	(288,498)	(169,956)	-	(458,454)
	<b>Business Regulation</b>					
33	Primary Care Rate Review (GBA)	200,000	200,000	-	-	400,000
34	Capital - Fire Academy Expansion	-	-	-	3,625,000	3,625,000
35	Dental Insurance Loss Ratio	(24,000)	-	-	-	(24,000)
36	E- Permitting Current Service	200,000	-	-	-	200,000
37	Health Spending Accountability & Transparency Program	(200,000)	-	-	-	(200,000)
	<b>Cannabis Control Commission</b>					
38	New Positions (-2.0 FTE)	-	-	(253,063)	-	(253,063)
	<b>Executive Office of Commerce</b>					
39	Capital - I-195 Redevelopment District Parks	-	-	-	1,000,000	1,000,000
40	Wavemaker Cohorts	1,550,000	-	-	-	1,550,000
	<b>Housing</b>					
41	Analytics Capacity	(250,000)	-	-	-	(250,000)
42	Federal Grant Adjustment (GBA)	-	500,000	-	-	500,000
43	Housing Resources & Homelessness from FY 2025	-	-	4,048,149	-	4,048,149
44	Housing Resources & Homelessness Dedicated Revenue Expansion	-	-	1,481,435	-	1,481,435
45	Housing Production Fund Dedicated Revenue Expansion	-	-	281,139	-	281,139
46	Indirect Cost Recovery Application	-	-	125,000	-	125,000
47	Low Income Housing Tax Credit Accounting (GBA)	(4,000,000)	-	-	-	(4,000,000)
48	Relocation Expenses	(105,000)	-	-	-	(105,000)
	<b>Labor and Training</b>					
49	Job Development Fund Non-Profit Assessment	-	-	(2,550,000)	-	(2,550,000)
50	Work-Based Learning Initiative	(2,000,000)	-	-	-	(2,000,000)
51	Year Up Grant	(200,000)	-	-	-	(200,000)

	<b>FY 2026 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
	<b>Revenue</b>					
52	Revenue Initiatives Implementation	250,000	-	-	-	250,000
53	PILOT Full Funding	2,116,235	-	-	-	2,116,235
54	Distressed Communities Aid	2,500,000	-	-	-	2,500,000
55	Motor Vehicle Excise Tax Reimbursement Index to 2%	4,694,246	-	-	-	4,694,246
						-
	<b>Secretary of State</b>					
56	Statewide Voter List Maintenance Mailing	750,000	-	-	-	750,000
	<b>Public Utilities Commission</b>					
57	Commission - Legal Staff (1.0 FTE)	-	-	(162,567)	-	(162,567)
	<b>Executive Office of Health and Human Services</b>					
58	AHEAD Model (GBA)	-	2,000,000	-	-	2,000,000
59	Community Health Worker Program Integrity	(4,443,468)	(10,556,532)	-	-	(15,000,000)
60	Conflict-Free Case Management System from FY 2025 (GBA)	-	3,161,481	2,056,214	-	5,217,695
61	Family Medicine Residency Program	500,000	-	-	-	500,000
62	Federally Qualified Health Care Center Rates	4,000,000	6,500,000	-	-	10,500,000
63	Health System Transformation Project (GBA)	-	756,363	340,864	-	1,097,227
64	Home & Community Based Support - ARPA (GBA)	-	1,715,243	1,152,810	-	2,868,053
65	Hospitals - Long Term Care Behavioral Health Bed Rate	3,210,000	4,290,000	-	-	7,500,000
66	Hospitals - Outpatient Upper Payment Limit	2,970,258	5,426,246	-	-	8,396,504
67	Hospitals - In Patient Upper Payment Limit	5,890,354	10,939,228	-	-	16,829,582
68	Hospitals - Rates at Current Law	1,620,000	3,500,000	-	-	5,120,000
69	Infrastructure for School Based Services Grant (GBA)	-	1,000,000	-	-	1,000,000
70	May Caseload Conference - Medicaid	(6,368,196)	(23,861,789)	(950,000)	-	(31,179,985)
71	Medicaid Enterprise System Delay	(4,346,480)	(43,618,323)	-	-	(47,964,803)
72	Medicaid Primary Care Rates - October 1, 2025	8,250,000	18,187,500	-	-	26,437,500
73	Medicare Savings Program Expansion	700,000	6,400,000	-	-	7,100,000
74	Mobile Response Stabilization System	900,000	-	-	-	900,000
75	Nursing Home Minimum Staffing Enhanced Rate	5,000,000	7,000,000	-	-	12,000,000
76	Pathways to Removing Obstacles Housing Award (GBA)	-	600,000	-	-	600,000
77	Primary Care Health Assessment Impact	2,100,000	4,900,000	-	-	7,000,000

	<b>FY 2026 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
78	RIBridges System Enhancement Delay from FY 2025 (GBA)	937,302	3,292,831	-	-	4,230,133
79	RIPIN - Dual Ombudsman Program	59,000	59,000	-	-	118,000
80	The Work Number	(233,703)	(701,109)	-	-	(934,812)
	<b>Children, Youth and Families</b>					
81	Capital - Residential Treatment Facilities (GBA)	-	-	-	(4,000,000)	(4,000,000)
82	Consent Decree Consultant (GBA)	(210,000)	-	210,000	-	-
83	Adoption and Legal Guardianship Incentive Grant (GBA)	-	1,061,000	-	-	1,061,000
84	Juvenile Justice Grant (GBA)	-	400,000	-	-	400,000
85	Staffing Allocation Correction (GBA)	-	(271,136)	-	-	(271,136)
	<b>Health</b>					
86	New Health Lab - Operational Costs	-	-	662,000	-	662,000
87	Primary Care Training Sites Program Shift from FY 2025	2,000,000	-	-	-	2,000,000
88	PRN Network Funding	750,000	-	-	-	750,000
	<b>Human Services</b>					
89	Assisted Living State-Only Stipend	(90,277)	-	-	-	(90,277)
90	Child Care - Separate Infant Rate	-	3,045,140	-	-	3,045,140
91	Child Care for Educators Extension	-	2,667,000	-	-	2,667,000
92	May Caseload Conference - Cash Assistance	31,980	2,052,916	-	-	2,084,896
93	Meals on Wheels	50,000	-	-	-	50,000
94	RI Community Food Bank	400,000	-	-	-	400,000
95	Substance Use and Mental Health Leadership Council	50,000	-	-	-	50,000
	<b>BHDDH</b>					
96	ARPA - 988 Hotline from FY 2025	-	1,800,000	-	-	1,800,000
97	CCBHC Contracted Services	(208,363)	(130,438)	-	-	(338,801)
98	May Caseload Conference - Private Services for Individuals with Developmental Disabilities	4,502,699	7,422,000	-	-	11,924,699
99	Technology Expenses	(220,478)	(661,434)	-	-	(881,912)
100	Third-Party Billings Rebase	(1,600,000)	-	1,600,000	-	-
	<b>Governor's Commission on Disabilities</b>					
101	Indirect Cost Initiative Reversal	25,505	-	(25,505)	-	-
102	Livable Home Modification - Current Service	(250,000)	-	-	-	(250,000)
	<b>Elementary &amp; Secondary Education</b>					
103	Capital - Davies School Health Care Classroom Improvements	-	-	-	6,886,250	6,886,250

	<b>FY 2026 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
104	Capital - Davies School Wing Renovation (GBA)	-	-	-	4,515,423	4,515,423
105	Contract Reserve Distribution (GBA)	1,476,344	438,376	46,967	-	1,961,687
106	Davies Staffing Allocation Correction (GBA)	(242,056)	-	242,056	-	-
107	Ed Aid - CRAFT Bed Revision	(468,000)	-	-	-	(468,000)
108	Ed Aid - Group Home Funding	2,100,838	-	-	-	2,100,838
109	Ed Aid - Current Law Funding Formula March Update	11,969,815	-	-	-	11,969,815
110	Ed Aid - Special Education	2,500,000	-	-	-	2,500,000
111	Out of School Time Education	(2,500,000)	-	-	-	(2,500,000)
	<b>Higher Education</b>					
112	Capital - CCRI Data Cabling and Power Infrastructure	-	-	-	600,000	600,000
113	Capital - CCRI Renovation and Modernization - Phase I	-	-	-	2,000,000	2,000,000
114	Capital - URI Building Envelope	-	-	-	3,000,000	3,000,000
115	College Visions	(50,000)	-	-	-	(50,000)
116	Promise May Update (GBA)	(969,835)	-	-	-	(969,835)
117	Ready to Build RI New Initiative	(800,000)	-	-	-	(800,000)
	<b>Historical Preservation and Heritage Commission</b>					
118	Current Service Correction	(17,000)	-	-	-	(17,000)
	<b>Attorney General</b>					
119	Enhanced Staffing (4.0 FTE)	-	-	848,389	-	848,389
	<b>Corrections</b>					
120	Accreditation	(417,756)	-	-	-	(417,756)
121	Capital - Asset Protection	-	-	-	3,177,650	3,177,650
122	Capital - Facilities Renovations	-	-	-	(4,239,571)	(4,239,571)
123	Capital - HVAC Replacement	-	-	-	17,545,835	17,545,835
124	Contract Reserve Distribution (GBA)	23,292,918	-	-	-	23,292,918
125	Efficiencies	(1,575,000)	-	-	-	(1,575,000)
126	Facility Consolidation	6,150,000	-	-	-	6,150,000
127	Travel	(133,313)	-	-	-	(133,313)
	<b>Military Staff</b>					
128	Capital - Aviation Readiness Center (GBA)	-	-	-	4,251,673	4,251,673
	<b>Public Safety</b>					
129	Contract Reserve Distribution (GBA)	5,818,474	281,818	-	-	6,100,292
130	Pension Final Average Compensation Consistency	455,191	23,506	-	1,303	480,000

	<b>FY 2026 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
	<b>Environmental Management</b>					
131	Capital - Galilee Piers	-	-	-	4,000,000	4,000,000
	<b>Coastal Resources Management Council</b>					
132	Capital - South Coast Restoration Project (GBA)	-	-	-	5,000,000	5,000,000
133	Storm Tools	200,000	-	-	-	200,000
	<b>Transportation</b>					
134	Capital - Highway Improvement Program	-	-	-	20,000,000	20,000,000
135	DOT - HMA and Gas Tax DOT Yield	-	-	-	(4,928,968)	(4,928,968)
136	GARVEE Debt - Gas Tax Yield & Federal Funds Correction	-	(303,250)	-	229,228	(74,022)
137	Gas Tax - Turnpike and Bridge Authority Yield	-	-	-	401,149	401,149
138	RI Public Transit Authority - Bus Match - Technical Correction	-	-	-	-	-
139	RIPTA - Gas Tax Yield & HMA	-	-	-	744,511	744,511
140	RIPTA - 2-Cents Gas Tax & Increased HMA Share	-	-	-	14,629,392	14,629,392
141	Highway Maintenance Account Rebase	-	-	-	829,484	829,484
	<b>Total</b>	<b>64,783,445</b>	<b>18,278,058</b>	<b>8,784,691</b>	<b>26,790,208</b>	<b>118,636,402</b>

# FY 2026 Changes to Governor

## Revenue Changes

- 1. May Revenue Estimate.** The May 2025 Revenue Estimating Conference increased the FY 2026 estimate to \$5,486.3 million based on its FY 2025 revisions and the new economic forecast. The estimate is \$19.2 million more than the November estimate and \$19.3 million more than the Governor's recommended level, adjusted for recommended changes that could not be included in the estimate.
- 2. Vital Records Receipts - H-5349.** Current law authorizes a fee of \$20 for a vital records request. The chief of the Office of Vital Records within the Department of Health is also authorized to assess surcharges for certified records; these receipts are deposited as general revenues. The House is advancing legislation in 2025-H 5349 that would exempt incarcerated individuals set to be released from prison from the payment of these fees for a vital record request. The House Finance Committee reduces general revenues by \$8,475 to reflect the anticipated revenue loss.
- 3. Digital Advertising Tax.** The House Finance Committee does not concur with the Governor's proposal to create a 10.0 percent tax on business gross revenue derived in Rhode Island from digital advertising for companies with at least \$1.0 billion in global revenues, effective for tax years beginning on or after January 1, 2026. The Governor's FY 2026 budget assumes \$9.5 million in revenues that would annualize to \$19.6 million for FY 2027.
- 4. Cigarette Tax Increase.** The House Finance Committee does not concur with the Governor's proposal to increase the cigarette tax by \$0.50 to \$5.00 per pack, including a floor tax adjustment effective September 2, 2025. Currently, the rate is \$4.50 per pack of cigarettes. This rate was enacted by the 2024 Assembly as part of the FY 2025 Appropriations Act, effective September 1, 2024. The Governor's budget assumes \$4.4 million in additional revenues.
- 5. OTP Tax on Nicotine Pouches - Oct 1.** The House Finance Committee recommends updating 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.
- 6. Motion Picture Tax Credit Cap Shift (GBA).** The House Finance Committee concurs with the Governor's requested budget amendment to retroactively adjust the annual cap for the motion picture and theatrical production tax credits, correcting an error resulting from several project completions that were misaligned with initial expectations. The calendar year 2022 cap would increase from \$30.0 million to \$35.0 million, and the 2023 cap would decrease from \$40.0 million to \$35.0 million. This is estimated to result in \$3.2 million in additional redemptions affecting FY 2026 revenue.
- 7. Real Estate Conveyance Tax Increase (Oct 1).** The Real Estate Conveyance Tax includes a first-tier rate of 0.46 percent charged on all transfers and a second-tier rate of 0.46 percent charged on the portion of residential transfers above \$800,000. The Governor recommended increasing the second-tier rate to 0.79 percent, resulting in a top-tier effective rate of 1.25 percent, effective October 1, to generate \$2.3 million for the Housing Resources and Homelessness restricted account in FY 2026. The House Finance Committee recommends increasing both rates to 0.75 percent, for a top-tier effective rate of 1.5 percent, also effective October 1, 2025. Revenue from the first tier is allocated according to a statutory formula that includes an allocation to municipalities, essentially unchanged from current law. The second-tier rate would 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.

The House Finance Committee's recommendation is estimated to generate \$13.5 million for FY 2026 across all fund sources, annualizing to \$18.7 million for FY 2027. Compared to the Governor's recommendation, this adds \$8.4 million for general revenue, \$1.5 million for the Housing Resources and Homelessness account, and \$0.3 million for the Housing Production Fund. Additionally, revenues to municipalities would increase by \$10.7 million for FY 2026 and \$14.7 million for FY 2027.

**8. Sales Tax on Parking.** The House Finance Committee recommends expanding the application of the current 7.0 percent sales and use tax to short-term parking of up to one month. 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. The House Finance Committee also recommends general revenue support in the Department of Revenue for implementation costs of new revenue initiatives.

**9. Fire Arms Safety Device Sales Tax Exemption.** The House Finance Committee does not concur with the Governor's proposal to exempt firearm safety devices and storage devices from the state's sales tax. His budget assumes a revenue reduction of \$85,714 for FY 2026, based on an October 1 implementation. This would annualize to \$115,437 for FY 2027.

**10. Health Services Funding Assessment Jan 1, 2026.** The House Finance Committee recommends 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. The current assessments are based on a per member per month fee applied to all covered lives including self-insured; this 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.

**11. Low Income Housing Tax Credit Accounting (GBA).** Allocations to the restricted account to fund future state Low-Income Housing Tax Credits, first authorized in 2023, have been budgeted as a general revenue expenditure. The state controller reclassified the FY 2024 transaction as a fund transfer based on current accounting standards, but the Governor's FY 2025 revised and FY 2026 recommendations, which contain \$4.0 million in each year, retained the original treatment. The House Finance Committee concurs with the Governor's amended recommendation to correct this classification; there is no change to the funding commitment amount.

**12. Housing Resources and Homelessness Recapitalization.** The House Finance Committee recommends the transfer of \$2.5 million from general revenues to the Housing Resources and Homelessness restricted account. FY 2027 will be the first year of full collections for two new dedicated revenue streams. These funds are intended to bridge the gap for FY 2026 while these initiatives are implemented.

**13. Dental Insurance Loss Ratio.** The 2024 Assembly required the Office of the Health Insurance Commissioner to provide recommendations on dental health plans and dental premium dollars spent on patient care by October 1, 2026. It authorized the Office to levy a maximum of \$150,000 from general revenues for contractors to produce the report. Consistent with the request, the Governor recommends the full \$150,000 in each FY 2025 and FY 2026. The House Finance Committee recommends \$24,000 for FY 2025 and \$126,000 for FY 2026, based on updated estimates contained in the Office's third quarter report. This requires corresponding adjustments to revenue and expenditure assumptions.

**14. Dredge Fee to Restricted.** The House Finance Committee recommends authorizing borrowing \$23.0 million through Certificates of Participation for the Providence River and Harbor Shipping Channel maintenance dredging. To partially cover the debt service, the recommendation also increases the minimum

dredge fee from \$11.65 to \$35.00 and directs all fees to the Dredge Fund. Under current law, amounts up to \$11.65 are deposited as general revenues, with any fees above that going to the Dredge Fund. The House Finance Committee recommends reducing revenues by \$100,000 to reflect the impact on current revenue estimates from this change.

**15. HMA Fee Rebase Impact.** The House Finance Committee includes two proposals to increase resources being deposited into the Highway Maintenance Account, including establishing annual registration fees on electric vehicles and increasing the current surcharges on license and most vehicle registrations by \$10.00. These changes would take effect on January 1, 2026, and would generate \$6.7 million for FY 2026, or \$4.9 million more than the Governor’s budget assumed. Currently, 5.0 percent of the receipts are retained as general revenues to offset the cost of collections, which equates to \$0.2 million and is included in the House Finance Committee recommendation.

**16. Traffic Fines Rebase from 2008 Eff July 1, 2025.** The 2008 Assembly revised the traffic violation schedule, increasing most fines from \$75 to \$85. Fees have not been adjusted since, although cumulative inflation over the same time period is around 50 percent. The House Finance Committee recommends revising the violation schedule, increasing most fines from \$85 to \$100, representing an approximately 18 percent increase. This is anticipated to generate \$0.5 million in new general revenues.

**17. Workers’ Compensation Indirect Cost Recovery.** The House Finance Committee recommends exempting the Workers’ Compensation Administration Fund from the state’s indirect cost recovery charge. This would result in a loss of \$3.6 million for FY 2026 from the Governor’s recommendation, which increases the assessment from 10 to 15 percent.

### **Administration**

**18. Capital - 560 Jefferson Boulevard.** The revised budget includes \$2.9 million from Rhode Island Capital Plan funds for FY 2025 to install a new roof; heating, ventilation, and air conditioning system; and asset protection funding for 560 Jefferson Boulevard. The facility is currently occupied by the Office of the State Fire Marshal, Office of Veterans Services, and the Cannabis Control Commission. Based on a delay in the project, which is currently in the design phase, the House Finance Committee shifts \$2.0 million from FY 2025 to FY 2026.

**19. Capital - Cannon Building (GBA).** The capital budget includes \$15.9 million from Rhode Island Capital Plan funds from FY 2025 through FY 2030 for repairs and renovations to the Cannon Building. The Department of Administration plans to upgrade heating, ventilation, and air conditioning and electrical systems, renovate restrooms, and address Americans with Disabilities Act compliance. The House Finance Committee concurs with the Governor’s requested amendment to reduce funding by \$1.5 million, including \$0.6 million from FY 2025 and \$0.9 million from FY 2026. This reflects the Department’s updated project timeline, which aligns expenses with the completion of the Capitol Hill Master Plan, for which \$1.7 million is included in the State House Renovations project.

**20. Capital - Chapin Health Laboratory (GBA).** Based on anticipated expenses, the Governor requested two amendments to recognize savings of \$350,000 from Rhode Island Capital Plan funds for asset protection for the Chapin Health laboratory. The recommended capital plan includes \$1.2 million for FY 2025 through FY 2027. The building houses several laboratories for the Department of Health. Construction for a new health laboratory is anticipated to be completed by the end of this year. Of the \$0.5 million recommended for FY 2025, \$0.3 million has been spent. The House Finance Committee concurs with the requested amendment and reduces \$100,000 from FY 2025 and \$250,000 from FY 2026.

**21. Capital - DoIT Enterprise Operations Center.** The House Finance Committee does not concur with the Governor’s recommendation to acquire and renovate a new facility in East Providence, which

includes a data center. It provides a total of \$16.8 million from Rhode Island Capital Plan funds from FY 2025 through FY 2030 for the current information technology facility in Warwick. This is \$7.0 million more than recommended, with \$3.5 million for each FY 2026 and FY 2027, reflecting updated expenses for the roof replacement and the rooftop heating, ventilation, and air conditioning systems.

**22. Capital - State Office Property Acquisition.** The House Finance Committee does not concur with the Governor's proposal to acquire, renovate, and move various state operations to a new facility in East Providence and removes \$31.0 million from Rhode Island Capital Plan funds recommended for this expense. It does recommend providing an additional \$7.0 million to fund the updated project cost for the current information technology facility in Warwick.

**23. Capital - State Office Reorganization and Relocation.** The Governor's capital budget includes \$1.8 million from Rhode Island Capital Plan funds for FY 2026 for state office reorganization costs, including new expenses of \$1.5 million as part of this project for potential relocation costs primarily related to his proposal to acquire a new state office facility. The House Finance Committee does not concur with the proposal to acquire the facility and reduces relocation expenses by \$1.0 million.

**24. Capital - Washington County Government Center (GBA).** The Governor's capital budget includes a total of \$2.1 million from Rhode Island Capital Plan funds for the Washington County Government Center project. This includes \$1.2 million for architectural and engineering services, \$0.8 million for asset protection, and \$0.1 million for a feasibility study, which is ongoing. The Governor requested an amendment to exclude funding for the architectural and engineering services, including \$0.7 million from FY 2025 and \$0.5 million from FY 2026. The administration notes that the feasibility study will identify construction projects, and architectural and engineering services. The House Finance Committee concurs and adjusts expenses accordingly.

**25. Capital - Zambarano Buildings and Campus (GBA).** Following his budget submission, the Governor requested amendments to add \$10.1 million from Rhode Island Capital Plan funds, based on updated expense projections for the Zambarano Buildings and Campus project, bringing total expenses to \$29.1 million. This includes \$7.0 million total, based on bids received to replace the wastewater treatment facility, which must comply with Department of Environmental Management standards. This component is now expected to cost \$11.0 million. The amendment also revises expenses for demolition of several buildings on campus; actual costs will be known when bids are received in June. The House Finance Committee concurs and includes \$8.5 million for FY 2025 and \$1.7 million for FY 2026.

**26. Capital - Zambarano LTAC Hospital.** The Governor recommends \$197.1 million from all sources to construct a new 100-patient long-term care facility at the Zambarano Campus of Eleanor Slater Hospital to replace the Beazley building. This is \$90.0 million more than approved and would be funded through debt issued via Certificates of Participation. The recommendation budgets \$8.6 million of spending in FY 2025 and \$26.1 million in FY 2026 from Rhode Island Capital Plan funds and assumes that the Assembly will eventually approve the newly proposed debt, but the Governor's budget does not contain the debt proposal for approval. Testimony during agency budget hearings noted that cost estimates were still being developed, and it would be several months before a clearer picture of the project's full cost would be available. The House Finance Committee recommends shifting the FY 2026 funding to FY 2030, based on a delay in the design phase of the project, including the identification of cost estimates and financing plans, for further consideration and approval. The recommendation maintains funding in the multi-year plan, which includes \$23.8 million for FY 2027, \$24.4 million for FY 2028, \$24.2 million for FY 2029, and \$26.1 million for FY 2030.

**27. Contract Reserve Distribution.** Subsequent to the enactment of the FY 2025 budget, the McKee Administration reached agreements with a majority of state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, for a total

of 12.0 percent. The Governor's recommended budgets include a total of \$32.8 million from all sources for both FY 2025 and FY 2026 for potential costs where settlements were not yet reached. The House Finance Committee recommends distributing the funds to the Departments of Corrections, Elementary and Secondary Education, and Public Safety. Settlements were reached that exceeded the aggregate amount set aside for FY 2026 by \$11.6 million from general revenues.

**28. DCAMM Project Managers.** The House Finance Committee does not concur with the Governor's recommendation to allocate salary and benefit expenses for project managers and architects from general revenues to Rhode Island Capital Plan funds, and restores the budgeted savings of \$2.0 million from general revenues. The Governor's recommendation assumes these expenses could be absorbed within existing project authorizations, but did not identify how this would work. He subsequently requested an amendment to restore \$49,600 of inadvertently included administrative position expenses. The voters approved a constitutional amendment in 2006 to allow the funds to be used solely for capital projects, effective in fiscal year 2008.

**29. FEMA Contingency Reserve Timing.** The Governor's recommended budget excludes the enacted amount of \$5.0 million from general revenues provided as a one-time expense for contingency reserve for COVID-19 related expenses, in the event reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions. The state is no longer incurring any COVID-related Federal Emergency Management reimbursable emergency expenses, and reimbursement was substantially complete as of FY 2024. In April, the Department submitted management costs to the Agency for review, which is ongoing. The House Finance Committee recommends \$1.5 million for FY 2025 and requires unspent funds to be automatically reappropriated to FY 2026, for which it also adds \$2.5 million.

**30. Library Aid Full Funding.** Under current law, the state supports local libraries via grants-in-aid at a level equivalent to 25.0 percent of the amount appropriated and expended from local tax revenues in the second prior fiscal year by the municipalities in which the libraries are located, subject to appropriation. The House Finance Committee recommends \$12.1 million from general revenues for full funding. This is \$0.2 million more than the Governor's recommendation, which represents a 24.5 percent reimbursement.

**31. Primary Care Health Assessment State Cost.** The House Finance Committee recommends 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. The current assessments are based on a per member per month fee applied to all covered lives including self-insured. As an employer, the estimated cost for the state is \$1.4 million, of which \$0.8 million is from general revenues.

#### Office of Energy Resources

**32. Staffing Expansion (3.0 FTE).** The Governor recommends \$0.5 million from all sources and staffing authorization for 3.0 new full-time equivalent positions. This includes \$0.2 million from restricted receipts for a senior legal counsel position, and \$0.3 million from federal funds for 2.0 programming services officers to administer the Solar for All and two home rebate programs. As of late April, the Office had one position vacant. The House Finance Committee does not recommend the staffing expansion and reduces funding and the authorization accordingly.

#### Business Regulation

**33. Primary Care Rate Review (GBA).** The Governor requested a budget amendment to add \$450,000, including \$225,000 each from general revenues and federal funds, to produce a one-time report on primary care reimbursement rates due September 1, 2026. The House Finance Committee recommends \$400,000

for FY 2026, based on an updated timeline from the Office, which indicates that \$50,000 of this work will occur in FY 2027.

**34. Capital - Fire Academy Expansion.** The Governor’s capital recommendation includes \$13.2 million from Rhode Island Capital Plan funds to expand the State Fire Academy. This is \$4.9 million more than enacted, including \$2.7 million more based on bids received and \$2.2 million for a separate evidence room. The House Finance Committee recommends adjusting the timing of the proposed funding to reflect an updated project schedule provided by the Department, including \$4.6 million less for FY 2025, \$3.6 million more for FY 2026, and \$1.0 million more for FY 2027.

**35. Dental Insurance Loss Ratio.** The 2024 Assembly required the Office of the Health Insurance Commissioner to provide recommendations on dental health plans and dental premium dollars spent on patient care by October 1, 2026. It authorized the Office to levy a maximum of \$150,000 from general revenues for contractors to produce the report. Consistent with the request, the Governor recommends the full \$150,000 in each FY 2025 and FY 2026. The House Finance Committee recommends \$24,000 for FY 2025 and \$126,000 for FY 2026, based on updated estimates contained in the Office’s third quarter report. This requires corresponding adjustments to revenue and expenditure assumptions.

**36. E-Permitting Current Service.** The Governor recommends \$0.8 million from general revenues, \$0.4 million less than enacted, to support online permitting for all Rhode Island municipalities. Funding supports ongoing operating expenses, such as software licenses for all 39 municipalities, and one associated position. The reduction represents prior year spending, but current law expansion plans suggest this reduction may shift some of the compliance costs onto municipalities. The House Finance Committee recommends \$0.2 million more, for a total of \$1.0 million, which supports expanding the program to additional permit types effective October 2025, as required by the 2024 Assembly.

**37. Health Spending Accountability and Transparency Program.** The Governor’s recommendation includes \$0.5 million from general revenues to collect insurer and claims data intended to help healthcare businesses meet voluntary cost growth targets. From FY 2018 to FY 2022 work was funded by a grant from the Peterson Center on Healthcare through Brown University. The 2022 Assembly provided the enacted level of funding, a portion of which supported one-time work to produce recommendations related to hospital global budgeting. The House Finance Committee recommends \$0.2 million less to reflect the reduced scope of ongoing work.

### **Cannabis Control Commission**

**38. New Positions (-2.0 FTE).** The House Finance Committee does not concur with the Governor’s recommendation for \$0.3 million from cannabis restricted receipts for the Cannabis Control Commission to add an administrative officer and a legal support position. The enacted budget provides funding for 2.0 legal counsels and 4.0 administrative officers. The Commission has since repurposed an administrative officer position for a public affairs chief. As of May, the Commission has 3.0 vacancies within its existing authorization for 26.0 positions.

### **Executive Office of Commerce**

**39. Capital - I-195 Redevelopment District Parks.** The Governor’s revised budget includes \$3.0 million from Rhode Island Capital Plan funds for FY 2025 to finance infrastructure and development projects for the I-195 Redevelopment District’s parks. Work includes a food and beverage service pavilion, utility infrastructure, landscaping, and replacement of trash receptacles and benches. Based on project delays, the House Finance Committee recommends shifting \$1.0 million from FY 2025 to FY 2026.

**40. Wavemaker Cohorts.** The Governor’s FY 2026 recommendation includes \$1.0 million from general revenues, \$3.1 million less than enacted, for the Wavemaker Fellowship program for student loan repayment tax credits. This is estimated to support current cohorts and roughly 85 additional awards; applications for an upcoming eighth cohort closed on March 28, 2025. The House Finance Committee recommends \$1.6 million more from general revenues, which is estimated to provide approximately 180 additional awards.

## **Housing**

**41. Analytics Capacity.** The Department’s request includes \$3.1 million and 2.0 new full-time equivalent positions for several initiatives aimed at increasing its research and planning capacity. In lieu of funding any specific initiative, the Governor recommends \$250,000 from general revenues to expand planning, analytics, and research capacity. The House Finance Committee does not concur.

**42. Federal Grant Adjustment (GBA).** Following the Governor’s budget release, the Department of Housing announced receipt of a new \$3.8 million federal grant to identify and remove barriers to affordable housing production and preservation. The House Finance Committee concurs with the Governor’s amended recommendation to add \$500,000 for FY 2026 to reflect anticipated spending.

**43. Housing Resources and Homelessness from FY 2025.** The House Finance Committee recommends shifting \$4.0 million from Housing Resources and Homelessness restricted receipts from FY 2025 to FY 2026, consistent with the Department’s third quarter report. The account is supported by a dedicated portion of the first tier of the Real Estate Conveyance Tax. The enacted budget reflects placeholder values after the 2024 Assembly provided a one-time transfer of \$10.0 million from general revenues.

**44. Housing Resources and Homelessness Dedicated Revenue Expansion.** The Governor recommends \$4.4 million from restricted receipts from two new dedicated revenue sources for the Housing Resources and Homelessness restricted account. The recommendation extends the 5.0 percent state hotel tax to whole unit short-term rentals effective January 1, 2026, which is assumed to generate \$2.1 million for FY 2026. It also proposes increasing the second tier of the real estate conveyance tax from 0.46 percent to 0.79 percent for the portion of a residential property’s value above \$800,000, effective October 1, 2025, which is assumed to generate \$2.3 million for FY 2026.

The House Finance Committee recommends \$5.9 million, which is \$1.5 million more than recommended, including \$1.0 million less from short-term rentals and \$2.5 million more from the real estate conveyance tax. It concurs with extending the state hotel tax to whole unit short-term rentals, but alters the distribution of revenues, providing 50.0 percent for the restricted account and 25.0 percent each for the municipality and tourism district in which the rental occurs. It also recommends increasing both the first- and the second-tier real estate conveyance tax rates to 0.75 percent and making all associated funds available for FY 2026.

**45. Housing Production Fund Dedicated Revenue Expansion.** The House Finance Committee recommends \$0.3 million from new restricted receipts for the Housing Production Fund, resulting from increasing both the first- and the second-tier real estate conveyance tax rates to 0.75 percent, effective October 1, 2025. The Governor recommended only that the second-tier on the portion of a residential properties value above \$800,000 be increased, from 0.46 percent to 0.79 percent, and did not dedicate any resulting revenues to the fund.

**46. Indirect Cost Recovery Application.** Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through a negotiated indirect cost rate. Current law mandates that all state agencies apply for the rate when it is allowed. In fall 2024, the minimum federal rate was increased from 10.0 percent to 15.0 percent. The Department does not appear to charge this to its grants. The House

Finance Committee recommends authority to spend \$125,000 from new restricted receipts, assuming the Department begins applying a 15.0 percent indirect cost recovery on federal grants it receives.

**47. Low Income Housing Tax Credit Accounting (GBA).** Allocations to the restricted account to fund future state Low-Income Housing Tax Credits, first authorized in 2023, have been budgeted as a general revenue expenditure. The state controller reclassified the FY 2024 transaction as a fund transfer based on current accounting standards, but the Governor’s FY 2025 revised and FY 2026 recommendations, which contain \$4.0 million in each year, retained the original treatment. The House Finance Committee concurs with the Governor’s amended recommendation to correct this classification; there is no change to the funding commitment amount.

**48. Relocation Expenses.** The Governor recommends \$0.4 million for FY 2025 and \$0.1 million for FY 2026 to purchase equipment associated with new staff members and transitioning office locations. The Department relocated to the Shepard Building in Providence in January 2024 and to the Powers building in March 2025. The House Finance Committee recommends excluding the FY 2026 funding.

### **Labor and Training**

**49. Job Development Fund Non-Profit Assessment.** The House Finance Committee does not concur with the Governor’s proposal to extend the job development assessment of 0.21 percent to include non-profit, non-governmental employers of 500 or more employees. It also excludes the related \$2.6 million of restricted receipt expenditures for Real Jobs Rhode Island and core unemployment services that would have been supported by the new assessment.

**50. Work-Based Learning Initiative.** The House Finance Committee does not concur with the Governor’s recommendation to provide a new allocation of \$2.0 million from general revenues for FY 2026 to support work-based learning opportunities for youths through existing programming through Real Skills for Youth and PrepareRI. The Governor’s Workforce Board restricted receipts currently fund these initiatives. The Department indicates that the new general revenues would supplement existing funding; however, budgeted funds exceeded expenditures for both programs in FY 2024.

**51. Year Up Grant.** The House Finance Committee does not recommend continuing the enacted amount of \$200,000 from general revenues to support Year Up, a national nonprofit organization that provides skills and experiential support to underserved young adults. This organization no longer maintains a physical location in Rhode Island, and its mission overlaps with several existing initiatives under the Department’s purview.

### **Revenue**

**52. Revenue Initiatives Implementation.** The House Finance Committee recommends 3.0 new positions and \$700,000 for the Division of Taxation to implement new revenue initiatives contained in the budget. This is 1.0 position and \$250,000 more than the Governor’s budget that includes 2.0 new positions and \$450,000 from general revenues for staffing and implementation costs related to a new tax on digital advertising revenues that the House Finance Committee does not recommend.

**53. PILOT Full Funding.** The Governor recommends the enacted level of \$49.2 million from general revenues for 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 enacted budget funds the program at 26.7 percent; the Governor’s FY 2026 recommendation equates to 25.9 percent. The House Finance Committee recommends adding \$2.1 million to fully fund the program.

**54. Distressed Communities Aid.** For FY 2026, the Governor recommends the enacted level of \$12.4 million for the Distressed Communities Relief Fund. Communities' aid distribution is based on updated qualifying tax levies. The FY 2026 recommendation includes Coventry as a qualifying community. Coventry will receive a transition payment equal to 50.0 percent of the current law requirement, resulting in decreased payments to the other eligible communities. The House Finance Committee recommends adding \$2.5 million to provide a total of \$14.9 million.

**55. Motor Vehicle Excise Tax Reimbursement Index to 2%.** The Governor recommends funding the Motor Vehicles Excise Tax Phase-out program at \$234.9 million for FY 2026. This is \$9.7 million less than the current law estimate and assumes 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 FY 2026 recommendation proposes providing community distributions at the greater of the FY 2025 or FY 2024 level. The tax was ended for each local government effective FY 2024, and FY 2026 is the first year the growth index would be applicable. The House Finance Committee recommends maintaining current law to allow growth, but capping the increase at 2.0 percent. It adds \$4.7 million to provide a total of \$239.5 million.

#### **Secretary of State**

**56. Statewide Voter List Maintenance Mailing.** The Secretary of State requested \$750,000 from general revenues for FY 2026 to conduct a statewide mailing to update the state's voter registration list as the optimal way to ensure that state voter rolls are as accurate as possible for future elections. The mailing would be a one-time expense in a non-election year. The Governor did not recommend this funding. The House Finance Committee recommends \$750,000 from general revenues, consistent with the request.

#### **Public Utilities Commission**

**57. Commission - Legal Staff (1.0 FTE).** The 2024 Assembly added \$0.2 million from restricted receipts and 1.0 full-time equivalent chief financial analyst position for the Public Utilities Commission to assist in the evaluation and analyses that support the Commissioners' review of cases. The Commission cited the rapid growth and complexity in the utility cases it reviews as the reason for requesting this specialty position, which the Governor did not recommend. The House Finance Committee recommends removing funding and the position authorization for FY 2026, as the Commission opted to fill a legal position instead.

#### **Executive Office of Health and Human Services**

**58. AHEAD Model (GBA).** The House Finance Committee concurs with the Governor's requested amendment to recognize federal funds for the newly awarded AHEAD Model program and includes \$2.0 million. The Executive Office applied for the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model grant in August 2024. The grant was announced in late October but not included in the FY 2026 request or the Governor's recommendation. The ten-year grant consists of a two-year pre-implementation period from January 2025 through December 2026, followed by eight years of investments starting in January 2027.

**59. Community Health Worker Program Integrity.** The House Finance Committee recommends decreasing the May consensus caseload expenses for the Community Health Worker Program by \$15.0 million, including \$4.4 million from general revenues. The adjustment recognizes an overstatement in the underlying projections that maintained some anomalous expenses that were found to be improper and led to a recent rule-making process to ensure the integrity of the program.

- 60. Conflict-Free Case Management System from FY 2025 (GBA).** The House Finance Committee concurs with the Governor's requested amendments to adjust expenses to reflect the current plan for conflict-free case management by shifting \$5.2 million from the time-limited program that allows for enhanced Medicaid reimbursement on eligible home and community based services included in the American Rescue Plan Act to be reinvested in expanding services. The amendments shift \$5.2 million, including \$3.2 million from federal funds and \$2.1 million from restricted receipts, to FY 2026 from FY 2025.
- 61. Family Medicine Residency Program.** The House Finance Committee recommends adding \$500,000 from general revenues to support Thundermist Health Center's Family Medicine Residency Program. The center also receives federal funds directly used for the retention of residency faculty and the recruitment of the new class of residents.
- 62. Federally Qualified Health Care Center Rates.** The House Finance Committee recommends adding \$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.
- 63. Health System Transformation Project (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$1.1 million for the Health System Transformation Project. This includes \$0.8 million more from federal funds and \$0.3 million more from restricted receipts, providing \$3.5 million for FY 2026 and exhausting the time-limited funds.
- 64. Home and Community Based Support - ARPA (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$2.9 million from federal funds and restricted receipts from the time-limited program that allows for the enhanced Medicaid reimbursement on eligible home and community based services. The recommendation includes a negative appropriation, and this adjustment corrects that.
- 65. Hospitals - Long Term Care Behavioral Health Bed Rate.** The Governor requested an amendment for federal authority for a new rate reimbursement model to support a 21-bed long-term care behavioral health inpatient unit at Fatima Hospital. The House Finance Committee concurs with seeking authority for a rate model for this kind of placement, generally, and recommends adding \$7.5 million, including \$3.2 million from general revenues to support such placements in community hospitals.
- 66. Hospitals - Outpatient Upper Payment Limit.** The House Finance Committee does not concur with the Governor's recommendation to eliminate the outpatient upper payment limit reimbursement made to the community hospitals and adds \$8.4 million, including \$3.0 million from general revenues.
- 67. Hospitals - Inpatient Upper Payment Limit.** The House Finance Committee does not concur with the Governor's recommendation to eliminate the inpatient upper payment limit reimbursement made to the community hospitals and adds \$16.8 million, including \$5.9 million from general revenues.
- 68. Hospital - Rates at Current Law.** The House Finance Committee does not concur with the Governor's recommendation to limit the FY 2026 hospital rate increase to 2.3 percent and adds \$5.1 million, including \$1.6 million from general revenues, to bring the increase to the current law rates ranging from 2.9 percent for payments through managed care plans to 3.4 percent for fee-for-service reimbursements.
- 69. Infrastructure for School Based Services Grant (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$145,215 from a new federal grant for FY 2025 and \$1.0 million for FY 2026. The Executive Office was awarded a \$2.5 million, three-year grant on June 25, 2024, to expand School-Based Medicaid Services. The consultants will conduct a needs assessment and engage with community stakeholders.

**70. May Caseload Conference - Medicaid.** The House Finance Committee recommends decreasing medical assistance expenses by \$31.2 million for FY 2026 to reflect the May Caseload Estimating Conference estimate. This includes updated expenses that reflect rate increases and projected utilization. Accounting for the remaining changes already assumed in the Governor's budget, FY 2026 spending is estimated to be \$4.4 million less from federal funds, \$3.5 million less from general revenues, and \$1.0 million less from restricted receipts.

**71. Medicaid Enterprise System Delay.** The House Finance Committee recommends reducing expenses for the Medicaid Enterprise System by \$48.0 million, including \$4.3 million from general revenues, to reflect an updated project schedule for the new system. The budget includes \$14.2 million, of which \$1.9 million is from general revenues, for FY 2026. A similar reduction was taken in FY 2025 based on the Executive Office's third quarter report.

**72. Medicaid Primary Care Rates - October 1, 2025.** The House Finance Committee recommends adding \$26.4 million, of which \$8.3 million is from general revenues, to raise primary care rates to 100 percent of Medicare rates, effective October 1, 2025.

**73. Medicare Savings Program Expansion.** The House Finance Committee recommends adding \$7.1 million, including \$0.7 million from general revenues, to expand the Medicare Savings Program. A similar proposal was included by the 2024 Assembly to expand the benefit from 138 percent to 185 percent for Qualified Individuals and added only federal funds, but because of the limitation to one group, it could not be implemented. This expansion increases eligibility to 125 percent of poverty for the Qualified Medicare Beneficiary group and up to 168 percent for the Qualified Individuals group.

**74. Mobile Response Stabilization System.** The House Finance Committee recommends adding \$900,000 from general revenues to provide additional funding for Mobile Response and Stabilization Services for FY 2026. This will support uninsured and underinsured and cover costs not reimbursed by Medicaid and other commercial insurers.

**75. Nursing Home Minimum Staffing Enhanced Rate.** The House Finance Committee concurs with the Governor's recommendation for a 2.3 percent increase for the FY 2026 annual inflator and also adds \$12.0 million, including \$5.0 million from all general revenues, to increase base payments to nursing facilities by three percent. This brings the FY 2026 increase to \$21.3 million, including \$8.8 million from general revenues, with 100 percent of the \$12.0 million base adjustment passed along to the direct care worker.

**76. Pathways to Removing Obstacles Housing Award (GBA).** Subsequent to submission of the Governor's recommendation, the Department of Housing announced receipt of a new \$3.8 million federal grant to identify and remove barriers to affordable housing production and preservation. The House Finance Committee concurs with the Governor's amended recommendation to add \$600,000 for FY 2026 to reflect anticipated spending in the Executive Office of Health and Human Services.

**77. Primary Care Health Assessment Impact.** The House Finance Committee recommends 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. The current assessments are based on a per member per month fee applied to all covered lives including self-insured. For the Executive Office of Health and Human Services, the estimated cost on behalf of its Medicaid enrollees is \$7.0 million, of which \$2.1 million is from general revenues.

**78. RIBridges System Enhancement Delay from FY 2025 (GBA).** The House Finance Committee concurs with the Governor's requested amendment to increase expenses related to the Unified Health

Infrastructure Project, known as RIBridges, by \$4.2 million, including shifting \$0.9 million from general revenues from FY 2025 to reflect a delay in system enhancements resulting from the data breach.

**79. RIPIN - Dual Ombudsman Program.** The Governor's recommendation includes \$118,442, including \$59,211 from general revenues, for six months of funding for the Dual Ombudsman Program through the Rhode Island Parent Information Network. The House Finance Committee adds a like amount to continue funding for the full year.

**80. The Work Number.** The Governor recommends \$9.9 million, including \$2.5 million from general revenues, for payments made to Equifax for its income verification product, The Work Number. This allows the state access to another data source to determine eligibility for medical assistance benefits and programs through the Department of Human Services. The House Finance Committee recommends \$0.9 million less, including \$0.2 million from general revenues based on the value of the contract for FY 2026, which is not to exceed \$8.9 million, of which \$2.2 million is general revenues for the required percent match.

### **Children, Youth and Families**

**81. Capital - Residential Treatment Facilities (GBA).** The House Finance Committee concurs with the Governor's requested budget amendment to shift \$4.0 million from Rhode Island Capital Plan funds from FY 2026 to FY 2027, reflecting anticipated savings at the Exeter Female Youth Facility and an expansion of the project's scope to include an additional facility to address in-state capacity for youth. The amended plan assumes that \$2.0 million of the \$11.0 million will be used in FY 2026 for planning costs or a feasibility study, and the \$4.0 million in FY 2027 is a placeholder for future renovation or construction expenses.

**82. Consent Decree Consultant (GBA).** The Governor's recommendation included \$500,000 in FY 2025 and \$750,000 in FY 2026 for a consultant to support the Department of Children, Youth and Families' implementation of the Department of Justice consent decree. He subsequently requested an amendment to shift \$210,000 from general revenues to restricted receipts to reflect a new commitment of funding from the Annie E. Casey Foundation to support work related to the consent decree. The House Finance Committee concurs with the amended recommendation.

**83. Adoption and Legal Guardianship Incentive Grant (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$1.1 million from federal funds to reflect a newly awarded Adoption and Legal Guardianship Incentive grant. This funding is performance-based and recognizes improved performance in helping children and youth in foster care find permanent homes. Funding will be used to support adoption and kinship services through community-based providers.

**84. Juvenile Justice Grant (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$0.4 million from federal funds, reflecting a newly awarded juvenile justice grant. The grant program supports planning in developing a community-based continuum of prevention and intervention services aimed at helping prevent youth from entering the juvenile justice system or moving deeper into it. The Department will partner with nonprofits to evaluate the current services and interventions for at-risk youth and design evidence-based interventions to strengthen the system.

**85. Staffing Allocation Correction (GBA).** The Governor requested an amendment to shift \$0.9 million from general revenues and 8.0 Juvenile Program worker positions back to Youth Development Services funding to correct a position allocation error in his original recommendation and reduce federal funds by \$0.3 million to reflect the accurate level of federal matching funds. The House Finance Committee concurs.

## Health

**86. New Health Lab - Operational Costs.** In 2021, the state was awarded an \$81.7 million federal grant for the construction of a new health laboratory facility. The total estimated project cost is \$97.7 million; construction is ongoing, and the Department will occupy the facility in the fall. As part of its revisions to the FY 2025 budget, the House Finance Committee recommends shifting \$4.3 million of capital expenses from indirect cost restricted receipts to Rhode Island Capital Plan funds to preserve these receipts for other uses. The House Finance Committee also concurs with a requested amendment to use \$0.7 million of these restricted receipts for operational costs of the new health laboratory.

**87. Primary Care Training Sites Program Shift from FY 2025.** The 2024 Assembly adopted legislation establishing a Primary Care Training Sites Program. It provided \$2.7 million from general revenues for the program; each site would be awarded no more than \$90,000. The program aims to expand training opportunities for medical students, residents, nurse practitioners, and physician assistants, with a particular focus on primary care. Based on anticipated expenses, the House Finance Committee recommends \$0.7 million for FY 2025 and shifts \$2.0 million to FY 2026. It maintains the requirement that any unexpended funds automatically be reappropriated.

**88. PRN Network Funding.** After enacting the FY 2025 budget, the 2024 Assembly adopted separate legislation authorizing the Department to use \$850,000 each from available childhood and adult immunization resources for the existing Pediatric Psychiatry Resource Network and Rhode Island Maternal Psychiatry Resource Network information lines. The programs provide specialized clinical consultation and referral services related to mental health. The Department subsequently obtained \$0.9 million from a federal grant to support the PediPRN information line. The recommended budget does not include funding for the MomsPRN information line for which ongoing operating expenses have been updated to \$750,000. The House Finance Committee recommends \$750,000 from general revenues.

## Human Services

**89. Assisted Living State-Only Stipend.** The House Finance Committee recommends \$16,430 from general revenues for the additional \$206 monthly state supplemental payments provided to an average of seven individuals who receive the state supplemental security income payment and live in a state-licensed assisted living facility that is not eligible to receive Medicaid. This is \$90,277 less than the Governor's recommendation to reflect testimony at the May Caseload Conference regarding expenses for FY 2026.

**90. Child Care - Separate Infant Rate.** The House Finance Committee recommends providing an infant rate for center-based child care providers that is 20 percent higher than the toddler rate, which would be unchanged. The recommendation adds \$3.0 million from federal funds to account for the change. All current caseload reporting includes these age groups in a single category.

**91. Child Care for Educators Extension.** The House Finance Committee recommends \$2.7 million from federal funds to extend the child care for childcare workers pilot program for another three years to July 31, 2028. The required report on the pilot is due in November.

**92. May Caseload Conference - Cash Assistance.** The House Finance Committee recommends increasing expenditures for cash assistance caseloads by \$2.1 million, including \$31,980 from general revenues, to reflect the May Caseload Estimating Conference estimates for Rhode Island Works, subsidized child care, supplemental security income, and general public assistance bridge programs.

**93. Meals on Wheels.** The House Finance Committee recommends adding \$50,000 from general revenues to bring FY 2026 funding to support Meals on Wheels to \$680,000.

**94. RI Community Food Bank.** The House Finance Committee recommends adding \$400,000 from general revenues to bring funding to \$950,000 for food collection and distribution through the community food bank. This extends the one-time funding included in the enacted budget and adds another \$150,000.

**95. Substance Use and Mental Health Leadership Council.** The House Finance Committee recommends adding \$50,000 from general revenues to bring funding to \$150,000 for the Substance Use and Mental Health Leadership Council.

#### **BHDDH**

**96. ARPA - 988 Hotline from FY 2025.** The House Finance Committee recommends adding \$1.8 million in FY 2026 from unused State Fiscal Recovery funds in FY 2025 for the 988 hotline. The Governor recommended \$3.5 million for FY 2025 of which \$1.7 million is projected to be spent.

**97. CCBHC Contracted Services.** The Governor's recommendation includes \$338,801, of which \$208,363 is from general revenues, for contracted services to support the Department's work with the Certified Community Behavioral Health Clinics. This replaces State Fiscal Recovery funds included in the Executive Office of Health and Human Services budget. The Department had requested a new position to support this activity, but it was not recommended. However, the Department repurposed a vacant position to fill this role, and the House Finance Committee recommends reducing funding for contracted services accordingly.

**98. May Caseload Conference - Private Services for Individuals with Developmental Disabilities.** The House Finance Committee recommends increasing expenses for community-based services for individuals with developmental disabilities by \$11.9 million for FY 2026 to reflect the results of the May Caseload Estimating Conference estimate and adjusted for utilization.

**99. Technology Expenses.** The Governor's recommendation includes \$0.9 million, of which \$0.2 million is from general revenues, for technology expenses that are not needed. The House Finance Committee recommends reducing funding accordingly. The Committee does concur with the recommendation to fund the two case management systems operated by Therap and WellSky.

**100. Third-Party Billings Rebase.** The House Finance Committee recommends increasing third-party billing receipts for Eleanor Slater Hospital by \$1.6 million to reflect rebasing the collections for FY 2026, consistent with the Department's third quarter projections for FY 2025. This includes Medicare billings from re-enrolling physicians for certification and increasing Part D pharmacy receipts. There is a like amount of general revenue savings for FY 2026.

#### **Governor's Commission on Disabilities**

**101. Indirect Cost Initiative Reversal.** The FY 2026 recommendation assumes that general revenue savings of \$38,258 can be achieved by applying a 15.0 percent indirect cost recovery rate on the federal grant that the Commission receives for the Statewide Independent Living Program; a like amount of expenses was included from restricted receipts. Federal regulations exempt this grant from the indirect cost allowance and limits administrative costs to 5.0 percent. The Governor requested an amendment to acknowledge this requirement and adjust the restricted receipts, but assumes the difference in general revenue savings can be achieved within the existing budget. The House Finance Committee recommends restoring the \$25,505 of general revenues.

**102. Livable Home Modification - Current Service.** The Livable Home Modification Grant Program provides funding to support home modifications and accessibility enhancements to allow individuals to remain in community settings. It was initially funded at \$250,000 from general revenues; the 2018

Assembly increased funding to \$0.5 million. The 2022 Assembly provided a total of \$1.0 million, with \$0.5 million intended as a one-time allocation to address a surge in applications. The FY 2024 budget lowered expenses by \$250,000. The House Finance Committee recommends \$0.5 million, or \$250,000 less than recommended, to reflect current service expectations. The FY 2025 final budget includes \$1.4 million because of prior underspending; unspent funds will reappropriate to FY 2026.

### **Elementary and Secondary Education**

**103. Capital - Davies School Health Care Classroom Improvements.** Based on an updated project schedule, the House Finance Committee recommends shifting \$6.9 million from Rhode Island Capital Plan funds for the health career classrooms renovation project at Davies Career and Technical School from FY 2025 to FY 2026. This work is being coordinated with the wing renovation project, and the school anticipates that the majority of spending will occur in FY 2026.

**104. Capital - Davies School Wing Renovation (GBA).** The House Finance Committee concurs with the Governor's requested amendment to increase Rhode Island Capital Plan funds by \$4.5 million in FY 2026 for the Davies School Wing Renovation project. This increase reflects the cost of a new roof for the 1970s wing and maintains the original project scope and updated schedule. The initial plan assumed that minor roof repairs would be covered through annual asset protection, but the condition of the roof had deteriorated and needed to be addressed to complete the project. This would provide \$34.5 million for FY 2026 and increase the total cost to \$39.5 million.

**105. Contract Reserve Distribution (GBA).** The McKee Administration reached agreements with a majority of state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, for a total of 12.0 percent. The FY 2026 recommended budget includes \$20.6 million from all sources, including \$19.0 million from general revenues in the Department of Administration's budget for potential costs where settlements were not yet reached, including Local 2012 and non-union professional staff in the Department of Elementary and Secondary Education. The House Finance Committee recommends the distribution of the funds, including \$1.5 million from general revenues, for the staff who are subject to the agreement.

**106. Davies Staffing Allocation Correction (GBA).** The Governor includes \$0.2 million from general revenues for two new arts teachers to meet the school's updated graduation requirements. He subsequently requested an amendment to shift the funding for the positions from general revenues to local share of education restricted receipts. The House Finance Committee concurs with the amended recommendation.

**107. Education Aid - CRAFT Bed Revision.** The House Finance Committee recommends changing the treatment of the Children's Residential and Family Treatment Program, known as CRAFT beds, for the purposes of group home aid. Currently, these beds are in the group home aid count, but differ from other group homes because these youth are not placed by the Department of Children, Youth and Families. The House Finance Committee recommends reducing group home aid by \$0.5 million to reflect the removal of these beds from the statute and language clarifying educational and financial responsibility for children in this program.

**108. Education Aid - Group Home Funding.** The House Finance Committee recommends increasing group home funding by \$2.1 million by removing the statutory provision that allows for group home beds to be deducted from enrollment data for the purpose of determining average daily membership. Growth in the core instruction amount has contributed to declining home aid for districts, especially those with higher state share ratios. This change would ensure that the full \$17,000 per bed would be provided to support all communities that host group home beds.

**109. Education Aid - Current Law Funding Formula March Update.** Based on updated March 2025 enrollment data, the House Finance Committee recommends adding \$12.0 million from general revenues for education aid to districts, charter schools, and state schools to maintain the current law funding formula. The updated information also corrects a data error in the original October count of students in poverty.

While the updated funding reflects 308 fewer students than the October 2024 enrollment data used in the Governor’s recommendation, including 20 fewer in charter and state schools, there are 5,900 more students in poverty, 713 more in charter and state schools.

**110. Education Aid - Special Education.** The House Finance Committee recommends adding \$2.5 million from general revenues for high-cost special education categorical funding. This would provide \$17.5 million and represents 56.0 percent of eligible expenses, an increase from 48.0 percent in the Governor’s recommendation. The 2023 Assembly lowered the reimbursement threshold and increased this aid category to \$15.0 million from the \$4.5 million allocated for FY 2017 through FY 2023.

**111. Out of School Time Education.** The FY 2024 enacted budget included \$4.0 million from State Fiscal Recovery funds to be distributed to community organizations to expand access to out of school time educational programs. This funding has been obligated to districts, but through May 2025, only \$1.0 million has been spent. The 2024 Assembly concurred with the Governor’s recommendation to make a new commitment of \$3.0 million from general revenues for FY 2025 and \$2.0 million from State Fiscal Recovery funds in the Department of Administration’s budget to be distributed directly to municipalities through Community Learning Center Programming Support grants. Through May 2025, no spending has occurred from the Community Learning Center Programming Support grants, and approximately \$5,000 of the general revenues has been expended. The Governor recommends continuing this in FY 2026 with \$2.5 million from general revenues, and his budget includes language requiring unspent funds to be reappropriated for both FY 2025 and FY 2026. The House Finance Committee concurs with reappropriating unspent funding from FY 2025, but does not recommend general revenues in FY 2026.

### Higher Education

**112. Capital - CCRI Data Cabling and Power Infrastructure.** Based on updated spending plans, the House Finance Committee recommends removing \$4.2 million from Rhode Island Capital Plan funds from FY 2025 and moving it to the out-years. This includes \$600,000 more for FY 2026, \$356,000 for FY 2027, \$850,000 for FY 2028, and \$2.4 million for FY 2029.

**113. Capital - CCRI Renovation and Modernization - Phase I.** The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for the Community College’s renovation and modernization phase I project based on updated plans. This includes removing \$10.5 million from FY 2025 and adding \$2.0 million to FY 2026, \$2.7 million to FY 2027, \$3.0 million to FY 2028, and \$2.8 million to FY 2029.

**114. Capital - URI Building Envelope.** The University requested \$53.0 million from Rhode Island Capital Plan funds for a new project to address repairs to building envelope systems across the University’s campuses. Roofs, windows, and exterior cladding would be repaired and improved to provide better interior air quality, enhanced energy efficiency, and improved appearance of the University’s campuses, which the University noted is a key marketing tool for achieving success. This project has similar elements to asset protection. The University currently controls 322 buildings, fifteen of which have active roof leaks. The University would like to separate building envelope repairs from its asset protection project so that roof repairs would have a dedicated and sufficient source. Currently, asset protection only supports one roof replacement per year, which does not meet the rate at which the roofs decline. The Governor did not recommend funding, but the House Finance Committee recommends \$15.0 million from Rhode Island Capital Plan funds by providing \$3.0 million annually from FY 2026 through FY 2030.

**115. College Visions.** The House Finance Committee does not concur with the Governor’s proposal for a new general revenue appropriation of \$50,000 for College Visions. The Office of Postsecondary Commissioner is currently conducting a higher education affordability study, part of which involves examining and making recommendations on the best way for the state to support college affordability and attainment.

**116. Promise May Update (GBA).** Based on the May Promise report, the House Finance Committee recommends \$6.9 million from general revenues to support the Promise Scholarship program in FY 2026. This is \$1.0 million less than the Governor recommended and reflects declining enrollment.

**117. Ready to Build RI New Initiative.** In November, the Community College launched a new Apprenticeship Readiness program for recent high school graduates and young adults in partnership with Building Futures. It received a \$250,000 workforce investment grant from the Department of Labor and Training to begin the program. The Governor recommends a new investment of \$800,000 from general revenues to continue the program. The House Finance Committee does not recommend new general revenue appropriations and adjusts funding accordingly.

### **Historical Preservation and Heritage Commission**

**118. Current Service Correction.** Subsequent to the submission of its request, the Commission indicated that it had overstated general revenue spending on conferences by \$17,000. The Governor’s recommendation retains these funds in error. The House Finance Committee recommends excluding these funds consistent with the agency’s intent.

### **Attorney General**

**119. Enhanced Staffing (4.0 FTE).** The Office of the Attorney General requested \$1.7 million from general revenues and 13.0 new full-time equivalent positions for FY 2026; the Governor’s recommended budget did not include any new positions. Following its budget hearing in the House Finance Committee, the Office provided an updated request to fund some of the additional positions from the Office’s non-multi-state initiative restricted receipts. The House Finance Committee recommends \$0.8 million from restricted receipts and 4.0 new positions.

### **Corrections**

**120. Accreditation.** The Governor’s budget includes \$0.4 million from general revenues associated with the reallocation of 4.0 existing full-time equivalent positions for a new initiative to achieve American Correctional Association accreditation. The House Finance Committee does not concur with the allocation and assumes turnover savings equivalent to the redundant positions.

**121. Capital - Asset Protection.** The Governor’s capital recommendation includes \$9.7 million for FY 2025, \$5.1 million for FY 2026, and \$4.1 million annually thereafter for asset protection projects at the Department of Corrections. Compared to the approved plan, it delays \$5.7 million of unspent FY 2024 funds to FY 2025 and adds \$1.0 million for FY 2026 associated with his facilities consolidation proposal. The House Finance Committee recommends shifting \$4.2 million from FY 2025 to FY 2026 based on an updated spending timeline, and excludes the funding associated with the facilities consolidation proposal.

**122. Capital - Facilities Renovations.** The Governor recommends the approved amount of \$10.8 million from Rhode Island Capital Plan funds for a behavioral management unit at the Maximum Security facility, including \$3.4 million for FY 2025 and \$7.4 million for FY 2026. The House Finance Committee recommends retaining only \$250,000 for a feasibility study for FY 2025 and delaying all other funding one year, based on an updated timeline provided by the Department. Compared to the Governor’s

recommendation, this is \$3.2 million less for FY 2025, \$4.2 million less for FY 2026, and \$7.4 million more for FY 2027.

**123. Capital - HVAC Replacement.** The Governor's capital recommendation includes the approved amount of \$41.1 million from Rhode Island Capital Plan funds to replace the heating, ventilation, and air conditioning systems at the Intake Service Center. The recommendation includes \$30.9 million for FY 2025 and \$10.3 million for FY 2026, which delays \$6.9 million of unspent FY 2024 funds to FY 2025. The House Finance Committee recommends \$22.5 million less for FY 2025, \$17.5 million more for FY 2026, and \$5.0 million more for FY 2027 based on an updated project timeline provided by the Department.

**124. Contract Reserve Distribution (GBA).** The McKee Administration reached agreements with a majority of state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, for a total of 12.0 percent. The FY 2026 recommended budget includes \$20.6 million from all sources, including \$19.0 million from general revenues in the Department of Administration's budget for potential costs where settlements were not yet reached. The House Finance Committee recommends \$23.3 million from general revenues for the FY 2026 cost of the Brotherhood of Correctional Officers settlement. This amount was significantly larger than budgeted as a result of additional provisions related to night shift supplemental pay and the speed at which positions achieve their maximum pay grade.

**125. Efficiencies.** In testimony before the House Finance Subcommittee on Public Safety, the Department of Corrections testified that it would identify savings in lieu of the Governor's facilities consolidation proposal, which assumes \$6.2 million in general revenue savings for FY 2026. A March feasibility study on the proposal indicated a minimum cost of \$67.1 million for requisite capital upgrades. The House Finance Committee recommends \$1.6 million in general revenue savings to be achieved through operational efficiencies identified by the Department.

**126. Facility Consolidation.** The Governor recommends closing the Minimum Security facility and transferring all inmates to the Medium Security facility effective January 1, 2026. He assumes general revenue savings of \$6.2 million for FY 2026, expected to annualize at \$12.7 million for FY 2027. The House Finance Committee does not concur and restores \$6.2 million based on Department testimony on a March feasibility study indicating a minimum cost of \$67.1 million for requisite capital upgrades.

**127. Travel.** The Governor recommends \$133,313 more than enacted for the Department of Corrections for out-of-state travel, primarily by agency leadership. The House Finance Committee does not concur and maintains the enacted amount of \$64,119.

### **Military Staff**

**128. Capital - Aviation Readiness Center (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$4.3 million from Rhode Island Capital Plan funds for FY 2026 and \$7.6 million for FY 2027 to construct a National Guard Readiness Center that supports training, administrative and logistical requirements of the 1-126 Aviation Unit of the Rhode Island Army National Guard. The amendment reflects updated costs and state share requirements from the National Guard Bureau for a total cost of \$67.4 million, a majority of which is federal funds.

### **Public Safety**

**129. Contract Reserve Distribution (GBA).** The FY 2026 recommended budget includes \$20.6 million from all sources, including \$19.0 million from general revenues in the Department of Administration's budget for potential costs for settlements with state employee unions that had not yet been reached, including the State Police. The House Finance Committee concurs with the Governor's requested

amendment to add \$6.1 million to account for the settlement of the State Police contract. This reflects the same cost-of-living adjustments given to other state employees and a uniform stipend increase. It is also retroactive to November 1, 2023, eight months earlier than other contracts. The increase includes \$5.8 million from general revenues and \$0.3 million from federal funds for FY 2026.

**130. Pension Final Average Compensation Consistency** The 2024 Assembly made changes to the pension plan affecting retirees and active members including the cost-of-living adjustment, pension benefit calculation, public safety pensions, and post-retirement employment. This includes changing the calculation for pension benefits from the highest five consecutive years of compensation to the highest three consecutive years. This provision applied to state employees, teachers, and general municipal employees. The House Finance Committee recommends adding \$480,000, including \$455,191 from general revenues, to extend this provision to the State Police.

### **Environmental Management**

**131. Capital - Galilee Piers.** The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for the Galilee Piers project based on an updated schedule. This includes removing \$7.3 million from FY 2025, adding \$4.0 million to FY 2026, and \$3.3 million to FY 2027.

### **Coastal Resources Management Council**

**132. Capital - South Coast Restoration Project (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$5.0 million from Rhode Island Capital Plan funds to FY 2026 for the South Coast Restoration project based on updated project cost estimates for repairs to the Charlestown Breachway, which was damaged in the 2023-2024 storms.

**133. Storm Tools.** The House Finance Committee recommends adding \$200,000 from general revenues to support technology applications that are used to help Rhode Island prepare for, respond to, and recover from coastal hazards. This includes STORMTOOLS, an interactive mapping tool used to assess current and future flooding. It also includes MYCoast Rhode Island, a public-facing platform that collects and shares geo-tagged photos of coastal flooding, storm damage, and erosion, as well as RI-CHAMP, which enables real-time forecasting and was developed for emergency response.

### **Transportation**

**134. Capital - Highway Improvement Program.** The 2024 Assembly provided pay-go funding for the state share of the Washington Bridge project, including \$35.0 million from State Fiscal Recovery funds, \$3.6 million from Department of Transportation sources, and \$45.0 million from Rhode Island Capital Plan funds, of which \$20.0 million is for FY 2025 and \$25.0 million is for FY 2026. The contract will be awarded in June, with construction starting in July. Based on this updated timeline, the House Finance Committee recommends shifting \$20.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026.

**135. DOT - HMA and Gas Tax DOT Yield.** Based on an upward revision to the gas tax yield and updated estimates to highway maintenance funds, the Department will receive \$4.5 million less compared to the Governor's FY 2026 recommended budget. The transfer of \$5.5 million to the general fund for collection costs is also \$0.4 million less. The House Finance Committee reduces expenses by \$4.9 million, reflecting anticipated resources.

**136. GARVEE Debt - Gas Tax Yield and Federal Funds Correction.** The FY 2026 recommended budget includes \$77.4 million from all sources, including \$68.9 million from federal funds for existing GARVEE bonds debt service. Subsequently, the Budget Office noted that federal fund expenses are

overstated by \$0.3 million. The House Finance Committee corrects for the overstatement and adds \$0.2 million from other funds to reflect an upward revision of the gasoline tax yield estimate.

**137. Gas Tax - Turnpike and Bridge Authority Yield.** The House Finance Committee recommends adjusting available gasoline tax in the Department of Transportation based on an increased transfer to the Rhode Island Turnpike and Bridge Authority of \$0.4 million to reflect an upward revision to the gasoline tax yield estimate. The FY 2026 enacted budget would include \$15.3 million to the Authority.

**138. RI Public Transit Authority - Bus Match - Technical Correction.** The recommended budget inadvertently included \$4.8 million from the Department's share of the Highway Maintenance Account for the Authority's match to purchase buses for FY 2026. This contradicts the Governor's capital budget, which assumes \$6.4 million from Authority sources. Subsequently, the Budget Office noted that the recommendation in the capital budget prevails. The House Finance Committee corrects for this and includes a like amount of expenses for the Department.

**139. RIPTA - Gas Tax Yield and HMA.** The House Finance Committee recommends a transfer of \$52.8 million from gasoline tax proceeds and highway maintenance funds to the Rhode Island Public Transit Authority. This is \$0.7 million more than the recommended budget, including \$1.1 million more to reflect an upward revision to the gasoline tax yield estimate, partially offset by \$0.4 million less for the Authority's share of the highway maintenance account based on updated estimates. The two-year increase to the Authority totals \$1.5 million.

**140. RIPTA - 2-Cents Gas Tax and Increased HMA Share.** The House Finance Committee recommends establishment of two proposals to add resources being deposited into the Highway Maintenance Account, including annual registration fees on electric vehicles, and increases to the current license and most vehicle registration surcharges by \$10.00. These changes would take effect on January 1, 2026, and would generate \$6.7 million for FY 2026 to be deposited into the Account. It also amends the Rhode Island Public Transit Authority's share of annual receipts from the Account from 5.0 percent to 10.0 percent, or \$5.9 million more than estimated.

The House Finance Committee also recommends increasing the motor fuel tax from the estimated current law amount of \$0.38 to \$0.40 and dedicates the additional two cents to the Authority. Based on the estimated \$4.359 million per penny yield, \$8.7 million in additional gas tax receipts would be generated for FY 2026. Combined, the additional \$14.6 million in resources is intended to assist the Authority with its projected operating deficit.

**141. Highway Maintenance Account Rebase.** The Governor's budget proposes to impose an annual registration fee of \$150.00 for battery electric vehicles and \$75.00 for plug-in hybrid electric vehicles as a proxy for transportation support that other cars contribute through the gas tax. His budget assumes revenues of \$1.8 million in FY 2026. The House Finance Committee recommends extending the concept to more hybrid vehicles and includes legislation to impose 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 proposes to increase the current license and most vehicle registration surcharges from \$30.00 to \$40.00. The surcharges have not changed since 2016. These changes would take effect on January 1, 2026, and would generate \$6.7 million for FY 2026 and \$16.0 million for FY 2027, and would be deposited into the Highway Maintenance Account. The House Finance Committee adds \$0.8 million to account for the additional funds, including the state's share.

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## **Section III**

### **Special Reports**

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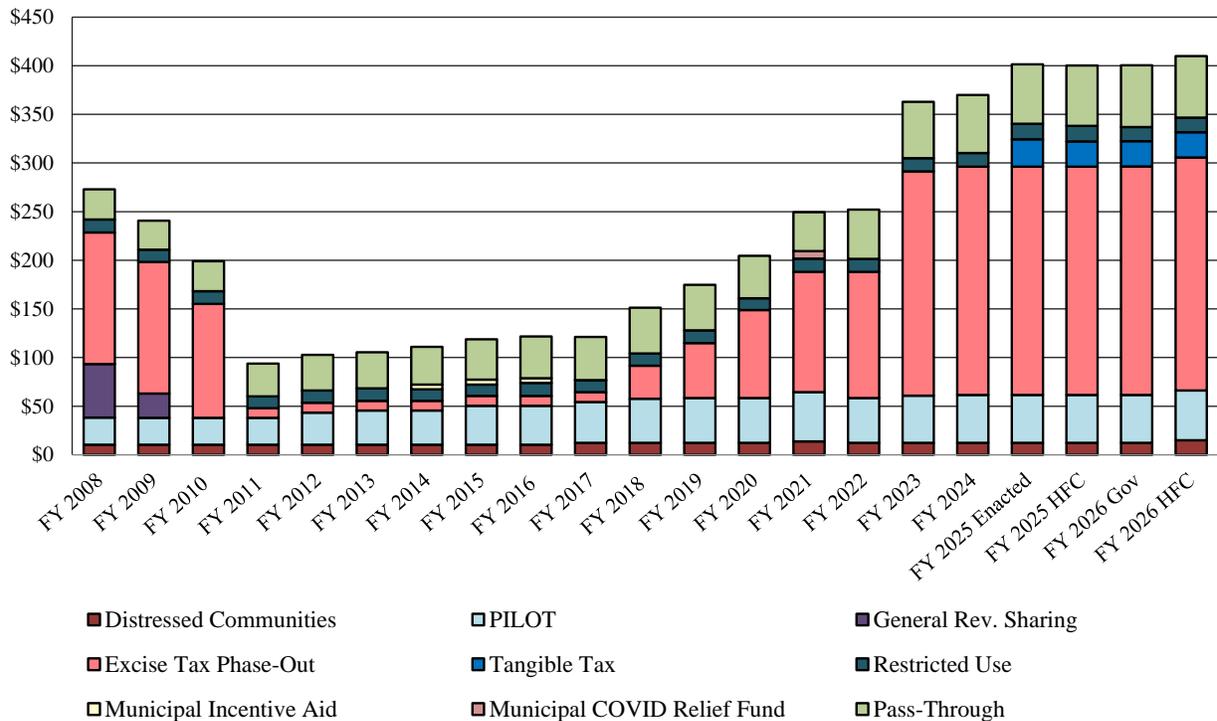


# State Aid to Local Governments

## Introduction

The House Finance Committee recommends state aid to cities and towns totaling \$338.2 million for FY 2025 and \$346.6 million for FY 2026. Funding for general aid programs is \$331.7 million for FY 2026, \$7.4 million more than the FY 2025 enacted budget and \$9.3 million more than the Governor recommended. For FY 2025, it is \$322.2 million, which reflects \$2.1 million less for tangible tax exemption reimbursement payments. The recommendation for restricted use programs includes \$14.9 million for FY 2026, which is \$0.2 million more than the Governor recommended and \$1.1 million less than enacted; FY 2025 is unchanged. Local governments also receive revenues from other local taxes, which the state collects and passes through to the communities. This is estimated to be \$62.1 million for FY 2025 and \$66.2 million for FY 2026. The FY 2025 enacted assumption was \$61.3 million.

The following graph shows historical funding data, in millions, and includes the allocation by program from FY 2008 through the House Finance Committee recommendation for FY 2026.



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

**General.** The House Finance Committee recommendation for general state aid programs to local governments includes \$331.7 million for FY 2026, and the Governor’s revised level of \$322.2 million for FY 2025.

Fiscal Year	2025 Enacted	2025 Gov. Rev.	Revised Change	2025 HFC	HFC to Gov. Rev.	2026 Governor	Gov. Chg. to Enacted	2026 HFC	HFC to Gov.
<b>General Aid</b>									
Distressed Communities	\$ 12.4	\$ 12.4	\$ -	\$ 12.4	\$ -	\$ 12.4	\$ -	\$ 14.9	\$ 2.5
PILOT	49.2	49.2	-	49.2	-	49.2	-	51.3	2.1
Excise Tax Phase-Out	234.7	234.7	-	234.7	-	234.9	0.1	239.5	4.7
Tangible Tax Exemption	28.0	25.9	(2.1)	25.9	-	25.9	(2.1)	25.9	-
<b>Subtotal</b>	<b>\$ 324.3</b>	<b>\$ 322.2</b>	<b>\$ (2.1)</b>	<b>\$ 322.2</b>	<b>\$ -</b>	<b>\$ 322.3</b>	<b>\$ (2.0)</b>	<b>\$ 331.7</b>	<b>\$ 9.3</b>
<b>Restricted Use Aid</b>									
Library Resource Aid	\$ 11.9	\$ 11.9	\$ -	\$ 11.9	\$ -	\$ 11.9	\$ -	\$ 12.1	\$ 0.2
Library Const. Aid	2.2	2.2	-	2.2	-	2.1	(0.1)	2.1	-
Prop. Val. Reimb.	1.9	1.9	-	1.9	-	0.7	(1.2)	0.7	-
<b>Subtotal</b>	<b>\$ 16.0</b>	<b>\$ 16.0</b>	<b>\$ -</b>	<b>\$ 16.0</b>	<b>\$ -</b>	<b>\$ 14.7</b>	<b>\$ (1.3)</b>	<b>\$ 14.9</b>	<b>\$ 0.2</b>
<b>Total Appropriated Aid</b>	<b>\$ 340.3</b>	<b>\$ 338.2</b>	<b>\$ (2.1)</b>	<b>\$ 338.2</b>	<b>\$ -</b>	<b>\$ 337.0</b>	<b>\$ (3.2)</b>	<b>\$ 346.6</b>	<b>\$ 9.6</b>
<b>Other Aid - Pass-Through</b>									
Public Service Corp.	\$ 14.5	\$ 15.5	\$ 1.0	\$ 15.5	\$ -	\$ 14.8	\$ 0.4	\$ 14.8	\$ -
Meals and Beverage Tax	40.1	39.6	(0.5)	39.6	-	41.4	1.3	41.4	-
Local Hotel Tax	6.7	7.0	0.3	7.0	-	7.2	0.5	9.9	2.8
<b>Total Other Aid</b>	<b>\$ 61.3</b>	<b>\$ 62.1</b>	<b>\$ 0.8</b>	<b>\$ 62.1</b>	<b>\$ -</b>	<b>\$ 63.4</b>	<b>\$ 2.1</b>	<b>\$ 66.2</b>	<b>\$ 2.8</b>

\$ in millions

- **Distressed Communities Relief Fund.** For FY 2026, the House Finance Committee recommends \$14.9 for the Distressed Communities Relief Fund. This is \$2.5 million more than the enacted level and the Governor’s recommendation. Communities’ aid distribution is based on updated qualifying tax levies. For both the first year of a community’s qualification as a distressed community and the year that a community no longer qualifies, it receives a transition payment of half its proportional share; there is a redistribution of funding among qualifying communities based on the recommended total. Coventry is newly qualified for FY 2026 and will receive a transition payment equal to 50.0 percent of the current law requirement, meaning there will be decreased payments to the other eligible communities.

- **Payment in Lieu of Taxes Program.** The House Finance Committee recommends \$51.3 million for FY 2026 for the payment in lieu of taxes program that reimburses municipalities for property taxes that would have been due on certain real property exempted from taxation by state law. This includes property owned by private nonprofit higher educational institutions, nonprofit hospitals, or any state-owned hospital, veterans’ residential facility, or correctional facility. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. If the appropriation is less than the necessary amount, the reimbursements are ratably reduced. The FY 2025 enacted budget funds the program at 26.7 percent; the Governor’s FY 2026 recommendation equates to 25.9 percent. The House Finance Committee recommends adding \$2.1 million to fully fund the program.

- **Motor Vehicle Excise Tax Phase-Out.** The Governor recommends funding the Motor Vehicle Excise Tax Phase-out program at \$234.9 million for FY 2026. This is \$9.7 million less than the current law estimate and assumes 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 tax was ended for each local government effective FY 2024, and FY 2026 is the first year the growth index would be applicable. The House Finance Committee recommends maintaining current law to allow growth, but capping the increase at 2.0 percent. It adds \$4.7 million to provide a total of \$239.5 million.

- **Tangible Tax Exemption.** The 2023 Assembly enacted legislation to exempt \$50,000 from the tangible property tax beginning January 1, 2024. It provided \$28.0 million from general revenues to reimburse municipalities for the cost of the exemption and included reappropriation language for unspent funding,

which was then shifted to FY 2025. The House Finance Committee concurs with the Governor's recommendation of \$25.9 million, or \$2.1 million less than enacted for FY 2025, to reimburse municipalities for the cost of the exemption. This is based on a new estimate from the Division of Municipal Finance. The reimbursement has not been recalculated for FY 2026, but the House Finance Committee recommends \$25.9 million, consistent with the Governor's revised FY 2025 and FY 2026 recommendation.

Municipalities and fire districts are reimbursed for all foregone revenues and the value of all uniformly applied exemptions; however, individualized exemptions are not eligible for reimbursement. Each community is required to send its certified tax rolls to the Division of Municipal Finance by August 15 annually. The initial reimbursement was September 30, 2024, with subsequent reimbursements annually thereafter.

- **Library Resource Sharing Aid.** The House Finance Committee recommends \$12.1 million to fully fund library aid for FY 2026. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. This is \$0.2 million more than the Governor's recommendation, which represents a 24.5 percent reimbursement.
- **Library Construction Aid.** The House Finance Committee recommends \$2.1 million to fully fund library construction aid requirements. The state reimburses libraries up to half of the total costs for eligible projects on an installment basis, for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.
- **Property Valuation Reimbursement.** The House Finance Committee recommends the current law level of \$1.9 million for FY 2025 and \$0.7 million for FY 2026 to reimburse communities conducting property valuation updates.
- **Public Service Corporation Tax.** The FY 2026 budget assumes the state will collect and distribute \$15.5 million and \$14.8 million in FY 2025 and FY 2026, respectively, from property tax revenues from public service corporations on behalf of municipalities and pass that back to them. Companies are required to declare the assessed property values to the Division of Taxation annually by March 1; payments are made in July. A final figure will be provided when the actual payments are made.
- **Meals and Beverage Tax.** The FY 2026 budget assumes the state will collect and distribute an estimated \$39.6 million and \$41.4 million from local meals and beverage taxes for FY 2025 and FY 2026, respectively. The distributions are estimated and subject to change.
- **Local Hotel Tax.** The FY 2026 budget increases the 1.0 percent local hotel tax to 2.0 percent, effective January 1, 2026, and assumes the state will collect and distribute an estimated \$7.0 million and \$9.9 million for FY 2025 and FY 2026, respectively.

## General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicle Excise Tax, & Tangible Tax

<i>City or Town</i>	<i>FY 2025 Enacted <sup>1</sup></i>	<i>FY 2025 Gov. Rev. <sup>2</sup></i>	<i>Revised Difference</i>	<i>FY 2025 HFC</i>	<i>FY 2025 HFC to Gov. Rev.</i>
Barrington	\$ 5,913,798	\$ 5,994,482	\$ 80,684	\$ 5,994,482	\$ -
Bristol	4,230,755	4,382,945	152,190	4,382,945	-
Burrillville	5,114,670	5,180,212	65,542	5,180,212	-
Central Falls	2,346,110	2,709,191	363,081	2,709,191	-
Charlestown	1,020,877	1,027,690	6,812	1,027,690	-
Coventry	5,872,396	6,234,110	361,714	6,234,110	-
Cranston	26,349,428	28,099,150	1,749,723	28,099,150	-
Cumberland	6,073,469	6,584,835	511,366	6,584,835	-
East Greenwich	3,236,772	3,783,855	547,082	3,783,855	-
East Providence	11,730,446	13,612,383	1,881,936	13,612,383	-
Exeter	2,241,381	2,283,408	42,027	2,283,408	-
Foster	1,652,251	1,743,837	91,586	1,743,837	-
Glocester	2,381,941	2,574,397	192,455	2,574,397	-
Hopkinton	1,629,259	1,809,414	180,154	1,809,414	-
Jamestown	622,793	657,260	34,466	657,260	-
Johnston	10,382,785	11,766,441	1,383,657	11,766,441	-
Lincoln	5,683,015	6,163,642	480,627	6,163,642	-
Little Compton	366,775	411,574	44,799	411,574	-
Middletown	1,976,448	2,271,801	295,353	2,271,801	-
Narragansett	1,831,251	1,908,162	76,911	1,908,162	-
Newport	3,997,089	4,307,613	310,523	4,307,613	-
New Shoreham	163,298	178,496	15,198	178,496	-
North Kingstown	5,378,868	5,705,479	326,612	5,705,479	-
North Providence	10,760,062	11,672,181	912,119	11,672,181	-
North Smithfield	4,398,531	4,838,929	440,398	4,838,929	-
Pawtucket	18,307,126	19,690,757	1,383,632	19,690,757	-
Portsmouth	2,414,242	2,586,637	172,395	2,586,637	-
Providence	78,512,647	84,612,964	6,100,317	84,612,964	-
Richmond	1,448,455	1,560,310	111,855	1,560,310	-
Scituate	1,977,127	2,118,676	141,549	2,118,676	-
Smithfield	8,316,146	9,637,523	1,321,377	9,637,523	-
South Kingstown	4,116,797	4,317,809	201,012	4,317,809	-
Tiverton	1,748,175	1,890,046	141,871	1,890,046	-
Warren	2,090,911	2,269,108	178,198	2,269,108	-
Warwick	26,937,297	30,029,547	3,092,250	30,029,547	-
Westerly	5,916,549	6,410,697	494,148	6,410,697	-
West Greenwich	1,331,725	1,501,572	169,847	1,501,572	-
West Warwick	6,831,122	7,667,922	836,800	7,667,922	-
Woonsocket	10,574,117	11,402,940	828,822	11,402,940	-
<b>Subtotal</b>	<b>\$ 295,876,905</b>	<b>\$ 321,597,995</b>	<b>\$ 25,721,090</b>	<b>\$ 321,597,995</b>	<b>\$ -</b>
MV Phase Out - Fire Districts	421,271	445,998	24,727	445,998	-
Tangible Tax	28,000,000	-	(28,000,000)	-	-
Tangible Tax Distribution to Fire Districts	-	157,419	157,419	157,419	-
<b>Total</b>	<b>\$ 324,298,176</b>	<b>\$ 322,201,412</b>	<b>\$ (2,096,765)</b>	<b>\$ 322,201,412</b>	<b>\$ -</b>

<sup>1</sup> Tangible Tax funding was provided in FY 2025 enacted budget but no estimated distributions were available.

<sup>2</sup> Includes tangible tax distributions for each community.

## General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicle Excise Tax, & Tangible Tax

<i>City or Town</i>	<i>FY 2025 Enacted <sup>1</sup></i>	<i>FY 2026 Governor <sup>2</sup></i>	<i>FY 2026 Gov. to Enacted</i>	<i>FY 2026 HFC</i>	<i>FY 2026 HFC to Governor</i>
Barrington	\$ 5,913,798	\$ 5,996,165	\$ 82,367	\$ 6,114,764	\$ 118,599
Bristol	4,230,755	4,389,089	158,334	4,504,556	115,466
Burrillville	5,114,670	5,187,998	73,328	5,291,575	103,578
Central Falls	2,346,110	2,695,160	349,050	2,788,238	93,078
Charlestown	1,020,877	1,039,201	18,323	1,059,388	20,187
Coventry	5,872,396	6,907,453	1,035,057	7,159,938	252,485
Cranston	26,349,428	27,442,057	1,092,630	28,033,908	591,851
Cumberland	6,073,469	6,584,835	511,366	6,706,428	121,593
East Greenwich	3,236,772	3,885,826	649,053	3,973,813	87,987
East Providence	11,730,446	13,616,822	1,886,375	13,858,339	241,517
Exeter	2,241,381	2,294,799	53,418	2,339,399	44,600
Foster	1,652,251	1,752,938	100,687	1,785,801	32,863
Glocester	2,381,941	2,585,507	203,565	2,632,923	47,417
Hopkinton	1,629,259	1,818,996	189,736	1,851,389	32,394
Jamestown	622,793	657,260	34,466	669,935	12,676
Johnston	10,382,785	11,773,904	1,391,120	11,981,411	207,506
Lincoln	5,683,015	6,166,051	483,036	6,279,663	113,612
Little Compton	366,775	411,574	44,799	419,086	7,512
Middletown	1,976,448	2,276,468	300,020	2,315,904	39,436
Narragansett	1,831,251	1,908,474	77,223	1,945,092	36,619
Newport	3,997,089	3,956,193	(40,897)	4,061,955	105,762
New Shoreham	163,298	178,496	15,198	181,783	3,286
North Kingstown	5,378,868	5,708,846	329,979	5,816,358	107,512
North Providence	10,760,062	11,592,938	832,876	11,999,709	406,771
North Smithfield	4,398,531	4,847,901	449,370	4,935,692	87,791
Pawtucket	18,307,126	19,563,864	1,256,739	20,233,592	669,728
Portsmouth	2,414,242	2,586,637	172,395	2,634,993	48,356
Providence	78,512,647	85,209,346	6,696,699	88,908,383	3,699,037
Richmond	1,448,455	1,560,310	111,855	1,589,417	29,107
Scituate	1,977,127	2,124,022	146,895	2,163,458	39,436
Smithfield	8,316,146	9,674,329	1,358,183	9,869,641	195,312
South Kingstown	4,116,797	4,322,809	206,012	4,408,995	86,186
Tiverton	1,748,175	1,901,176	153,001	1,935,917	34,741
Warren	2,090,911	2,270,871	179,961	2,312,654	41,783
Warwick	26,937,297	30,013,248	3,075,951	30,590,433	577,185
Westerly	5,916,549	6,409,244	492,695	6,531,167	121,923
West Greenwich	1,331,725	1,501,572	169,847	1,528,332	26,760
West Warwick	6,831,122	7,588,481	757,359	7,919,692	331,211
Woonsocket	10,574,117	11,337,994	763,876	11,706,694	368,700
<b>Subtotal</b>	<b>\$ 295,876,905</b>	<b>\$ 321,738,854</b>	<b>\$ 25,861,949</b>	<b>\$ 331,040,415</b>	<b>\$ 9,301,561</b>
MV Phase Out - Fire Districts	421,271	445,998	24,727	454,918	8,920
Tangible Tax	28,000,000	-	(28,000,000)	-	-
Tangible Tax Distribution to Fire Districts	-	157,419	157,419	157,419	-
<b>Total</b>	<b>\$ 324,298,176</b>	<b>\$ 322,342,271</b>	<b>\$ (1,955,906)</b>	<b>\$ 331,652,752</b>	<b>\$ 9,310,481</b>

<sup>1</sup> Tangible Tax funding was provided in FY 2025 enacted budget but no estimated distributions were available.

<sup>2</sup> Includes tangible tax distributions for each community.

## Distressed Communities Relief

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2025 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2025 HFC</i>	<i>FY 2025 HFC to Gov. Rev.</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	-	-	-	-	-
Central Falls	268,136	268,136	-	268,136	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	-	-	-	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	-	-	-	-	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	1,140,776	1,140,776	-	1,140,776	-
North Smithfield	-	-	-	-	-
Pawtucket	1,808,532	1,808,532	-	1,808,532	-
Portsmouth	-	-	-	-	-
Providence	7,107,546	7,107,546	-	7,107,546	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	1,157,378	1,157,378	-	1,157,378	-
Woonsocket	902,090	902,090	-	902,090	-
<b>Total</b>	<b>\$ 12,384,458</b>	<b>\$ 12,384,458</b>	<b>\$ -</b>	<b>\$ 12,384,458</b>	<b>\$ -</b>

## Distressed Communities Relief

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2026 Governor</i>	<i>FY 2026 Gov. to Enacted</i>	<i>FY 2026 HFC</i>	<i>FY 2026 HFC to Governor</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	-	-	-	-	-
Central Falls	268,136	254,105	(14,031)	305,400	51,295
Charlestown	-	-	-	-	-
Coventry	-	669,342	669,342	804,459	135,117
Cranston	-	-	-	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	-	-	-	-	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	1,140,776	1,061,533	(79,243)	1,275,820	214,287
North Smithfield	-	-	-	-	-
Pawtucket	1,808,532	1,682,212	(126,320)	2,021,793	339,581
Portsmouth	-	-	-	-	-
Providence	7,107,546	6,810,734	(296,812)	8,185,589	1,374,855
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	1,157,378	1,077,937	(79,441)	1,295,536	217,599
Woonsocket	902,090	828,595	(73,495)	995,860	167,265
<b>Total</b>	<b>\$ 12,384,458</b>	<b>\$ 12,384,458</b>	<b>\$ -</b>	<b>\$ 14,884,458</b>	<b>\$ 2,500,000</b>

## Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2025 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2025 HFC</i>	<i>FY 2025 HFC to Gov. Rev.</i>
Barrington	\$ 18,976	\$ 18,976	\$ -	\$ 18,976	\$ -
Bristol	1,324,937	1,324,937	-	1,324,937	-
Burrillville	60,737	60,737	-	60,737	-
Central Falls	-	-	-	-	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	4,037,181	4,037,181	-	4,037,181	-
Cumberland	-	-	-	-	-
East Greenwich	819,440	819,440	-	819,440	-
East Providence	296,967	296,967	-	296,967	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	1,773,418	1,773,418	-	1,773,418	-
New Shoreham	-	-	-	-	-
North Kingstown	50	50	-	50	-
North Providence	-	-	-	-	-
North Smithfield	-	-	-	-	-
Pawtucket	3,087	3,087	-	3,087	-
Portsmouth	-	-	-	-	-
Providence	37,273,505	37,273,505	-	37,273,505	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	1,217,452	1,217,452	-	1,217,452	-
South Kingstown	186,342	186,342	-	186,342	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	1,691,043	1,691,043	-	1,691,043	-
Westerly	151,026	151,026	-	151,026	-
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	347,251	347,251	-	347,251	-
<b>Total</b>	<b>\$ 49,201,412</b>	<b>\$ 49,201,412</b>	<b>\$ -</b>	<b>\$ 49,201,412</b>	<b>\$ -</b>

## Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2026 Governor</i>	<i>FY 2026 Gov. to Enacted</i>	<i>FY 2026 HFC</i>	<i>FY 2026 HFC to Governor</i>
Barrington	\$ 18,976	\$ 17,705	\$ (1,271)	\$ 18,467	\$ 762
Bristol	1,324,937	1,331,081	6,144	1,388,333	57,252
Burrillville	60,737	61,409	672	64,050	2,641
Central Falls	-	-	-	-	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	4,037,181	3,380,088	(657,093)	3,525,471	145,383
Cumberland	-	-	-	-	-
East Greenwich	819,440	921,411	101,971	961,042	39,631
East Providence	296,967	299,560	2,593	312,445	12,885
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	1,773,418	1,421,998	(351,420)	1,483,161	61,163
New Shoreham	-	-	-	-	-
North Kingstown	50	48	(2)	51	3
North Providence	-	-	-	-	-
North Smithfield	-	-	-	-	-
Pawtucket	3,087	2,514	(573)	2,622	108
Portsmouth	-	-	-	-	-
Providence	37,273,505	38,165,686	892,181	39,807,256	1,641,570
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	1,217,452	1,244,585	27,133	1,298,117	53,532
South Kingstown	186,342	180,975	(5,367)	188,759	7,784
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	1,691,043	1,674,744	(16,299)	1,746,778	72,034
Westerly	151,026	149,573	(1,453)	156,006	6,433
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	347,251	350,035	2,784	365,090	15,055
<b>Total</b>	<b>\$ 49,201,412</b>	<b>\$ 49,201,412</b>	<b>\$ -</b>	<b>\$ 51,317,647</b>	<b>\$ 2,116,235</b>

## Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2025 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2025 HFC</i>	<i>FY 2025 HFC to Gov. Rev.</i>
Barrington	\$ 5,894,822	\$ 5,891,868	\$ (2,954)	\$ 5,891,868	\$ -
Bristol	2,905,818	2,910,724	4,906	2,910,724	-
Burrillville	5,053,933	5,046,819	(7,114)	5,046,819	-
Central Falls	2,077,974	2,089,148	11,174	2,089,148	-
Charlestown	1,020,877	1,009,366	(11,511)	1,009,366	-
Coventry	5,872,396	5,868,395	(4,001)	5,868,395	-
Cranston	22,312,247	22,323,373	11,126	22,323,373	-
Cumberland	6,073,469	6,079,657	6,188	6,079,657	-
East Greenwich	2,417,332	2,417,779	447	2,417,779	-
East Providence	11,433,479	11,431,633	(1,846)	11,431,633	-
Exeter	2,241,381	2,229,990	(11,391)	2,229,990	-
Foster	1,652,251	1,643,150	(9,101)	1,643,150	-
Glocester	2,381,941	2,370,831	(11,110)	2,370,831	-
Hopkinton	1,629,259	1,619,677	(9,582)	1,619,677	-
Jamestown	622,793	633,787	10,994	633,787	-
Johnston	10,382,785	10,375,322	(7,463)	10,375,322	-
Lincoln	5,683,015	5,680,606	(2,409)	5,680,606	-
Little Compton	366,775	375,577	8,802	375,577	-
Middletown	1,976,448	1,971,781	(4,667)	1,971,781	-
Narragansett	1,831,251	1,830,939	(312)	1,830,939	-
Newport	2,223,671	2,229,990	6,319	2,229,990	-
New Shoreham	163,298	164,315	1,017	164,315	-
North Kingstown	5,378,818	5,375,449	(3,369)	5,375,449	-
North Providence	9,619,286	9,624,167	4,881	9,624,167	-
North Smithfield	4,398,531	4,389,559	(8,972)	4,389,559	-
Pawtucket	16,495,506	16,501,926	6,420	16,501,926	-
Portsmouth	2,414,242	2,417,779	3,537	2,417,779	-
Providence	34,131,596	34,130,583	(1,013)	34,130,583	-
Richmond	1,448,455	1,455,362	6,907	1,455,362	-
Scituate	1,977,127	1,971,781	(5,346)	1,971,781	-
Smithfield	7,098,694	7,089,021	(9,673)	7,089,021	-
South Kingstown	3,930,455	3,920,088	(10,367)	3,920,088	-
Tiverton	1,748,175	1,737,045	(11,130)	1,737,045	-
Warren	2,090,911	2,089,148	(1,763)	2,089,148	-
Warwick	25,246,254	25,257,570	11,316	25,257,570	-
Westerly	5,765,523	5,774,500	8,977	5,774,500	-
West Greenwich	1,331,725	1,337,994	6,269	1,337,994	-
West Warwick	5,673,744	5,680,606	6,862	5,680,606	-
Woonsocket	9,324,776	9,319,011	(5,765)	9,319,011	-
<b>Subtotal</b>	<b>\$ 234,291,035</b>	<b>\$ 234,266,315</b>	<b>\$ (24,719)</b>	<b>\$ 234,266,316</b>	<b>\$ -</b>
<i>MV Phase Out - Fire Districts</i>	<i>421,271</i>	<i>445,998</i>	<i>24,727</i>	<i>445,998</i>	<i>-</i>
<b>Total</b>	<b>\$ 234,712,307</b>	<b>\$ 234,712,313</b>	<b>\$ 6</b>	<b>\$ 234,712,314</b>	<b>\$ -</b>

## Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2026 Governor</i>	<i>FY 2026 Gov. to Enacted</i>	<i>FY 2026 HFC</i>	<i>FY 2026 HFC to Governor</i>
Barrington	\$ 5,894,822	\$ 5,894,822	\$ -	\$ 6,012,659	\$ 117,837
Bristol	2,905,818	2,910,724	4,906	2,968,938	58,214
Burrillville	5,053,933	5,053,933	-	5,154,869	100,936
Central Falls	2,077,974	2,089,148	11,174	2,130,931	41,783
Charlestown	1,020,877	1,020,877	-	1,041,064	20,187
Coventry	5,872,396	5,872,396	-	5,989,764	117,368
Cranston	22,312,247	22,323,373	11,126	22,769,840	446,467
Cumberland	6,073,469	6,079,657	6,188	6,201,250	121,593
East Greenwich	2,417,332	2,417,779	447	2,466,135	48,356
East Providence	11,433,479	11,433,479	-	11,662,112	228,633
Exeter	2,241,381	2,241,381	-	2,285,981	44,600
Foster	1,652,251	1,652,251	-	1,685,114	32,863
Glocester	2,381,941	2,381,941	-	2,429,358	47,417
Hopkinton	1,629,259	1,629,259	-	1,661,653	32,394
Jamestown	622,793	633,787	10,994	646,463	12,676
Johnston	10,382,785	10,382,785	-	10,590,291	207,506
Lincoln	5,683,015	5,683,015	-	5,796,627	113,612
Little Compton	366,775	375,577	8,802	383,089	7,512
Middletown	1,976,448	1,976,448	-	2,015,884	39,436
Narragansett	1,831,251	1,831,251	-	1,867,870	36,619
Newport	2,223,671	2,229,990	6,319	2,274,590	44,600
New Shoreham	163,298	164,315	1,017	167,601	3,286
North Kingstown	5,378,818	5,378,818	-	5,486,327	107,509
North Providence	9,619,286	9,624,167	4,881	9,816,650	192,483
North Smithfield	4,398,531	4,398,531	-	4,486,322	87,791
Pawtucket	16,495,506	16,501,926	6,420	16,831,965	330,039
Portsmouth	2,414,242	2,417,779	3,537	2,466,135	48,356
Providence	34,131,596	34,131,596	-	34,814,208	682,612
Richmond	1,448,455	1,455,362	6,907	1,484,469	29,107
Scituate	1,977,127	1,977,127	-	2,016,563	39,436
Smithfield	7,098,694	7,098,694	-	7,240,474	141,780
South Kingstown	3,930,455	3,930,455	-	4,008,857	78,402
Tiverton	1,748,175	1,748,175	-	1,782,916	34,741
Warren	2,090,911	2,090,911	-	2,132,694	41,783
Warwick	25,246,254	25,257,570	11,316	25,762,721	505,151
Westerly	5,765,523	5,774,500	8,977	5,889,990	115,490
West Greenwich	1,331,725	1,337,994	6,269	1,364,754	26,760
West Warwick	5,673,744	5,680,606	6,862	5,794,218	113,612
Woonsocket	9,324,776	9,324,776	-	9,511,156	186,380
<b>Subtotal</b>	<b>\$ 234,291,035</b>	<b>\$ 234,407,175</b>	<b>\$ 116,140</b>	<b>\$ 239,092,501</b>	<b>\$ 4,685,326</b>
<i>MV Phase Out - Fire Districts</i>	<i>421,271</i>	<i>445,998</i>	<i>24,727</i>	<i>454,918</i>	<i>8,920</i>
<b>Total</b>	<b>\$ 234,712,307</b>	<b>\$ 234,853,173</b>	<b>\$ 140,866</b>	<b>\$ 239,547,419</b>	<b>\$ 4,694,246</b>

## Tangible Tax Exemption

<i>City or Town</i>	<i>FY 2025 Enacted <sup>1</sup></i>	<i>FY 2025 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2025 HFC</i>	<i>FY 2025 HFC to Gov. Rev.</i>
Barrington	\$ -	\$ 83,638	\$ 83,638	\$ 83,638	\$ -
Bristol	-	147,284	147,284	147,284	-
Burrillville	-	72,656	72,656	72,656	-
Central Falls	-	351,907	351,907	351,907	-
Charlestown	-	18,324	18,324	18,324	-
Coventry	-	365,715	365,715	365,715	-
Cranston	-	1,738,596	1,738,596	1,738,596	-
Cumberland	-	505,178	505,178	505,178	-
East Greenwich	-	546,636	546,636	546,636	-
East Providence	-	1,883,783	1,883,783	1,883,783	-
Exeter	-	53,418	53,418	53,418	-
Foster	-	100,687	100,687	100,687	-
Glocester	-	203,566	203,566	203,566	-
Hopkinton	-	189,737	189,737	189,737	-
Jamestown	-	23,473	23,473	23,473	-
Johnston	-	1,391,119	1,391,119	1,391,119	-
Lincoln	-	483,036	483,036	483,036	-
Little Compton	-	35,997	35,997	35,997	-
Middletown	-	300,020	300,020	300,020	-
Narragansett	-	77,223	77,223	77,223	-
Newport	-	304,205	304,205	304,205	-
New Shoreham	-	14,181	14,181	14,181	-
North Kingstown	-	329,980	329,980	329,980	-
North Providence	-	907,238	907,238	907,238	-
North Smithfield	-	449,370	449,370	449,370	-
Pawtucket	-	1,377,212	1,377,212	1,377,212	-
Portsmouth	-	168,858	168,858	168,858	-
Providence	-	6,101,330	6,101,330	6,101,330	-
Richmond	-	104,948	104,948	104,948	-
Scituate	-	146,895	146,895	146,895	-
Smithfield	-	1,331,050	1,331,050	1,331,050	-
South Kingstown	-	211,379	211,379	211,379	-
Tiverton	-	153,001	153,001	153,001	-
Warren	-	179,960	179,960	179,960	-
Warwick	-	3,080,934	3,080,934	3,080,934	-
Westerly	-	485,171	485,171	485,171	-
West Greenwich	-	163,578	163,578	163,578	-
West Warwick	-	829,938	829,938	829,938	-
Woonsocket	-	834,588	834,588	834,588	-
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 25,745,809</b>	<b>\$ 25,745,809</b>	<b>\$ 25,745,809</b>	<b>\$ -</b>
Data Update	28,000,000	-	(28,000,000)	-	-
Distribution to Fire Districts	-	157,419	157,419	157,419	-
<b>Total</b>	<b>\$ 28,000,000</b>	<b>\$ 25,903,228</b>	<b>\$ (2,096,772)</b>	<b>\$ 25,903,228</b>	<b>\$ -</b>

<sup>1</sup> Tangible Tax funding was provided in FY 2025 enacted budget but no estimated distributions were available.

## Tangible Tax Exemption

<i>City or Town</i>	<i>FY 2025 Enacted <sup>1</sup></i>	<i>FY 2026 Governor</i>	<i>FY 2026 Gov. to Enacted</i>	<i>FY 2026 HFC</i>	<i>FY 2026 HFC to Governor</i>
Barrington	\$ -	\$ 83,638	\$ 83,638	\$ 83,638	\$ -
Bristol	-	147,284	147,284	147,284	-
Burrillville	-	72,656	72,656	72,656	-
Central Falls	-	351,907	351,907	351,907	-
Charlestown	-	18,324	18,324	18,324	-
Coventry	-	365,715	365,715	365,715	-
Cranston	-	1,738,596	1,738,596	1,738,596	-
Cumberland	-	505,178	505,178	505,178	-
East Greenwich	-	546,636	546,636	546,636	-
East Providence	-	1,883,783	1,883,783	1,883,783	-
Exeter	-	53,418	53,418	53,418	-
Foster	-	100,687	100,687	100,687	-
Glocester	-	203,566	203,566	203,566	-
Hopkinton	-	189,737	189,737	189,737	-
Jamestown	-	23,473	23,473	23,473	-
Johnston	-	1,391,119	1,391,119	1,391,119	-
Lincoln	-	483,036	483,036	483,036	-
Little Compton	-	35,997	35,997	35,997	-
Middletown	-	300,020	300,020	300,020	-
Narragansett	-	77,223	77,223	77,223	-
Newport	-	304,205	304,205	304,205	-
New Shoreham	-	14,181	14,181	14,181	-
North Kingstown	-	329,980	329,980	329,980	-
North Providence	-	907,238	907,238	907,238	-
North Smithfield	-	449,370	449,370	449,370	-
Pawtucket	-	1,377,212	1,377,212	1,377,212	-
Portsmouth	-	168,858	168,858	168,858	-
Providence	-	6,101,330	6,101,330	6,101,330	-
Richmond	-	104,948	104,948	104,948	-
Scituate	-	146,895	146,895	146,895	-
Smithfield	-	1,331,050	1,331,050	1,331,050	-
South Kingstown	-	211,379	211,379	211,379	-
Tiverton	-	153,001	153,001	153,001	-
Warren	-	179,960	179,960	179,960	-
Warwick	-	3,080,934	3,080,934	3,080,934	-
Westerly	-	485,171	485,171	485,171	-
West Greenwich	-	163,578	163,578	163,578	-
West Warwick	-	829,938	829,938	829,938	-
Woonsocket	-	834,588	834,588	834,588	-
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 25,745,809</b>	<b>\$ 25,745,809</b>	<b>\$ 25,745,809</b>	<b>\$ -</b>
Data Update	28,000,000	-	(28,000,000)	-	-
Distribution to Fire Districts	-	157,419	157,419	157,419	-
<b>Total</b>	<b>\$ 28,000,000</b>	<b>\$ 25,903,228</b>	<b>\$ (2,096,772)</b>	<b>\$ 25,903,228</b>	<b>\$ -</b>

<sup>1</sup> Tangible Tax funding was provided in FY 2025 enacted budget but no estimated distributions were available.

## Library Aid

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2025 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2025 HFC</i>	<i>FY 2025 HFC to Gov. Rev.</i>
Barrington	\$ 374,472	\$ 374,472	\$ -	\$ 374,472	\$ -
Bristol	218,673	218,673	-	218,673	-
Burrillville	237,425	237,425	-	237,425	-
Central Falls	37,296	37,296	-	37,296	-
Charlestown	68,182	68,182	-	68,182	-
Coventry	269,635	269,635	-	269,635	-
Cranston	801,676	801,676	-	801,676	-
Cumberland	362,208	362,208	-	362,208	-
East Greenwich	153,342	153,342	-	153,342	-
East Providence	457,226	457,226	-	457,226	-
Exeter	65,245	65,245	-	65,245	-
Foster	42,989	42,989	-	42,989	-
Glocester	99,016	99,016	-	99,016	-
Hopkinton	44,300	44,300	-	44,300	-
Jamestown	121,534	121,534	-	121,534	-
Johnston	130,296	130,296	-	130,296	-
Lincoln	273,980	273,980	-	273,980	-
Little Compton	44,558	44,558	-	44,558	-
Middletown	180,903	180,903	-	180,903	-
Narragansett	246,158	246,158	-	246,158	-
Newport	500,366	500,366	-	500,366	-
New Shoreham	118,589	118,589	-	118,589	-
North Kingstown	325,575	325,575	-	325,575	-
North Providence	243,155	243,155	-	243,155	-
North Smithfield	98,289	98,289	-	98,289	-
Pawtucket	513,563	513,563	-	513,563	-
Portsmouth	139,256	139,256	-	139,256	-
Providence*	2,673,853	2,673,853	-	2,673,853	-
Richmond	32,604	32,604	-	32,604	-
Scituate	137,687	137,687	-	137,687	-
Smithfield	375,697	375,697	-	375,697	-
South Kingstown	262,439	262,439	-	262,439	-
Tiverton	150,750	150,750	-	150,750	-
Warren	78,191	78,191	-	78,191	-
Warwick	925,461	925,461	-	925,461	-
Westerly	453,238	453,238	-	453,238	-
West Greenwich	71,408	71,408	-	71,408	-
West Warwick	210,823	210,823	-	210,823	-
Woonsocket	235,701	235,701	-	235,701	-
<b>Subtotal</b>	<b>\$ 11,775,757</b>	<b>\$ 11,775,757</b>	<b>\$ -</b>	<b>\$ 11,775,759</b>	<b>\$ -</b>
Institutional Libraries	79,671	79,671	-	79,671	-
<b>Total</b>	<b>\$ 11,855,428</b>	<b>\$ 11,855,428</b>	<b>\$ -</b>	<b>\$ 11,855,430</b>	<b>\$ -</b>

\*Includes the Statewide Reference Library Resource Grant.

## Library Aid

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2026 Governor</i>	<i>FY 2026 Gov. to Enacted</i>	<i>FY 2026 HFC</i>	<i>FY 2026 HFC to Governor</i>
Barrington	\$ 374,472	\$ 356,383	\$ (18,089)	\$ 363,559	\$ 7,176
Bristol	218,673	224,131	5,458	228,644	4,513
Burrillville	237,425	221,823	(15,602)	226,290	4,467
Central Falls	37,296	36,682	(614)	37,420	738
Charlestown	68,182	68,798	616	70,183	1,385
Coventry	269,635	265,238	(4,397)	270,579	5,341
Cranston	801,676	829,266	27,590	845,964	16,698
Cumberland	362,208	372,016	9,808	379,507	7,491
East Greenwich	153,342	148,508	(4,834)	151,498	2,990
East Providence	457,226	504,598	47,372	514,759	10,161
Exeter	65,245	67,827	2,582	69,192	1,365
Foster	42,989	44,074	1,085	34,503	(9,572)
Glocester	99,016	97,812	(1,204)	99,782	1,970
Hopkinton	44,300	44,796	496	45,698	902
Jamestown	121,534	119,499	(2,035)	121,905	2,406
Johnston	130,296	134,989	4,693	137,708	2,719
Lincoln	273,980	267,306	(6,674)	272,688	5,382
Little Compton	44,558	47,384	2,826	48,338	954
Middletown	180,903	177,333	(3,570)	180,903	3,570
Narragansett	246,158	209,544	(36,614)	213,764	4,220
Newport	500,366	506,003	5,637	112,867	(393,136)
New Shoreham	118,589	110,639	(7,950)	516,192	405,553
North Kingstown	325,575	358,643	33,068	365,865	7,222
North Providence	243,155	241,944	(1,211)	246,816	4,872
North Smithfield	98,289	96,371	(1,918)	98,311	1,940
Pawtucket	513,563	515,906	2,343	526,294	10,388
Portsmouth	139,256	141,515	2,259	144,364	2,849
Providence*	2,673,853	2,617,682	(56,171)	2,681,739	64,057
Richmond	32,604	29,520	(3,084)	30,114	594
Scituate	137,687	143,064	5,377	145,945	2,881
Smithfield	375,697	375,203	(494)	382,758	7,555
South Kingstown	262,439	274,920	12,481	280,456	5,536
Tiverton	150,750	150,715	(35)	153,750	3,035
Warren	78,191	78,180	(11)	79,754	1,574
Warwick	925,461	909,676	(15,785)	927,993	18,317
Westerly	453,238	454,393	1,155	463,542	9,149
West Greenwich	71,408	72,848	1,440	74,315	1,467
West Warwick	210,823	227,263	16,440	231,839	4,576
Woonsocket	235,701	233,267	(2,434)	237,964	4,697
<b>Subtotal</b>	<b>\$ 11,775,757</b>	<b>\$ 11,775,757</b>	<b>\$ -</b>	<b>\$ 12,013,758</b>	<b>\$ 238,001</b>
Institutional Libraries	79,671	79,671	-	81,264	1,593
<b>Total</b>	<b>\$ 11,855,428</b>	<b>\$ 11,855,428</b>	<b>\$ -</b>	<b>\$ 12,095,022</b>	<b>\$ 239,594</b>

\*Includes the Statewide Reference Library Resource Grant.

## Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2025 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2025 HFC</i>	<i>FY 2025 HFC to Gov. Rev.</i>
Barrington	\$ 227,971	\$ 242,251	\$ 14,280	\$ 242,251	\$ -
Bristol	295,616	317,229	21,613	317,229	-
Burrillville	214,519	229,290	14,771	229,290	-
Central Falls	294,118	316,365	22,247	316,365	-
Charlestown	106,186	113,167	6,981	113,167	-
Coventry	468,983	504,509	35,526	504,509	-
Cranston	1,095,441	1,170,024	74,583	1,170,024	-
Cumberland	479,585	513,282	33,697	513,282	-
East Greenwich	185,149	202,124	16,975	202,124	-
East Providence	625,173	665,190	40,017	665,190	-
Exeter	90,891	98,366	7,475	98,366	-
Foster	59,706	63,545	3,839	63,545	-
Glocester	132,626	142,045	9,419	142,045	-
Hopkinton	111,474	118,883	7,409	118,883	-
Jamestown	73,304	78,586	5,282	78,586	-
Johnston	391,636	418,043	26,407	418,043	-
Lincoln	297,074	318,021	20,947	318,021	-
Little Compton	47,712	51,249	3,537	51,249	-
Middletown	225,081	240,666	15,585	240,666	-
Narragansett	195,606	206,906	11,300	206,906	-
Newport	335,601	354,965	19,364	354,965	-
New Shoreham	13,346	13,612	266	13,612	-
North Kingstown	367,064	392,206	25,142	392,206	-
North Providence	449,752	480,300	30,548	480,300	-
North Smithfield	166,157	177,362	11,205	177,362	-
Pawtucket	996,651	1,063,692	67,041	1,063,692	-
Portsmouth	235,936	252,509	16,573	252,509	-
Providence	2,502,389	2,684,345	181,956	2,684,345	-
Richmond	106,875	114,284	7,409	114,284	-
Scituate	138,140	147,210	9,070	147,210	-
Smithfield	289,652	312,503	22,851	312,503	-
South Kingstown	418,487	451,761	33,274	451,761	-
Tiverton	215,857	230,974	15,117	230,974	-
Warren	147,987	157,298	9,311	157,298	-
Warwick	1,095,600	1,171,326	75,726	1,171,326	-
Westerly	309,492	330,204	20,712	330,204	-
West Greenwich	86,147	92,466	6,319	92,466	-
West Warwick	408,508	437,342	28,834	437,342	-
Woonsocket	570,477	608,833	38,356	608,833	-
<b>Total</b>	<b>\$ 14,471,968</b>	<b>\$ 15,482,934</b>	<b>\$ 1,010,966</b>	<b>\$ 15,482,934</b>	<b>\$ -</b>

## Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2026 Governor<sup>1</sup></i>	<i>FY 2026 Gov. to Enacted</i>	<i>FY 2026 HFC</i>	<i>FY 2026 HFC to Governor</i>
Barrington	\$ 227,971	\$ 231,761	\$ 3,790	\$ 231,761	\$ -
Bristol	295,616	302,239	6,623	302,239	-
Burrillville	214,519	219,979	5,460	219,979	-
Central Falls	294,118	304,460	10,342	304,460	-
Charlestown	106,186	108,574	2,388	108,574	-
Coventry	468,983	484,257	15,274	484,257	-
Cranston	1,095,441	1,119,085	23,644	1,119,085	-
Cumberland	479,585	492,830	13,245	492,830	-
East Greenwich	185,149	195,114	9,965	195,114	-
East Providence	625,173	636,115	10,942	636,115	-
Exeter	90,891	96,155	5,264	96,155	-
Foster	59,706	60,686	980	60,686	-
Glocester	132,626	136,337	3,711	136,337	-
Hopkinton	111,474	114,046	2,572	114,046	-
Jamestown	73,304	75,096	1,792	75,096	-
Johnston	391,636	400,317	8,681	400,317	-
Lincoln	297,074	305,679	8,605	305,679	-
Little Compton	47,712	48,768	1,056	48,768	-
Middletown	225,081	229,147	4,066	229,147	-
Narragansett	195,606	196,915	1,309	196,915	-
Newport	335,601	338,968	3,367	338,968	-
New Shoreham	13,346	11,227	(2,119)	11,227	-
North Kingstown	367,064	375,629	8,565	375,629	-
North Providence	449,752	459,649	9,897	459,649	-
North Smithfield	166,157	170,412	4,255	170,412	-
Pawtucket	996,651	1,019,517	22,866	1,019,517	-
Portsmouth	235,936	240,253	4,317	240,253	-
Providence	2,502,389	2,576,067	73,678	2,576,067	-
Richmond	106,875	109,793	2,918	109,793	-
Scituate	138,140	141,077	2,937	141,077	-
Smithfield	289,652	298,962	9,310	298,962	-
South Kingstown	418,487	433,444	14,957	433,444	-
Tiverton	215,857	220,209	4,352	220,209	-
Warren	147,987	150,842	2,855	150,842	-
Warwick	1,095,600	1,122,322	26,722	1,122,322	-
Westerly	309,492	315,796	6,304	315,796	-
West Greenwich	86,147	89,357	3,210	89,357	-
West Warwick	408,508	420,171	11,663	420,171	-
Woonsocket	570,477	583,351	12,874	583,351	-
<b>Total</b>	<b>\$ 14,471,968</b>	<b>\$ 14,834,605</b>	<b>\$ 362,637</b>	<b>\$ 14,834,605</b>	<b>\$ -</b>

<sup>1</sup> Estimate based on FY 2025 spending that will be updated in spring of 2025.

## Meals and Beverage Tax

<i>City or Town</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025*</i>	<i>FY 2026*</i>
Barrington	\$ 31,140	\$ 208,231	\$ 239,998	\$ 168,588	\$ 176,114
Bristol	590,782	688,838	673,752	714,556	746,456
Burrillville	221,419	242,125	261,203	265,143	276,980
Central Falls	221,276	249,793	289,628	277,566	289,957
Charlestown	187,929	210,220	228,306	228,976	239,198
Coventry	506,241	534,109	570,995	590,335	616,689
Cranston	2,221,497	2,636,740	2,759,034	2,780,908	2,905,055
Cumberland	623,172	645,745	682,290	715,471	747,411
East Greenwich	878,305	1,080,419	1,066,340	1,104,421	1,153,725
East Providence	1,075,238	1,356,423	1,463,542	1,418,339	1,481,657
Exeter	132,434	162,610	147,249	161,766	168,988
Foster	22,773	26,336	15,076	23,720	24,779
Glocester	91,894	108,909	148,492	126,798	132,459
Hopkinton	57,936	58,057	48,699	60,752	63,464
Jamestown	80,995	152,444	164,800	143,320	149,718
Johnston	892,690	991,264	1,020,596	1,063,116	1,110,576
Lincoln	798,570	953,065	946,221	985,825	1,029,835
Little Compton	47,837	48,651	52,610	54,679	57,120
Middletown	844,296	1,100,676	1,087,531	1,105,030	1,154,361
Narragansett	801,490	901,253	938,564	966,122	1,009,252
Newport	3,008,008	3,414,298	3,357,915	3,580,503	3,740,345
New Shoreham	511,516	537,580	528,938	579,233	605,091
North Kingstown	769,378	835,069	876,996	908,572	949,133
North Providence	523,939	624,707	765,400	696,327	727,413
North Smithfield	394,780	403,227	461,940	461,410	482,008
Pawtucket	1,123,138	1,175,628	1,240,191	1,297,262	1,355,175
Portsmouth	364,059	431,430	435,110	449,634	469,707
Providence	6,761,100	7,839,228	7,796,713	8,191,705	8,557,403
Richmond	165,834	192,249	208,252	206,767	215,998
Scituate	82,569	97,275	109,275	105,419	110,125
Smithfield	989,822	1,093,115	1,185,321	1,195,141	1,248,495
South Kingstown	981,754	1,182,444	1,095,605	1,192,474	1,245,709
Tiverton	366,104	416,158	430,854	443,620	463,424
Warren	438,503	533,600	544,510	553,519	578,229
Warwick	3,337,675	3,759,384	3,776,594	3,980,085	4,157,766
Westerly	1,119,560	1,203,418	1,324,212	1,334,505	1,394,081
West Greenwich	148,555	160,659	166,999	174,423	182,210
West Warwick	446,257	510,671	533,989	544,971	569,300
Woonsocket	655,816	732,610	763,730	787,360	822,510
<b>Total</b>	<b>\$ 32,516,283</b>	<b>\$ 37,498,657</b>	<b>\$ 38,407,469</b>	<b>\$ 39,638,361</b>	<b>\$ 41,407,915</b>

*\*Projections from Office of Revenue Analysis updated December 2024.*

## Local Hotel Tax

<i>City or Town</i>	<i>FY2022</i>	<i>FY2023</i>	<i>FY2024</i>	<i>FY2025*</i>	<i>FY2026*</i>
Barrington	\$ 956	\$ 1,656	\$ 2,329	\$ 2,245	\$ 3,353
Bristol	39,734	42,417	42,349	45,228	63,934
Burrillville	35	115	182	126	270
Central Falls	93	529	512	431	680
Charlestown	78,806	79,663	83,577	81,770	114,706
Coventry	48,317	44,854	46,878	52,186	71,798
Cranston	13,342	15,753	14,573	24,283	31,177
Cumberland	365	721	669	521	625
East Greenwich	1,329	1,575	1,982	1,881	2,971
East Providence	27,904	24,557	30,185	38,994	51,343
Exeter	374	289	434	333	586
Foster	152	185	136	823	978
Glocester	1,329	955	966	1,642	2,111
Hopkinton	1,173	742	1,191	1,207	1,741
Jamestown	35,957	52,998	29,166	39,977	52,530
Johnston	5,947	8,051	5,658	7,437	9,443
Lincoln	75,846	106,945	119,168	95,069	150,723
Little Compton	23,786	26,304	27,407	28,366	37,033
Middletown	594,725	652,414	679,725	712,350	1,006,257
Narragansett	218,526	244,814	248,617	263,211	368,228
Newport	1,712,257	1,776,123	1,740,225	1,904,630	2,146,220
New Shoreham	420,852	444,767	529,263	531,794	1,265,102
North Kingstown	52,934	53,118	80,496	72,687	104,136
North Providence	1,612	1,529	1,557	1,949	2,842
North Smithfield	1,760	2,413	2,316	2,521	3,762
Pawtucket	40,143	41,378	44,537	51,089	70,431
Portsmouth	15,840	18,334	18,161	18,669	27,518
Providence	992,454	1,266,448	1,298,472	1,207,369	1,807,918
Richmond	26,722	36,277	25,805	23,350	35,704
Scituate	2,263	5,710	4,697	5,121	7,458
Smithfield	89,883	107,842	102,257	109,825	154,394
South Kingstown	162,175	177,887	184,579	179,693	260,762
Tiverton	5,185	4,392	3,327	8,132	10,171
Warren	1,294	1,983	2,359	1,373	2,361
Warwick	493,595	587,468	619,063	627,276	907,384
Westerly	536,537	530,461	559,532	658,601	697,700
West Greenwich	52,670	49,815	54,305	67,023	99,593
West Warwick	54,833	69,239	74,829	77,642	314,050
Woonsocket	24,548	28,370	22,978	31,713	42,734
<b>Total</b>	<b>\$ 5,856,253</b>	<b>\$ 6,509,093</b>	<b>\$ 6,704,462</b>	<b>\$ 6,978,534</b>	<b>\$ 9,930,728</b>

*\*Projections from Office of Revenue Analysis updated December 2024. FY 2026 figures include a partial year at 2%.*



## Education Aid

The House Finance Committee recommends \$1,616.2 million for FY 2026 in total aid for local school districts. Funding includes \$1,293.8 million in direct distributions to local school districts, \$63.4 million in categorical funding, \$1.1 million in other aid for distribution by the Department, \$138.0 million for the state's contribution to teacher retirement, and \$119.9 million for school construction costs.

Education Aid	FY 2025 Enacted	FY 2026 Governor	Change to Enacted	FY 2026 HFC	Change to Enacted	Change to Governor
<b>Operating Aid</b>						
Local Districts	\$ 947,937,345	\$ 977,324,668	\$ 29,387,323	\$ 989,039,477	\$ 41,102,132	\$ 11,714,809
Central Falls	53,634,575	53,688,083	53,508	54,567,882	933,307	879,799
Met School	11,131,142	12,977,328	1,846,186	12,966,926	1,835,784	(10,402)
Davies Career & Tech.	18,131,389	18,772,462	641,073	18,532,152	400,763	(240,310)
Charter Schools	178,322,887	194,069,700	15,746,813	195,233,633	16,910,746	1,163,933
Nowell Academy	2,311,758	2,802,638	490,880	2,664,112	352,354	(138,526)
UCAP	2,111,614	2,262,135	150,521	2,296,446	184,832	34,311
Youth Build Academy	2,137,890	1,825,270	(312,620)	1,818,245	(319,645)	(7,025)
Group Home Funding	1,878,850	1,903,162	24,312	3,536,000	1,657,150	1,632,838
<b>Subtotal</b>	<b>\$ 1,217,597,451</b>	<b>\$ 1,265,625,446</b>	<b>\$ 48,027,996</b>	<b>\$ 1,280,654,873</b>	<b>\$ 63,057,423</b>	<b>\$ 15,029,427</b>
<b>Formula Adjustments</b>						
Enrollment Transition*	\$ 19,461,431	\$ 9,345,215	\$(10,116,216)	\$ 8,360,107	\$(11,101,324)	\$ (985,108)
Poverty Loss						
Stabilization**	1,249,847	5,467,733	4,217,886	4,784,011	3,534,164	(683,722)
<b>Adjusted Subtotal</b>	<b>\$ 1,238,308,729</b>	<b>\$ 1,280,438,394</b>	<b>\$ 42,129,666</b>	<b>\$ 1,293,798,991</b>	<b>\$ 55,490,263</b>	<b>\$ 13,360,597</b>
<b>Categorical Funding</b>						
High Cost Special Ed.	\$ 15,000,000	\$ 15,000,000	\$ -	\$ 17,500,000	\$ 2,500,000	\$ 2,500,000
Career and Technical	6,500,000	4,500,000	(2,000,000)	4,500,000	(2,000,000)	-
Early Childhood	29,884,568	28,884,568	(1,000,000)	28,884,568	(1,000,000)	-
Non-Public Transportation	3,931,589	4,662,543	730,954	4,662,543	730,954	-
Regional District						
Transportation	7,295,110	7,808,259	513,149	7,808,259	513,149	-
<b>Subtotal</b>	<b>\$ 62,611,267</b>	<b>\$ 60,855,370</b>	<b>\$ (1,755,897)</b>	<b>\$ 63,355,370</b>	<b>\$ 744,103</b>	<b>\$ 2,500,000</b>
<b>Set-Aside Funds</b>						
Textbook Loans	\$ 240,000	\$ 60,000	\$(180,000)	\$ 60,000	\$(180,000)	\$ -
School Breakfast	270,000	270,000	-	270,000	-	-
Reduced-Price Meal						
Subsidy	812,952	812,952	-	812,952	-	-
<b>Subtotal</b>	<b>\$ 1,322,952</b>	<b>\$ 1,142,952</b>	<b>\$ (180,000)</b>	<b>\$ 1,142,952</b>	<b>\$ (180,000)</b>	<b>\$ -</b>
<b>Total</b>	<b>\$ 1,302,242,948</b>	<b>\$ 1,342,436,716</b>	<b>\$ 40,193,769</b>	<b>\$ 1,358,297,313</b>	<b>\$ 56,054,366</b>	<b>\$ 15,860,597</b>
<b>Other Aid</b>						
Teacher Retirement***	\$ 141,168,922	\$ 137,991,006	\$(3,177,916)	\$ 137,991,006	\$(3,177,916)	\$ -
Construction Aid	106,198,555	119,887,755	13,689,200	119,887,755	13,689,200	-
<b>Statewide Total</b>	<b>\$ 1,549,610,424</b>	<b>\$ 1,600,315,477</b>	<b>\$ 50,705,053</b>	<b>\$ 1,616,176,074</b>	<b>\$ 66,565,650</b>	<b>\$ 15,860,597</b>

\*Governor's budget shifts Central Falls' enrollment loss allocation to the district, HFC maintains that shift

\*\*Overstated by \$0.7 million in FY 2026 Recommendation

\*\*\*Includes \$8.9 million included in Dept. of Admin. in the enacted budget

- Funding Formula Assumptions.** The House Finance Committee's 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 calculations maintain the current law student success factor, and the House Finance Committee adds \$12.0 million from general revenues to reflect the March data update, which also corrected a previous undercount of students in poverty.

- Group Home Funding.** The House Finance Committee recommends removing the statutory provision that allows for group home beds to be deducted from enrollment data for the purpose of determining average

daily membership. Growth in the core instruction amount has contributed to declining group home aid for districts, especially those with higher state share ratios. This change would ensure that the full \$17,000 per bed would be provided to support all communities that host group home beds. The House Finance Committee adds \$2.1 million for this change.

- CRAFT Bed Revision. The House Finance Committee recommends changing the treatment of the Children’s Residential and Family Treatment Program, known as CRAFT, for the purpose of group home aid. Currently, these beds are in the group home aid count, but differ from other group homes because these youth are not placed by the Department of Children, Youth and Families. The House Finance Committee reduces group home aid by \$0.5 million to reflect the removal of these beds from the statute and includes language clarifying educational and financial responsibility for children in this program.
- High Cost Special Education. The House Finance Committee recommends adding \$2.5 million from general revenues for high cost special education categorical funding. This aid reimburses districts when expenses for high cost special education students exceed four times the combined per-pupil core instruction amount and student success factor amount. This would provide \$17.5 million and represents 56.0 percent of eligible expenses, an increase from 48.0 percent in the Governor’s recommendation. The 2023 Assembly lowered the reimbursement threshold and increased this aid category to \$15.0 million from the \$4.5 million allocated for FY 2017 through FY 2023.

## Total Funding to Districts

**A.** Column **A** reflects the formula aid calculation. It is based on March 15, 2025, student enrollment data adjusted for charter school growth and uses the current law core instruction amount of \$13,322. It also uses the current law student success factor of 40.0 percent.

**B.** Column **B** shows the enrollment transition fund. This fund provides two years of support to districts experiencing enrollment losses. Districts receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year.

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

**D.** Column **D** shows the amount of group home aid for FY 2026. Group home aid is paid in addition to the funding formula. This reflects the removal of CRAFT beds from the statute and the removal of the statutory provision that allows for group home beds to be deducted from enrollment data for the purpose of determining average daily membership. This change would ensure that the full \$17,000 per bed would be provided to support all communities that host group home beds.

**E.** Column **E** shows the amount of high cost special education funding. The funding formula allows for additional funding from the state for high cost special education students when those costs exceed four times the combined per pupil core instruction and student success factor amounts. Funds available for distribution are prorated if the total costs exceed the appropriation; this represents 56.0 percent of allowable expenses.

**F.** The funding formula allows the state to provide resources to mitigate the excess costs associated with transporting students to out-of-district non-public schools. The state assumes the costs of non-public out-of-district transportation for those districts participating in the statewide transportation system. This distribution is shown in Column **F** and fully funded for FY 2026.

**G.** The funding formula allows the state to provide resources to mitigate the excess costs associated with transporting students within regional school districts. The state and regional school districts equally share the student transportation cost, net of any federal sources of revenue for these expenditures. This distribution is shown in Column **G**.

**H.** Column **H** shows the total amount of education aid recommended by the House Finance Committee for FY 2026.

**I.** Column **I** is the difference between the House Finance Committee's FY 2026 recommendation shown in Column **H** and the FY 2025 enacted budget.

**J.** Column **J** is the difference between the House Finance Committee's FY 2026 recommendation shown in Column **H** and the Governor's original recommended budget, which was based on earlier data and included a proposal to increase the student success factor for districts with student poverty ratios above 60.0 percent.

## Total Funding to Districts

<i>District</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	<i>FY 2026 HFC Formula Aid</i>	<i>Enrollment Transition Fund</i>	<i>Poverty Loss Stabilization Fund</i>	<i>Group Home Aid</i>	<i>High Cost Special Education</i>
Barrington	\$ 9,906,027	\$ 106,986	\$ 1,039,957	\$ -	\$ 350,449
Burrillville	13,506,736	144,015	-	-	336,018
Charlestown	1,437,860	39,123	39,756	-	-
Coventry	28,316,948	439,016	-	136,000	590,471
Cranston	79,947,152	616,592	-	-	1,461,188
Cumberland	28,228,353	16,591	-	-	175,913
East Greenwich	4,506,248	49,316	1,012,068	-	613,600
East Providence	39,321,148	256,779	-	289,000	751,111
Foster	1,215,818	-	34,469	-	4,659
Glocester	2,961,445	32,927	78,860	-	67,052
Hopkinton	7,176,966	29,014	-	-	-
Jamestown	372,348	9,060	-	-	199,649
Johnston	24,128,236	-	405,941	-	658,621
Lincoln	20,891,647	121,787	-	136,000	275,525
Little Compton	302,814	13,405	5,047	-	323
Middletown	6,152,386	163,272	261,850	-	184,695
Narragansett	1,728,633	72,691	-	-	121,122
Newport	14,239,269	352,675	441,039	119,000	181,036
New Shoreham	96,190	2,316	-	-	-
North Kingstown	12,506,815	50,592	737,038	-	93,317
North Providence	30,424,725	271,278	-	136,000	581,314
North Smithfield	9,237,556	78,421	-	68,000	149,721
Pawtucket	110,615,318	1,182,732	-	340,000	906,497
Portsmouth	2,806,429	29,163	80,184	510,000	268,684
Providence	297,521,286	1,548,914	-	986,000	4,874,564
Richmond	6,207,775	102,279	96,444	-	-
Scituate	4,299,021	10,808	-	-	66,163
Smithfield	10,587,119	131,218	-	85,000	74,083
South Kingstown	5,062,521	160,295	-	-	534,993
Tiverton	5,310,972	69,836	164,401	-	432,463
Warwick	48,586,276	286,445	-	408,000	783,891
Westerly	8,148,033	207,892	-	-	405,776
West Warwick	42,094,167	456,911	-	-	217,612
Woonsocket	88,120,161	833,791	-	-	551,361
Bristol-Warren	10,652,150	264,512	243,027	170,000	768,784
Chariho	-	-	-	-	111,550
Exeter-West Greenwich	7,123,365	47,401	-	153,000	487,380
Foster-Glocester	5,299,561	162,055	143,931	-	37,951
Central Falls*	54,177,424	390,458	-	-	143,641
<b>Total</b>	<b>\$ 1,043,216,901</b>	<b>\$ 8,750,565</b>	<b>\$ 4,784,011</b>	<b>\$ 3,536,000</b>	<b>\$ 17,461,177</b>
<i>Adjusted Chariho</i>	<i>\$ 14,822,601</i>	<i>\$ 170,416</i>	<i>\$ 136,200</i>	<i>\$ -</i>	<i>\$ 111,550</i>

\*Includes an \$11.1 million stabilization fund payment to Central Falls in FY 2025 and \$10.8 million in FY 2026.

## Total Funding to Districts

	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>
<i>District</i>	<i>Non-Public Transportation</i>	<i>Regional Transportation</i>	<i>FY 2026 HFC Total Aid</i>	<i>Change to Enacted</i>	<i>Change to Governor</i>
Barrington	\$ 248,979	\$ -	\$ 11,652,398	\$ (460,158)	\$ 16,155
Burrillville	101,798	-	14,088,567	133,504	120,750
Charlestown	-	-	1,516,739	(31,335)	(919)
Coventry	10,669	-	29,493,104	1,616,464	295,628
Cranston	1,004,724	-	83,029,656	3,484,112	1,318,433
Cumberland	42,137	-	28,462,994	1,925,799	10,821
East Greenwich	118,752	-	6,299,984	(773,231)	81,270
East Providence	10,046	-	40,628,084	1,558,681	217,646
Foster	16,264	-	1,271,209	(34,189)	(18,455)
Glocester	40,906	-	3,181,190	69,826	7,511
Hopkinton	-	-	7,205,980	418,454	(108,063)
Jamestown	-	-	581,058	(128,841)	25,001
Johnston	255,166	-	25,447,965	697,036	21,089
Lincoln	-	-	21,424,959	2,649,139	119,453
Little Compton	-	-	321,589	(22,064)	157
Middletown	-	-	6,762,203	(634,794)	29,624
Narragansett	-	-	1,922,446	(283,901)	10,176
Newport	-	-	15,333,019	(377,028)	42,061
New Shoreham	-	-	98,506	7,622	(929)
North Kingstown	-	-	13,387,762	(107,030)	(72,828)
North Providence	202,936	-	31,616,253	1,222,487	720,478
North Smithfield	28,505	-	9,562,204	1,490,116	29,840
Pawtucket	277,971	-	113,322,519	1,769,468	1,150,123
Portsmouth	-	-	3,694,460	(76,267)	103,736
Providence	726,751	-	305,657,515	11,378,679	7,687,262
Richmond	-	-	6,406,497	36,131	(66,050)
Scituate	75,024	-	4,451,016	760,713	12,131
Smithfield	90,472	-	10,967,892	856,064	183,154
South Kingstown	177,916	-	5,935,725	(72,795)	104,294
Tiverton	-	-	5,977,672	126,891	119,850
Warwick	47,750	-	50,112,363	3,349,210	829,060
Westerly	-	-	8,761,700	(23,607)	73,927
West Warwick	54,826	-	42,823,516	2,718,578	618,065
Woonsocket	-	-	89,505,313	4,422,686	651,678
Bristol-Warren	536,358	2,250,197	14,885,028	50,467	288,860
Chariho	538,036	2,790,679	3,440,265	(15,178)	15,936
Exeter-West Greenwich	-	1,796,117	9,607,263	1,940,004	130,110
Foster-Glocester	-	971,266	6,614,764	(95,351)	54,920
Central Falls*	56,557	-	54,768,079	402,585	900,318
<b>Total</b>	<b>\$ 4,662,543</b>	<b>\$ 7,808,259</b>	<b>\$ 1,090,219,456</b>	<b>\$ 39,948,945</b>	<b>\$ 15,722,274</b>
<i>Adjusted Chariho</i>	<i>\$ 538,036</i>	<i>\$ 2,790,679</i>	<i>\$ 18,569,482</i>	<i>\$ 408,072</i>	<i>\$ (159,097)</i>

\*Includes an \$11.1 million stabilization fund payment to Central Falls in FY 2025 and \$10.8 million in FY 2026.

## **Total Funding to Charter and State Schools**

**A.** Column **A** reflects the formula aid calculation. It is based on March 15, 2025, student enrollment data adjusted for charter school growth and uses the current law core instruction amount of \$13,322. It also uses the current law student success factor.

**B.** Column **B** shows the amount of high cost special education funding. The funding formula allows for additional funding from the state for high cost special education students when those costs exceed four times the combined per pupil core instruction and student success factor amounts. Funds available for distribution are prorated if the total costs exceed the appropriation; this represents 56.0 percent of allowable expenses.

**C.** Column **C** shows the stabilization funding for the state schools. The 2016 Assembly enacted a stabilization fund for the state schools in order to mitigate some of the losses in funding from the implementation of the funding formula and recognize the additional costs associated with running a stand-alone school that offers both academic and career and technical education.

**D.** Column **D** shows the total aid recommended by the House Finance Committee for FY 2026.

**E.** Column **E** shows the total FY 2025 enacted aid, including stabilization and categorical funding.

**F.** Column **F** is the difference between the House Finance Committee's FY 2026 recommendation shown in Column **D** and the FY 2025 enacted aid shown in Column **E**.

**G.** Column **G** shows the Governor's original recommended budget.

**H.** Column **H** is the difference between the House Finance Committee's FY 2026 recommendation shown in Column **D** and the Governor's recommended budget shown in Column **G**, which was based on earlier data and included a proposal to increase the student success factor for districts with student poverty ratios above 60.0 percent.

## Total Funding to Charter and State Schools

<i>School</i>	<i>A</i> <i>FY 2026 HFC</i> <i>Formula Aid</i>	<i>B</i> <i>High Cost</i> <i>Special Ed.</i> <i>Categorical</i>	<i>C</i> <i>Stabilization</i>	<i>D</i> <i>FY 2026 HFC</i> <i>Total Aid</i>
Achievement First	\$ 47,135,853	\$ -	\$ -	\$ 47,135,853
Apprenticeship Exploration (New England Laborers)	1,988,910	-	-	1,988,910
Beacon	4,925,759	-	-	4,925,759
Blackstone	5,189,245	-	-	5,189,245
Charette	2,581,926	-	-	2,581,926
Compass	950,421	-	-	950,421
Excel Academy	6,337,707	-	-	6,337,707
Greene School	1,654,216	-	-	1,654,216
Highlander	8,555,519	-	-	8,555,519
Hope Academy	4,687,174	2,610	-	4,689,784
International	4,733,806	-	-	4,733,806
Kingston Hill	1,173,919	-	-	1,173,919
Learning Community	9,305,598	876	-	9,306,474
MedPrep Academy*	-	-	-	-
Nuestro Mundo	5,357,457	-	-	5,357,457
Nurses Institute	6,678,286	-	-	6,678,286
Paul Cuffee	11,758,706	-	-	11,758,706
Providence Preparatory	3,606,772	-	-	3,606,772
RI Mayoral Academies				
Blackstone Prep.	29,952,871	35,337	-	29,988,208
RISE Mayoral Academy	10,224,092	-	-	10,224,092
Segue Institute	8,509,591	-	-	8,509,591
Southside Elementary	2,119,035	-	-	2,119,035
Times2 Academy	10,283,577	-	-	10,283,577
Trinity	4,563,624	-	-	4,563,624
Village Green	2,959,569	-	-	2,959,569
<b>Charter Schools Subtotal</b>	<b>\$ 195,233,633</b>	<b>\$ 38,823</b>	<b>\$ -</b>	<b>\$ 195,272,456</b>
Davies Career and Tech	10,600,553	-	7,931,599	18,532,152
Met School	9,793,682	-	3,173,244	12,966,926
Nowell Academy	2,664,112	-	-	2,664,112
Urban Collaborative	2,296,446	-	-	2,296,446
Youth Build Academy	1,818,245	-	-	1,818,245
<b>Total</b>	<b>\$ 222,406,671</b>	<b>\$ 38,823</b>	<b>\$ 11,104,843</b>	<b>\$ 233,550,337</b>

\*Approval of MedPrep Academy has been delayed

## Total Funding to Charter and State Schools

<i>School</i>	<i>E</i> <i>FY 2025</i> <i>Enacted</i> <i>Total Aid</i>	<i>F</i> <i>Change to</i> <i>Enacted</i>	<i>G</i> <i>FY 2026 Gov.</i> <i>Recommended</i> <i>Total Aid</i>	<i>H</i> <i>Change to</i> <i>Governor</i>
Achievement First	\$ 43,557,616	\$ 3,578,237	\$ 47,067,703	\$ 68,150
Apprenticeship Exploration (New England Laborers)	1,810,414	178,496	1,971,278	17,632
Beacon	4,661,107	264,652	4,867,863	57,896
Blackstone	4,722,778	466,467	5,181,111	8,134
Charette	2,439,857	142,069	2,623,803	(41,877)
Compass	848,585	101,836	935,655	14,766
Excel Academy	4,314,759	2,022,948	7,734,664	(1,396,957)
Greene School	1,640,523	13,693	1,677,795	(23,579)
Highlander	7,983,567	571,952	8,333,254	222,265
Hope Academy	4,454,964	234,820	4,660,233	29,551
International	4,557,483	176,323	4,662,210	71,596
Kingston Hill	1,151,989	21,930	1,165,399	8,520
Learning Community	9,009,693	296,781	9,225,495	80,979
MedPrep Academy*	-	-	2,371,696	(2,371,696)
Nuestro Mundo	5,393,618	(36,161)	5,181,769	175,688
Nurses Institute	6,688,041	(9,755)	6,608,107	70,179
Paul Cuffee	11,392,717	365,989	11,288,430	470,276
Providence Preparatory	3,304,404	302,368	3,418,193	188,579
RI Mayoral Academies				
Blackstone Prep.	26,994,791	2,993,417	28,103,892	1,884,316
RISE Mayoral Academy	8,175,911	2,048,181	10,136,862	87,230
Segue Institute	7,131,892	1,377,699	7,822,964	686,627
Southside Elementary	2,047,860	71,175	2,111,650	7,385
Times2 Academy	9,675,429	608,148	10,111,298	172,279
Trinity	3,636,955	926,669	3,907,651	655,973
Village Green	2,870,482	89,087	2,934,003	25,566
<b>Charter Schools Subtotal</b>	<b>\$ 178,465,435</b>	<b>\$16,807,021</b>	<b>\$ 194,102,978</b>	<b>\$ 1,169,478</b>
Davies Career and Tech	18,131,389	400,763	18,772,462	(240,310)
Met School	11,131,142	1,835,784	12,977,328	(10,402)
Nowell Academy	2,311,758	352,354	2,802,638	(138,526)
Urban Collaborative	2,111,614	184,832	2,262,135	34,311
Youth Build Academy	2,137,890	(319,645)	1,825,270	(7,025)
<b>Total</b>	<b>\$ 214,289,228</b>	<b>\$19,261,110</b>	<b>\$ 232,742,811</b>	<b>\$ 807,526</b>

\*Approval of MedPrep Academy has been delayed

## Revenues Changes

The Governor recommends \$10.6 million and \$267.0 million more general revenues than estimated at the November 2024 Revenue Estimating Conference for FY 2025 and FY 2026, respectively. He also recommends internal fund transfers for FY 2025 that would increase resources available for expenditure from general revenues by \$46.9 million. The budget recommended by the House Finance Committee includes total FY 2025 revenues of \$5,805.7 million and \$5,815.2 million for FY 2026. Major revenue changes, including those not deposited as general revenues, are described below.

### Taxes

- **OTP Tax on Nicotine Pouches.** The House Finance Committee’s recommended 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 House Finance Committee recommends expanding the application of the current 7.0 percent sales and use tax to short-term parking of up to one month. 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. The House Finance Committee also recommends general revenue support in the Department of Revenue for implementation costs of new revenue initiatives.
  
- **Motion Picture Tax Credit.** The House Finance Committee concurs with the Governor’s requested budget amendment to retroactively adjust the annual cap for the motion picture and theatrical production tax credits, correcting an error resulting from several project completions that were misaligned with initial expectations. The calendar year 2022 cap would increase from \$30.0 million to \$35.0 million, and the 2023 cap would decrease from \$40.0 million to \$35.0 million. This is estimated to result in \$3.2 million in additional redemptions affecting FY 2026 revenue.
  
- **Real Estate Conveyance Tax.** The House Finance Committee recommends increasing both the first and second tier 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; revenues would be allocated according to a statutory formula, essentially unchanged from current law. The second tier applies to the portion of residential transfers above \$800,000; revenues would 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.

Real Estate Conveyance Tax	Applicability	Current Law	Governor	HFC
Tier 1	All	0.46%	0.46%	0.75%
	State Revenue Change to Current Law	\$ -	\$ -	\$11.5
Tier 2	Residential; Portion >\$800,000	0.46%	0.79%	0.75%
	State Revenue Change to Current Law	\$ -	\$ 2.3	\$ 2.1

*\$ in millions*

This is estimated to generate \$13.5 million for FY 2026 across all fund sources, annualizing to \$18.7 million for FY 2027. Additionally, municipal collections are estimated to increase by \$10.7 million for FY 2026 and \$14.7 million for FY 2027. The Governor had recommended an alternative proposal to increase the second tier only, to 0.79 percent, and dedicated resulting revenues entirely to the restricted account.

- **Whole Home Short-Term Rental Tax.** The House Finance Committee concurs with the Governor’s recommendation to establish a new tax on houses, condominiums, or other furnished residential dwellings rented for a short term in their entirety, equal to the 5.0 percent State Hotel Tax, from which these units are currently exempt. However, while the Governor proposed dedicating all revenue to the Housing Resources and Homelessness restricted account, the House Finance Committee distributes 50.0 percent of revenue to the 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.

Hotel Tax	Applicability	Current Law	Governor	HFC
State Hotel Tax	Excludes Whole-Home	5.00%	5.00%	5.00%
	State Revenue Change to Current Law	\$ -	\$ -	\$ -
Whole-Home	Only Whole-Home	None	5.00%	5.00%
	State Revenue Change to Current Law	\$ -	\$ 2.1	\$ 1.0

\$ in millions

- **Local Hotel Tax.** The House Finance Committee recommends increasing the Local Hotel Tax from 1.0 percent to 2.0 percent, effective January 1, 2026. Consistent with current law, the tax applies to all short-term rentals, including hotels and dwellings rented in part or in their entirety. There is no state budget impact; it is estimated to generate \$2.8 million for cities and towns in FY 2026, annualizing to \$7.6 million in FY 2027.
- **Non-Owner Occupied Tax.** The House Finance Committee recommends 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 183 days in a given taxable year. Affected properties will be subject to a 0.5 percent annual tax on the portion of their value exceeding \$1.0 million, with all resulting revenues dedicated to the Low Income Housing Tax Credit Fund. There is no FY 2026 impact; FY 2027 is the first year of collections.
- **Tax Incentive Repeals.** The House Finance Committee’s recommended budget assumes \$0.2 million of increased revenues from repealing several tax incentives, including: new research and development facilities deduction, research and development property credit, jobs growth act, and the small business capital investment modification. The revenues would annualize to \$0.4 million for FY 2027. This is consistent with the Governor’s proposal.

Tax Incentive Repeals		
Item	FY 2026	FY 2027
New R&D Facilities Deduction	\$ 136,992	\$ 273,984
R&D Property Tax Credit	74,842	148,683
Jobs Growth Act	1,489	2,979
Small Business Capital Investment	6,551	13,102
<b>Grand Total</b>	<b>\$ 219,874</b>	<b>\$ 438,748</b>

- **Financial Institutions Data Matching.** The House Finance Committee’s recommended budget assumes \$5.3 million in revenues in FY 2026 from the Governor’s proposal that authorizes the Division of Taxation to initiate a Financial Institution Data Matching Program, allowing it to match financial accounts to non-compliant taxpayers to support the collection of state tax liability. While there is no expansion of

the state’s authority to levy, the proposal is to empower financial institutions to share data. Other states currently use automated data matching, but Rhode Island’s use of this tool is limited to child support debts. The expected revenue figures are based on estimates of taxpayer liability and a timeline for implementation by January 1. The expectation for FY 2027 is \$8.0 million and assumes a decline in receivables. All values are net of any costs, assuming the current contingency contract authority is used to implement this program.

<b>Financial Institutions Data Match</b>		
<b>Tax Type</b>	<b>FY 2026</b>	<b>FY 2027</b>
Personal Income Tax	\$ 2,403,997	\$ 3,663,233
Business Corp	1,164,296	1,774,166
Sales and Use	1,681,707	2,562,601
<b>Grand Total</b>	<b>\$ 5,250,000</b>	<b>\$ 8,000,000</b>

### Departmental Revenues

- **Hospital Licensing Fee Renewal.** The House Finance Committee recommends extending the three-tiered system for the community hospitals with FY 2026 payments totaling \$228.5 million based on 2023 revenue rather than 2022. The license fee is generally set and renewed annually and, as such, was not included in the consensus revenue estimate for FY 2026. The proposed license fee for Eleanor Slater Hospital is 5.25 percent based on 2023 revenues for payments totaling \$4.0 million; this is consistent with the enacted budget. The budget assumes total revenues of \$232.5 million from both, which is \$16.8 million more than enacted. This is consistent with the Governor’s proposal.
- **Eleanor Slater Disproportionate Share Payment.** The House Finance Committee recommends additional revenue from increasing the disproportionate share payment to the state hospital by \$5.9 million for FY 2025 and FY 2026. The FY 2025 enacted budget assumed that Eleanor Slater Hospital would qualify for at least \$7.0 million, and appropriated offsetting expenditures in the Executive Office of Health and Human Services from Medicaid and matching general revenues. The Governor’s proposal increases that to \$12.9 million each year and includes appropriate adjustments to spending in both years to access the funds. This is consistent with the Governor’s proposal.
- **Indirect Cost Recovery on Restricted Receipts.** The House Finance Committee concurs with the Governor’s proposal to increase the indirect cost recovery charge applied to restricted receipt accounts from 10.0 percent to 15.0 percent. This aligns the state’s indirect cost recovery rate with the federal rate. The state’s rate was last increased in FY 2006 from 7.0 percent to 10.0 percent. It also adds the Workers’ Compensation Administration Fund to the list of restricted receipt accounts that are exempt from the indirect cost recovery charge. The FY 2026 budget assumes revenues of \$3.2 million from these changes.
- **Traffic Fines.** The 2008 Assembly revised the violation schedule, increasing most fines from \$75 to \$85. Fees have not been adjusted since, although cumulative inflation over the same time period is around 50 percent. The House Finance Committee recommends increasing most of these fines from \$85 to \$100, representing an approximately 18 percent increase to generate \$0.5 million in new general revenues.

### Other Revenues

- **Rhode Island Student Loan Authority.** The House Finance Committee’s recommended budget includes the Governor’s proposal to transfer \$2.7 million from the Rhode Island Student Loan Authority to state general revenues by June 30, 2025, and a transfer of \$2.9 million by June 30, 2026.
- **Rhode Island Infrastructure Bank.** The House Finance Committee’s recommended budget includes the Governor’s proposal to transfer \$2.0 million from the Rhode Island Infrastructure Bank to state general revenues by June 30, 2025.

- **Health Services Funding Assessment.** The House Finance Committee recommends 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. The current assessments are based on a per member per month fee applied to all covered lives including self-insured; this 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. As an employer, the estimated cost for the state is \$1.4 million, of which \$0.8 million is from general revenues.

- **Dredge Fee.** The House Finance Committee’s recommended budget reduces revenues by \$100,000 to reflect its proposal to direct 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. The recommendation also increases the minimum dredge fee from \$11.65 to \$35.00. These revenues would partially cover the debt service associated with the recommended authorization to borrow \$23.0 million through Certificates of Participation for the maintenance dredging of the Providence River and Harbor Shipping Channel.

- **Judiciary Escrow Transfer.** The House Finance Committee recognizes that the Judiciary transferred \$1.1 million from funds it has held in escrow that have been unclaimed since 2019, to the general fund in FY 2025. If the Judiciary determines that any funds it holds in escrow have been unclaimed for five or more years, it is required to transfer them to the general fund. The Judiciary provided notification of the transfer after the May Revenue Estimating Conference,.

**Internal Fund Transfers.** These are resources going to the general fund, which are required by accounting rules to be shown as fund transfers rather than revenues; they have the same general effect of increasing available general revenue resources.

- **Excess Revenues Transfer Reversal.** The FY 2024 budget created a supplemental reserve fund to which it contributed \$55.0 million. It also dedicated any unexpected excess revenues annually at fiscal close, half each to the supplemental reserve fund and the Employees’ Retirement System. The Governor proposed repealing the transfer provision for FY 2024 only and recapturing the \$43.3 million that would have been transferred to those two funds for use in FY 2025. The House Finance Committee maintains the current law transfer to the Retirement System, meaning only a \$21.6 million increase to available revenues.

- **Underground Storage Tank Trust Fund.** The House Finance Committee’s recommended budget includes the Governor’s proposal to transfer reserves of \$3.0 million from the Underground Storage Tank restricted receipts to state general revenues by June 30, 2025.

- **Marijuana Trust Fund.** The House Finance Committee’s recommendation includes the Governor’s proposal to transfer \$0.6 million from Marijuana Trust Fund restricted receipts to general revenues by June 30, 2025, based on lower than expected costs within the Judiciary for expungement activities associated with the 2022 law.

#### **Other Sources**

- **Motor Fuel Tax.** The House Finance Committee recommends increasing the motor fuel tax from the estimated current law amount of \$0.39 to \$0.41, including the \$0.01 environmental protection fee, and dedicates the additional two cents to the Authority. Based on the estimated \$4.359 million per penny yield, \$8.7 million in additional gas tax receipts would be generated for FY 2026.

Entities	FY 2026 Current Law		FY 2026 HFC		Change	
	Cents Per	Total	Cents Per	Total	Cents Per	Total
	Gallon	Proceeds	Gallon	Proceeds	Gallon	Proceeds
Department of Transportation	24.25	\$ 105.7	24.25	\$ 105.7	-	\$ -
RI Public Transit Authority	9.75	42.5	11.75	51.2	2.0	8.7
RI Turnpike and Bridge Authority	3.50	15.3	3.50	15.3	-	-
DHS - Elderly Transportation	1.00	4.4	1.00	4.4	-	-
Underground Storage Tank	0.50	2.2	0.50	2.2	-	-
<b>Total</b>	<b>39.00</b>	<b>\$ 170.0</b>	<b>41.00</b>	<b>\$ 178.7</b>	<b>2.0</b>	<b>\$ 8.7</b>

*Includes the 1 cent environmental protection fee; \$ in millions*

- Highway Maintenance Account.** The House Finance Committee includes two proposals to increase resources being deposited into the Highway Maintenance Account, including 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 increases the current surcharges on license and most vehicle registrations from \$30.00 to \$40.00. The surcharges have not changed since 2016. These changes would take effect on January 1, 2026, and would generate \$6.7 million for FY 2026, or \$4.9 million more than the Governor's budget assumed, and \$16.0 million for FY 2027. Currently, 5.0 percent of the receipts are retained as general revenues to offset the cost of collections.

Source	FY 2025 Enacted	FY 2026 Recommended*	May FY 2026 Projected	FY 2026 HFC	HFC to May Projected
Inspection Sticker Increase	\$ 14,983,420	\$ 14,666,721	\$ 12,938,570	\$ 12,938,570	\$ -
Title Fees	10,679,439	11,253,880	10,703,554	10,703,554	-
Rental Car Surcharge	10,434,853	9,800,138	10,683,141	10,683,141	-
Good Driving Surcharge	343,905	406,164	444,405	444,405	-
License and Registration Transfer	54,784,091	61,142,612	56,907,245	56,907,245	-
Surcharges	21,277,450	21,543,068	19,283,564	22,383,564	3,100,000
Electric Vehicles	-	-	-	3,640,450	3,640,450
<b>Total</b>	<b>\$ 112,503,158</b>	<b>\$ 118,812,583</b>	<b>\$ 110,960,479</b>	<b>\$ 117,700,929</b>	<b>\$ 6,740,450</b>
5.0 Percent for Collection Cost	(5,625,158)	(5,940,629)	(5,548,024)	(5,885,046)	(337,022)
<b>Total</b>	<b>\$ 106,878,000</b>	<b>\$ 112,871,954</b>	<b>\$ 105,412,455</b>	<b>\$ 111,815,883</b>	<b>\$ 6,403,428</b>
<i>RI Public Transit Authority</i>	<i>\$ 10,343,900</i>	<i>10,643,598</i>	<i>\$ 10,270,623</i>	<i>\$ 16,181,589</i>	<i>\$ 5,910,966</i>
<i>Department of Transportation</i>	<i>\$ 96,534,100</i>	<i>\$ 102,228,356</i>	<i>\$ 95,141,832</i>	<i>\$ 95,634,294</i>	<i>\$ 492,462</i>

*Does not include carryforward funds*

*\*Does not reflect receipts from proposed electric vehicle registration fees*



## Housing

State spending to support housing production, access, and subsidies appears throughout the state budget and those of quasi-public entities. Quasi-public entities authorized to administer housing programs do not appear in the state budget except to the extent that certain programs receive general obligation bond proceeds and pass-through funds. Support is generally provided through major federal grants, general obligation bonds, and a dedicated tax on real estate transfers. This report summarizes the housing-related changes proposed by the House Finance Committee, broadly related either to revenues or reorganization.

### Housing-Related Revenues

The Governor’s FY 2026 budget recommendation creates two new sources of revenues: it extends the 5.0 percent State Hotel Tax to whole-home short-term rentals and increases the second tier of the real estate conveyance tax from 0.92 percent to 1.25 percent. The recommendation estimates these new revenue sources will generate \$4.4 million in restricted receipts for FY 2026, annualizing to \$8.1 million for FY 2027, and dedicates all funds to the Housing Resources and Homelessness restricted account.

The House Finance Committee recommends four new sources of revenues and a one-time transfer, resulting in \$31.6 million in new state, local, and tourism district revenue, annualizing to \$45.8 million in FY 2027. For FY 2026, state revenue would increase by \$17.0 million, including \$8.4 million for general revenues, \$8.4 million for the Housing Resources and Homelessness restricted account, and \$0.3 million for the Housing Production Fund. The following table shows the estimated impact of the Governor and House Finance Committee recommendations compared to current law.

	<b>FY 2026 Housing Initiatives Change to Current Law</b>	<b>General Fund</b>	<b>Housing Resources &amp; Homelessness</b>	<b>Housing Production Fund</b>	<b>Tourism Districts</b>	<b>Cities &amp; Towns</b>	<b>Initiative Total</b>
<b>Gov.</b>	Real Estate Conveyance Tier 2	\$ -	\$ 2.3	\$ -	\$ -	\$ -	\$ 2.3
	Whole Home	-	2.1	-	-	-	2.1
	<b>Gov. Total</b>	<b>\$ -</b>	<b>\$ 4.4</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4.4</b>
	Real Estate Conveyance Tier 1	\$ 8.4	\$ 3.1	\$ -	\$ -	\$ 10.7	\$ 22.2
	Real Estate Conveyance Tier 2	-	1.8	0.3	-	-	2.1
<b>HFC</b>	1% Local Hotel Tax Increase	-	-	-	-	2.8	2.8
	One-time Transfer	-	2.5	-	-	-	2.5
	Whole Home	-	1.0	-	0.5	0.5	2.0
	<b>HFC Total</b>	<b>\$ 8.4</b>	<b>\$ 8.4</b>	<b>\$ 0.3</b>	<b>\$ 0.5</b>	<b>\$ 14.0</b>	<b>\$ 31.6</b>

*\$ in millions*

The table below shows the relative tax rates under current law and the Governor and House Finance Committee recommendations. The sections that follow provide detail on each initiative.

<b>Housing-Related Taxes</b>	<b>Applicability</b>	<b>Current Law</b>	<b>Governor</b>	<b>HFC</b>
Real Estate Conveyance Tier 1	All	0.46%	0.46%	0.75%
Real Estate Conveyance Tier 2	Residential; Portion >\$800,000	0.46%	0.79%	0.75%
Local Hotel Tax	All	1.00%	1.00%	2.00%
Hotel Tax	Excludes Whole-Home	5.00%	5.00%	5.00%
Whole-Home Short-Term Rental	Only	None	5.00%	5.00%
Non-Owner Occupied Tax	Non-Rental; Portion >\$1.0 million	None	None	0.50%

**Real Estate Conveyance Tax.** The Real Estate Conveyance Tax includes a first-tier rate of 0.46 percent charged on all transfers and a second-tier rate of 0.46 percent charged on the portion of residential transfers above \$800,000. The Governor recommended increasing the second-tier rate to 0.79 percent, resulting in an effective rate of 1.25 percent, effective October 1, 2025, to generate \$2.3 million for the Housing Resources and Homelessness restricted account in FY 2026. The House Finance Committee recommends increasing both rates to 0.75 percent, for a top-tier effective rate of 1.5 percent, also effective October 1, 2025. Revenue from the first tier is allocated according to a statutory formula that includes an allocation to municipalities, essentially unchanged from current law. The second-tier rate would 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.

The House Finance Committee's recommendation is estimated to generate \$13.5 million for FY 2026 across all fund sources, annualizing to \$18.7 million for FY 2027. Compared to the Governor's recommendation, this adds \$8.4 million for general revenues, \$1.5 million for the Housing Resources and Homelessness account, and \$0.3 million for the Housing Production Fund. Additionally, revenues to municipalities would increase by \$10.7 million for FY 2026 and \$14.7 million for FY 2027.

**Local Hotel Tax.** The House Finance Committee recommends increasing the Local Hotel Tax from 1.0 percent to 2.0 percent, effective January 1, 2026. Consistent with current law, the tax applies to all short-term rentals, including hotels and dwellings rented in part or in their entirety. There is no state budget impact; it is estimated to generate \$2.8 million for cities and towns in FY 2026, annualizing to \$7.6 million in FY 2027.

**Whole Home Short-Term Rental Tax.** The House Finance Committee concurs with the Governor's recommendation to establish a new tax on houses, condominiums, or other furnished residential dwellings rented for a short term in their entirety, equal to the 5.0 percent State Hotel Tax, from which these units are currently exempt. However, while the Governor proposed dedicating all revenue to the Housing Resources and Homelessness restricted account, the House Finance Committee distributes 50.0 percent of revenue to that 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.

**One-Time Housing Resources and Homelessness Transfer.** The House Finance Committee recommends the transfer of \$2.5 million from general revenues to the Housing Resources and Homelessness restricted account. FY 2027 will be the first year of full collections for two new dedicated revenue streams. These funds are intended to bridge the gap for FY 2026 while these initiatives are implemented.

### **Housing Reorganization**

The 2022 Assembly required the Secretary of Housing to submit a housing organizational plan by November 1, 2022. The submitted plan lacked required commentary from other state agencies, an assessment of the current structure, and advantages and disadvantages of proposed changes. Proposed changes were not included in the Governor's FY 2024 recommendation or the adopted budget.

The 2024 Assembly required a new version of the report by December 31, 2024, including proposed statutory revisions. The submitted report was on-time and met other statutory requirements, but the Department indicated it was still drafting proposed statutory revisions to implement its recommendations. Subsequent to submission of his recommendation, the Governor requested an amendment to implement the report's recommendations. The House Finance Committee concurs with the amended recommendation.

**Executive Office of Housing.** The House Finance Committee recommends that the Department be reorganized into the Executive Office of Housing, and the Housing Resources Commission into an Advisory Council on Housing and Homelessness without direct programmatic responsibilities.

The Housing Resources Coordinating Committee would be dissolved and its authority transferred to the new Executive Office, including formal administration of the Housing Production Fund. Transferred authorities include the ability to designate which state or quasi-state agency will administer federal housing programs, expedited permitting for affordable housing, and exemptions from municipal real estate non-utilization taxes.

**Advisory Council on Housing and Homelessness.** Under current law, the Housing Resources Commission has 28 members: 16 are ex-officio leaders of various state and non-state entities and 12 are appointed by the Governor to represent specified interests, professions, and industries. The House Finance Committee replaces guidance specific to each member with a broad requirement that the Council’s 20 Governor-appointed members represent similar interests while removing representatives of state entities and adding tenants, landlords, local officials, and those with a lived experience of homelessness. It also transfers all lead hazard mitigation authorities to the Department of Health.

**Interagency Councils.** To improve state agency coordination, the House Finance Committee recommends creating a new 12-member Interagency Council on Housing Production and Preservation and reactivating a 17-member Interagency Council on Homelessness, which would serve as the ratification committee for the federally mandated Continuum of Care. These councils would consist of state and quasi-state agencies chaired by the Secretary of Housing and intended to coordinate state policy and services, with administrative support provided by the Executive Office of Housing.

**RI Housing.** The House Finance Committee recommends that the Secretary of Housing be made ex-officio chair of the RI Housing board of directors and removes the Director of the Department of Business Regulation. It transfers primarily responsibility for determining how to prioritize federal Low-Income Housing Tax Credit awards and renewable energy features from RI Housing to the Executive Office of Housing, effective January 1, 2026. It also repeals a defunct Department of Human Services emergency housing assistance program. The following table shows the board’s composition under current law.

<b>RI Housing Commissioners</b>	
	Director of Administration
Ex-Officio	Director of Business Regulation
	General Treasurer
Appointed	Four members experienced in housing design, development, finance, management, and state and municipal finance

**Reporting Requirements.** The House Finance Committee recommends two new reporting requirements. The first is a statewide strategic plan to prevent and address homelessness, due every three years beginning July 1, 2026. The second is a chart showing the number and percentage of low- and moderate-income housing units by municipality, due annually beginning January 1, 2027. The House Finance Committee also transfers all existing monitoring and reporting requirements to the Executive Office, updates terminology, repeals defunct reports, and delays the annual fee-in-lieu report from March 1 to April 15.



# Articles of 2025-H 5076, Substitute A

## Article 1

**Section 1. Appropriations.** This section of Article 1 contains the appropriations for FY 2026.

**Section 2. Line Item Appropriations.** This section establishes that each line in Section 1 of Article 1 constitutes an appropriation.

**Section 3. Transfer of Functions.** This section authorizes the Governor to transfer appropriations and full-time equivalent position authorizations associated with transfers of functions.

**Section 4. Contingency Fund.** This section allows for expenditures from the contingency account located within the Office of the Governor's budget for unexpected expenditures or for those departments and agencies where appropriations are insufficient. The Governor must approve all expenditures and transfers from this account.

**Section 5. Internal Service Funds.** This section authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions, and other governmental units on a cost reimbursement basis.

**Section 6. State Fleet Operations.** This section authorizes the Director of the Department of Administration to centralize state fleet operations under its purview for light- and medium-duty vehicles.

**Section 7. Legislative Intent.** This section authorizes the chairpersons of the finance committees of the two chambers to provide a "statement of legislative intent" for specifying the purpose of the appropriations contained in Section 1 of this article.

**Section 8. Temporary Disability Insurance Funds.** This section appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund.

**Section 9. Employment Security Funds.** This section appropriates all funds required for benefit payments to unemployed individuals from the Employment Security Fund.

**Section 10. Lottery.** This section appropriates to the Lottery Division any funds required for the payment of prizes and commissions.

**Section 11. Appropriation of CollegeBound Saver Funds.** This section appropriates the funds received by the Office of the General Treasurer from the CollegeBound Saver program for transfer to the Office of Postsecondary Commissioner to support student financial aid for FY 2026. The budget includes \$3.4 million from these sources for state grant programs.

**Section 12. Full-Time Equivalent Positions.** This section limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2026. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee, may jointly adjust the authorization. It limits appointments for state employees supported through non-state funds to the availability of those fund sources.

This section also prevents departments from employing contracted employees to work under state supervisors or replace work done by state employees without a determination of need by the Director of Administration. Total staffing is 15,920.8 full-time equivalent positions, 148.0 positions more than the

enacted budget. This includes 544.8 higher education positions supported by third-party funds, 25.0 positions more than the enacted budget.

**Section 13. Multi-Year Appropriations.** This section makes multi-year appropriations for a number of projects included in the Capital Budget that are funded from Rhode Island Capital Plan funds over FY 2027 through FY 2030. The FY 2026 and multi-year appropriations supersede appropriations made for capital projects in Section 13 of Article 1 of the FY 2025 Appropriations Act.

**Section 14. Reappropriation - RICAP.** This section provides that any unexpended and unencumbered funds for Rhode Island Capital Plan Fund projects shall be reappropriated to the next year. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Unexpended funds of less than \$500 can be reappropriated at the discretion of the State Budget Officer.

**Section 15. Rhode Island Housing and Mortgage Finance Corporation.** This section requires that the Rhode Island Housing and Mortgage Finance Corporation provide an appropriate amount of resources to support the Neighborhood Opportunities Program. The Corporation is also required to provide to the director of the Department of Administration, the Secretary of Housing, and both chairs of the House and Senate Finance Committees a report detailing the amount of funding and information such as the number of housing units provided.

**Section 16. Pawtucket Downtown Redevelopment.** This section contains the necessary mechanism to allow for taxes collected pursuant to the tax incentive financing statute be appropriated to the Downtown Pawtucket Redevelopment Economic Activity Fund to finance development projects in the existing economic development district, in accordance with the law passed in 2019. The recommended budgets each include \$2.9 million from restricted receipts for FY 2025 and FY 2026.

**Section 17. State Fiscal Recovery Funds.** This section clarifies that appropriations of federal funds in section one shall not be construed to mean State Fiscal Recovery and Capital Projects funds enacted as part of the American Rescue Plan Act unless specifically designated as such. It contains a description of each project for which any appropriation is made.

**Section 18. Reappropriation - State Fiscal Recovery Funds.** This section provides that any unexpended and unencumbered funds from the State Fiscal Recovery and Capital Projects funds shall be reappropriated to the following year. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. This is similar to the treatment of Rhode Island Capital Plan funds.

**Section 19. State Fiscal Recovery Funds Reporting and Compliance.** This section requires the Pandemic Recovery Office to monitor programs funded with State Fiscal Recovery and Capital Projects funds. It requires the Office to report quarterly to the Speaker of the House and Senate President, with copies to the House and Senate Finance Committee chairpersons, identifying programs at risk of significant underspending or noncompliance with federal or state requirements. The report, at a minimum, must include an assessment of how programs that are at risk can be remedied. It repeats the changes in the revised budget to make the last quarterly report due on January 31, 2025, and establish twice-yearly reporting beginning April 30, 2025, through October 31, 2026. It authorizes the Governor to reclassify program income or unspent funds at-risk of federal forfeiture to other eligible projects if the value of the proposal is less than \$1.0 million and less than 20.0 percent of total program appropriations. Proposals exceeding \$1.0 million or 20.0 percent of program appropriations must be referred to the Assembly to go into effect within 30 days unless rejected by joint action of the House and Senate. This is an expansion of the one-time authority provided in the enacted budget allowing the Governor to propose reallocation of at-risk funds to only the unemployment trust fund in November 2024.

**Section 20. Rhode Island Student Loan Authority Transfer.** This section requires the transfer of \$2.9 million from the Rhode Island Student Loan Authority to state general revenues by June 30, 2026.

**Section 21. Low-Income Housing Tax Credit Transfer.** This section requires the transfer of \$4.0 million from state general revenues to the Low-Income Housing Tax Credit Fund by June 30, 2026.

**Section 22. Housing Resources and Homelessness Transfer.** This section requires the transfer of \$2.5 million from state general revenues to the Housing Resources and Homelessness restricted receipt account by June 30, 2026.

**Section 23. Pending Federal Action Strategy.** This section respectfully requests the administration to convene an advisory group or groups or similar bodies to assist in the review and analysis of federal tax actions, federal actions related to Medicaid programs, and directs the administration to monitor the status of federal grants and develop options for the Governor and Assembly to consider that address federal funding changes.

**Section 24. Effective Date.** This section establishes that the article is effective as of July 1, 2025, except as otherwise provided within the article.

## **Article 2. State Funds**

**Sections 1 and 2. RI Division of Higher Education Authority.** These sections eliminate the Rhode Island Division of Higher Education Assistance as a separate entity, and the activity of awarding the appropriation from the Tuition Savings Program as tuition assistance would be done through a new restricted receipt account in the General Fund. This would eliminate the annual financial reporting and audit related to the Division, improving the segregation of duties and controls over funding.

**Sections 3 and 8. Municipal Road and Bridge Revolving Fund.** These sections expand projects eligible for the Municipal Road and Bridge Revolving Fund to include projects not on the priority list used for allocating these funds if the financial assistance sought is to match other state funding. They also remove the requirement for a city or town to obtain voter approval to authorize any related debt when these funds are serving as a match.

**Section 4. Indirect Cost Recovery.** This section increases the indirect cost recovery charge applied to restricted receipt accounts from 10.0 percent to 15.0 percent. This aligns the state's indirect cost recovery rate with the newly increased federal rate. The state's rate was last increased in FY 2006 from 7.0 percent to 10.0 percent.

This section also modifies the presentation of exempt accounts under the purview of the Rhode Island Cannabis Control Commission and the Office of Energy Resources to align with the Governor's proposal to show them as standalone agencies. It adds the Workers' Compensation Administration Fund to the list of restricted receipt accounts not subject to indirect cost recovery charges. Finally, it adds Clean Transportation Programs to the list of exempt accounts; statutory authorization for this new account is included in Article 3. The budget assumes revenues of \$3.2 million from these changes.

**Section 5. State Controller.** The 2023 Assembly created a Supplemental Budget Reserve account. It required the State Controller to transfer 50.0 percent of all general revenues received in the completed fiscal year, net of transfer to the state budget reserve and stabilization account in excess of adopted estimates for that year. It also required the remaining 50.0 percent be transferred to the Employees' Retirement System. For FY 2024, it produced a \$43.3 million transfer. This section 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.

This section also adds the Office of Risk Management to the Controller’s functions. Article 3 removes it from the Division of Capital Asset Management and Maintenance purview.

**Section 6. Rhode Island State Psychiatric Hospital.** This section creates a restricted receipt account for the Rhode Island State Psychiatric Hospital to receive and spend federal Medicare Part D pharmacy reimbursements. The budget includes general revenue savings of \$144,000 from billing other sources for pharmacy expenses.

**Section 7. Information Technology Funds.** This section authorizes the director of the Department of Administration to allocate and charge capitalized costs to agencies, in accordance with statewide cost allocation plan that benefit from projects funded through the Large Systems Initiatives Fund. As part of its budget request, the Department must include an expected billing of any capitalized costs that it intends to charge to agencies in the following fiscal year. The legislation amends the sources of the funds to include interest earned and capitalized amounts charged to agencies. Of the interest accrued, \$14.9 million would be allocated to the Enterprise Resource Planning System, reflecting the increased project cost. It also authorizes the State Controller to transfer any excess interest accrued to the Information Technology Restricted Receipt Account.

**Section 9. Dredge Fees.** The section increases the minimum dredge fee from \$11.65 to \$35.00 and directs all fees to the Dredge Fund, effective July 1, 2025. Under current law, amounts up to \$11.65 are deposited as general revenues, with any fees above that going to the Dredge Fund. The article also clarifies that the management of disposal options is an eligible use of the fees.

### **Article 3. Government Reform and Reorganization**

**Sections 1 and 4. Hemp and Cannabis.** These sections change several references to the Department of Business Regulation and its Director to the Cannabis Control Commission and its Chair to effectuate the transfer of cannabis regulatory authority, consistent with legislation passed by the 2022 Assembly. They also clarify the transfer of regulatory authority over industrial hemp and allow the Commission to delegate certain functions to an administrative hearing officer.

**Section 2. Local Licensing.** This section eliminates municipal authority to issue licenses for karate and jiu-jitsu instruction. Under current law, municipalities can charge up to \$25 for a license and up to \$20 for non-compliance.

**Sections 3, 6 through 12, 16, 18, 20, 23, 24, and 27. Office of Internal Audit and Program Integrity.** The Office of Internal Audit is authorized to conduct audits of any state department, agency or private entity that receives state funding or state grants. The Office is also tasked with evaluating the efficiency of operations and internal controls, preventing and detecting fraud, waste, abuse or mismanagement of funds. These sections expand the duties and authority of the Chief of the Office, including granting administrative subpoena powers, with prior approval from the director of the Department of Administration, renaming it Office of Internal Audit and Program Integrity.

The budget includes \$1.2 million from all sources, including \$0.7 million from general revenues and 6.0 new full-time equivalent positions to enhance efforts to investigate fraud and detect mismanagement of public funds. It also includes savings of \$6.9 million, including \$2.9 million from general revenues, in the Executive Office of Health and Human Services’ budget from payment recoveries related to fraud, waste, and abuse in the Medicaid program.

**Section 5. Workers’ Compensation Judges Pensions.** This section is a technical change to include workers’ compensation judges that were unintentionally excluded from the changes made by the 2024

Assembly to decrease the threshold from 80 percent to 75 percent for the return of the cost-of-living adjustment.

**Section 7. Pending Federal Action Strategy.** This section directs the Office of Management and Budget to monitor the status of federal grants and identify any impacts resulting from federal funding rescissions. It also requires a report no later than October 31, 2025, containing recommendations and options to become compliant with federal changes.

**Section 13. Public Debt Management Act.** This is a technical change from “concurrent” resolution to “joint” resolution regarding the required approval method to align with current practice.

**Section 14. Specialized Information Technology Positions.** This section creates 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 change classifications and pay grades for any new or existing specialized information technology positions, within the Division of Enterprise Technology Strategy and Services in the Department of Administration. This excludes positions that are part of a collective bargaining agreement.

It temporarily authorizes the personnel administrator to implement the pay plans for these positions without conducting a public hearing or obtaining approval from the Governor. It further requires that the job specifications be reviewed annually. 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. The authorization granted to the personnel administrator under this section will sunset on December 31, 2026.

**Section 15. Procurement Fee.** Currently, a fee of 1.0 percent is assessed on master price agreements from vendors. It generated \$1.0 million in FY 2023 and \$2.0 million in FY 2024. This section establishes a uniform 0.33 percent fee to be assessed on all state contracts, effective January 1, 2026. The receipts will continue to be deposited as restricted receipts to support operations of the Division of Purchases, which is primarily supported with general revenues. It also assumes a staggered rollout of the new fee with full implementation by FY 2027. The budget also assumes savings of \$0.5 million from general revenues by shifting some of the division’s current expenses to the currently available restricted receipts.

**Section 17. Office of Risk Management.** This section removes functions of the Office of Risk Management from the Division of Capital Asset Management and Maintenance. Article 2, Section 5 adds them to the State Controller.

**Section 19. State Police Pensions.** The 2024 Assembly made changes to the pension plan affecting retirees and active members, including changing the calculation for pension benefits from the highest five consecutive years of compensation to the highest three consecutive years for state employees, teachers, and municipal employees. This section would change the calculation for State Police pension benefits to be based on the highest three consecutive years, rather than five, which would make it consistent with other state employees.

**Sections 21 and 22. Office of Energy Resources.** The Commissioner of the Office of Energy Resources is required to submit an annual report to the Governor, the Speaker of the House of Representatives, and the Senate President, detailing the effectiveness of energy programs and other requirements. Section 21 changes the reporting date from one that is due by March 1 to June 30. It also removes outdated statutory references and makes technical corrections regarding reporting of the Energy Efficiency Resource Management Council programs. Section 22 includes statutory authority for the Clean Transportation Programs restricted receipts account; Article 2 exempts it from the indirect cost recovery charges.

**Sections 25 and 26. Integrated Data System Act.** These sections 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 of excellence by establishing the Rhode Island Integrated Data System “DATA RI” as the state’s central repository of inter-agency, longitudinal, linked, and individual data. The stated goal is to connect data across sectors, support research aligned with state priorities, inform policymaking and program evaluation, and enhance the well-being of all Rhode Islanders. It creates a single board to oversee the Rhode Island Longitudinal Data System, the state education and workforce longitudinal data system, and the Ecosystem, the state’s health and human services integrated data system. The board would be co-chaired by the Commissioner of Postsecondary Education and the Secretary of Health and Human Services.

The budget adds \$1.4 million and staff in three entities to support this. It includes \$0.3 million from existing restricted receipts and 2.0 new positions in the Office of Postsecondary Commissioner and \$0.2 million from general revenues for the necessary software to support its data systems. It also adds 2.0 positions and \$0.4 million to be billed to user agencies for the Department of Administration’s Division of Enterprise Technology Strategy and Services and 2.0 positions and \$0.4 million, of which \$0.1 million is from general revenues, for the Executive Office of Health and Human Services.

#### **Article 4. Public Debt Management Act**

The Public Corporation Debt Management Act requires that the Assembly approve all new non-general obligation debt authorizations, except in certain circumstances. Article 4 increases the authorization for revenue bonds for two previously approved projects for the University of Rhode Island. Both projects received initial approval in 2019 and were subsequently increased in 2021. The current revisions reflect significant changes in cost and timing, as well as updated interest rate projections. Article 4 increases the authorization for the Memorial Union project by \$60.4 million, from \$57.6 million to \$118.0 million, and for the Combined Health and Counseling Center by \$4.6 million, from \$29.0 million to \$33.6 million. Total debt service payments, including the additional requested authorization, are expected not to exceed \$350.0 million, supported by student fees and retail lease payments.

Article 4 also includes authorization for \$23.0 million through Certificates of Participation for the construction of confined aquatic dredged material disposal cells. Total debt service 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.

#### **Article 5. Taxes and Fees**

**Sections 1 and 7. Local Hotel and Whole Home Short-Term Rental Taxes.** These sections establish a new tax effective January 1, 2026, on houses, condominiums, or other furnished residential dwellings rented for a short term in their entirety, equal to the 5.0 percent State Hotel Tax, from which these units are currently exempt. Associated revenues would be distributed by formula, with 50.0 percent deposited in the Housing Resources and Homelessness restricted account, and 25.0 percent each for the municipality and tourism district in which the rental occurs. This is estimated to generate \$1.0 million for the restricted account for FY 2026, annualizing to \$2.4 million for FY 2027. These sections also increase the Local Hotel Tax from 1.0 percent to 2.0 percent, effective January 1, 2026. There is no state budget impact; it is estimated to generate \$2.8 million for cities and towns, annualizing to \$7.6 million in FY 2027.

**Section 2. Jobs Growth Act.** This section would sunset the 2005 Jobs Growth Act for tax years beginning on or after January 1, 2026. The estimated impact on general revenues is about \$1,500, annualizing to \$3,000 in FY 2027.

**Section 3. Pending Federal Action Strategy.** This section directs the Director of the Department of Revenue to convene an advisory working group to assist in the review and analysis of the impacts of any

adopted federal tax actions. The working group shall develop options for administrative action or consideration by the Governor and General Assembly that may be necessary to address any federal funding changes affecting Rhode Island revenues and report its findings by October 31, 2025.

**Sections 4 and 5. Tax Calculations.** These sections include changes to the definition of taxable income for individuals and business corporations for tax purposes, ensuring that any pending federal action will not affect the 2025 tax base for calculating current Rhode Island tax liability. It would also allow that for tax year 2025 only, the federal enactment of any legislation that would cause the Internal Revenue Service to change forms, regulations and/or processing, which go into effect during the current tax year or within six months of the beginning of the next tax year, shall be grounds for the promulgation of emergency rules and regulations.

**Section 6. Sales Tax on Parking.** This section expands the application of the current 7.0 percent sales and use tax to short-term parking of a duration of less than one month. This is estimated to generate \$1.6 million in FY 2026, with an annualized total of \$3.2 million for FY 2027.

**Sections 8 and 9. Other Tobacco Tax on Nicotine Pouches.** These sections update 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.

**Section 10. Real Estate Conveyance Tax.** This section increases both the first and second tier 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; revenues would be allocated according to a statutory formula, essentially unchanged from current law. The second tier applies to the portion of residential transfers above \$800,000; revenues would 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. This is estimated to generate \$13.5 million for FY 2026 across all state fund sources, annualizing to \$18.7 million for FY 2027. Additionally, municipal collections are estimated to increase by \$10.7 million for FY 2026 and \$14.7 million for FY 2027.

**Section 11. Specialized Investment Tax Credit.** This section would sunset the Specialized Investment Tax Credit for tax years beginning on or after January 1, 2026. It allows credits for tax years ending on or before December 31, 2025, to be carried forward for seven taxable years, consistent with current law.

**Section 12. Motion Picture Tax Credit.** This section retroactively adjusts the annual cap for the motion picture and theatrical production tax credits. It increases the calendar year 2022 cap from \$30.0 million to \$35.0 million and decreases the 2023 cap from \$40.0 million to \$35.0 million. This is estimated to result in \$3.2 million in additional redemptions affecting FY 2026 revenue. It also requires production companies to notify the Film and Television Office and the Division of Taxation if they do not expect to complete production within the same calendar year as initially estimated.

**Section 13. Elective Deduction for Research and Development Facilities.** This section would eliminate elective deductions for research and development facilities against entire net income starting January 1, 2026, and allow any deductions for tax years before that to be carried forward. Similarly, tax credits for research and development property would also be phased out for tax years beginning on or after January 1, 2026, with credits from prior tax years eligible for carryforward. Finally, it would expand the carryforward

period for the qualified research expense tax credit from 7 to 15 years for tax years beginning on or after January 1, 2026.

The estimated impact on general revenues from the two repeals is adding about \$212,000 in FY 2026, annualizing to \$424,000 in FY 2027. The carryforward extension would reduce revenues beginning in FY 2034 by \$0.9 million.

**Section 14. Employment Tax Credit.** This section sunsets the employment tax credit, also known as the welfare bonus program tax credit, for tax years beginning on or after January 1, 2026. There is no fiscal impact assumed as there were no recipients of the credit for tax years 2019 through 2022.

**Section 15. Capital Investment in Small Businesses.** This section sunsets the small business capital investment deduction or modification and the small business capital investment wage credit for tax years beginning on January 1, 2026. The budget assumes \$6,551 in additional revenues from the repeal of the small business capital investment deduction or modification. This would annualize to \$13,102 for FY 2027. There is no fiscal impact assumed for the repeal of the small business capital investment wage credit as there were no recipients of the credit for tax years 2019 through 2022.

**Section 16. Financial Institution Data Match System.** This section establishes the statutory authority for the Division of Taxation to develop and operate an automated financial institution data match system to collect tax debts from delinquent taxpayers. Financial institutions must provide data on delinquent taxpayers identified at their institution to the Division each quarter. The budget assumes \$5.3 million in new revenues for FY 2026, growing to \$8.0 million in FY 2027.

**Section 17. Work from Home Zoning Exemption.** This section adds remote work to the list of permitted uses of residentially zoned property, similar to family daycares. Under current law, municipalities could enforce home occupation permits and associated fees for employees who work remotely under flexible worksite arrangements.

**Section 18. Non-Owner Occupied Property Tax.** This section establishes 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 183 days in a given taxable year. Affected properties will be subject to a 0.5 percent annual tax on the portion of their value exceeding \$1.0 million, with all resulting revenues dedicated to the Low Income Housing Tax Credit Fund.

## **Article 6. Economic Development**

**Sections 1 and 2. Holiday Business.** These sections eliminate special local licensing requirements for retail sales on holidays except for Christmas and Thanksgiving Day.

**Sections 3 and 4. Notice of Cancellation.** These sections allow for the notice of cancellation of a buyer's health club or dating service contract to be made by electronic mail to the seller at an electronic mail address specified in the contract.

**Section 5. Rebuild Rhode Island Tax Credit.** This section amends the maximum project credit allowed under the Rebuild Rhode Island tax credit for certain projects. Current law allows project credits up to \$15.0 million; this section would create an exemption for additional sales and use taxes of up to 30 percent beyond the maximum project credit for housing projects with at least 20 percent affordable housing or workforce development units. This would allow for up to an additional \$4.5 million to be awarded for qualifying projects, which would remain subject to the \$225.0 million program award cap. This section also increases the project total threshold for triggering prevailing wage requirements from \$10.0 million to

\$25.0 million as of July 1, 2025. Additionally, this section extends the sunset provision one year to December 31, 2026.

**Sections 6 through 9 and 12 through 15. Sunset Extensions.** These sections extend the sunset provisions for Tax Increment Financing, Tax Stabilization Incentive, First Wave Closing Fund, I-195 Redevelopment Fund, Wavemaker, Main Street Streetscape, Innovation Initiative, and the Qualified Jobs Tax Credit one year, to December 31, 2026.

**Section 10. Small Business Assistance Program Act.** This section extends the sunset provision for the Small Business Assistance Program by three years to December 31, 2028.

**Section 11. Wavemaker Fellowships.** This section expands the eligibility criteria of Wavemaker Fellowship healthcare applicants to allow for those who do not have withholding wages. These include sole proprietors, partners in a healthcare service partnership, and members of a single-member limited liability company, assuming the applicant has completed their application on or after July 1, 2022.

### **Article 7. Education**

**Sections 1 and 3. Group Home Aid.** This article amends group home funding provided to districts in addition to the funding formula. Section 1 removes the enrollment reduction related to group home beds. Section 3 removes Children’s Residential and Family Treatment program beds from this category of aid and clarifies the educational and financial responsibility for children in this program. The FY 2026 budget adds \$1.6 million to reflect these adjustments.

**Section 2. Reporting.** This section introduces new reporting requirements for the Department of Elementary and Secondary Education to include in its FY 2027 budget submission. It must provide a report that offers an overview of, and recommendations to enhance, the matching process between Department of Human Services program participation data and Department of Elementary and Secondary Education student enrollment records for use in the funding formula. It must also include an estimate of foundation education aid that accounts for Medicaid matching to identify students in poverty within its FY 2027 budget request.

This article also requires the Department to submit a report on the current and recommended processes to ensure that it receives consistent and accurate high-cost special education data from districts.

### **Article 8. Medical Assistance**

**Section 1. Hospital License Fee.** This section extends the three-tiered system for the community hospitals with FY 2026 payments totaling \$228.5 million based on updated 2023 revenue. This section also extends the hospital license fee for Eleanor Slater Hospital at a 5.25 percent rate based on 2023 revenues, totaling \$4.0 million. Under current law, the license fee is not effective after FY 2025. The budget assumes total revenues of \$232.5 million from both payments; FY 2025 revenues are \$215.7 million.

**Section 2. Medicaid Monthly Reporting.** This section expands monthly Medicaid reporting requirements to include separately the expenses reduced by providers billing third party payors first before the Medicaid program, where appropriate, using income verification tools, such as Equifax’s The Work Number, recoveries from ABLE accounts, and the Department of Administration’s Office of Internal Audit and Program Integrity.

**Section 3. Federal Compliance - Prior Authorization.** This section makes the necessary changes to comply with the federal requirements that a health insurer or other third parties cannot deny payment for a claim solely based on lack of prior authorization. The entities must also respond to inquiries within 60

business days after receiving written documentation from the Medicaid beneficiary. If prior authorization is required, the health insurer will accept from the state Medicaid program that the service is covered.

**Section 4. Nursing Facilities.** This section includes an FY 2026 annual rate increase of 2.3 percent and a separate 3.0 percent safe staffing rate adjustment, effective October 1, 2025. The budget adds \$21.3 million, including \$8.8 million from general revenues, to fund these increases. The 3.0 percent increase, which equates to \$12.0 million, must be a 100 percent pass-through to direct care workers. This section also updates the type of direct care worker for whom the current 80 percent pass-through requirement for the annual increase is applicable, to include social workers and nurse aides in training. These positions would also be included in the staff ratios to meet minimum staffing as amended in Article 10.

**Section 5. Hospital Payments.** This section includes uncompensated care payments to Eleanor Slater for FY 2025 and FY 2026 that do not exceed \$12.9 million. Payments to community hospitals are not to exceed \$14.8 million for FY 2025 and \$1.0 million for FY 2026.

**Section 6. Home and Community-Based Services Rates.** The section freezes home care rates at the FY 2025 level. These rates are part of the annual inflationary adjustment made in the Office of Health Insurance Commissioner's biennial review. The subsequent rate increase would be part of the FY 2027 budget process. The budget includes savings of \$10.1 million, including \$4.3 million from general revenues from the amounts assumed in the November Caseload estimate based on the current law, which calls for an increase based on the New England consumer price index for medical care.

**Section 7. Medicaid Waiver.** This section makes technical changes to align waiver services with current law.

**Section 8. Pending Federal Action Strategy.** This section directs the Secretary of Health and Human Services to convene an advisory working group to assist in the review and analysis of potential impacts of any adopted federal actions related to Medicaid programs. The working group shall develop options for administrative action or General Assembly consideration that may be needed to address any federal funding changes that impact Rhode Island's Medicaid programs and report its findings no later than October 31, 2025.

**Section 9. Human Service Programs Rates and Benefit Analysis.** This section requires the Office of the Health Insurance Commissioner to produce a one-time report on primary care reimbursement rates due September 1, 2026. This is estimated to cost \$450,000, of which \$400,000 is budgeted for FY 2026.

**Section 10. Medicaid Resolution.** This section serves as the resolution for Assembly approval for the Executive Office to apply for certain changes to the Medicaid program. This includes the statutory changes already identified for (a) nursing facilities and (b) home and community care services. The remaining subsections includes the authority to seek federal approval to implement the following changes.

- c) E-Consults Program. Establish a program to allow communication and care coordination between primary and specialty care providers, intended to improve patients' and providers' access to specialists without needing a face-to-face visit. The budget assumes that \$5.4 million in spending for the new benefit would be offset by savings of \$6.0 million from avoiding an in-person visit. The general revenue savings are \$0.1 million.
- d) Long Term Care Behavioral Healthcare. Establish a Medicaid rate for inpatient units in the community hospitals. The budget includes \$7.5 million, of which \$3.2 million is general revenues.
- e) Mobile Response and Stabilization Services. Establish a rate methodology for a Medicaid benefit to be effective by October 1, 2026, with the state plan amendment submitted no later than October 1,

2025. The current pilot program will be converted to a Medicaid benefit and will adhere to the federal model being used.

- f) 340B Program. Effectuate by the Executive Office of Health and Human Services to prohibit discriminatory action related to reimbursement of 340B covered entities and 340B contract pharmacies. There are restrictions and requirements with respect to operationalizing the program, and annually, each 340B covered entity will submit a report to the Speaker of the House, the Senate President, the Governor, and the Auditor General, detailing participation in the program, which will be posted on the Auditor General's website.
- g) Primary Care Rates. Raise primary care rates to 100 percent of Medicare, effective October 1, 2025. The budget includes \$26.4 million, of which \$8.3 million is from general revenues, based on an annual impact of \$35.3 million. This total excludes the \$10.5 million separate allocation for increases to federally qualified health care center rates for a full year.
- h) Medicare Savings Program. Expand to reflect eligibility for the Qualified Medicare Beneficiaries benefit up to 125 percent of poverty and the Qualified Individuals benefit up to 168 percent of poverty; the budget includes \$7.1 million, of which \$0.7 million is from general revenues. The federally funded benefit for Qualified Individuals would be limited to the federal allotment.
- i) Prior Authorization. Establish a three-year pilot program to eliminate prior authorization requirements for any service, treatment, or procedure ordered by a primary care provider in the normal course of treatment. The pilot would exclude pharmacy benefits. This will take effect October 1, 2025, and sunset October 1, 2028. Providers include those in family medicine, geriatrics, internal medicine, obstetrics and gynecology, or pediatrics.

The Executive Office of Health and Human Services will provide an annual report to the Speaker of the House, the Senate President, the Office of the Governor, and the Office of the Health Insurance Commissioner that includes additional recommendations on further simplifying and reducing the administrative burdens of prior authorization. The report will also include data and analysis showing the impact of the pilot program on utilization and patient care.

## **Article 9. Housing Reorganization**

**Sections 1, 8, and 15. Lead Hazard Mitigation.** These sections transfer responsibility for the lead hazard mitigation program from the Housing Resources Commission to the Department of Health.

**Sections 2 and 12. Interagency Council on Homelessness.** These sections alter the Interagency Council on Homelessness, reducing its membership from 20 to 17. It adds the Continuum of Care and removes its advisory council, the Department of Administration, Housing Resources Commission, and the Providence Veterans Administration Medical Center. It requires the Executive Office of Housing to provide administrative support.

**Sections 3 and 4. RI Housing Governance.** These sections provide that the Secretary of Housing shall be ex-officio chair of the RI Housing board of directors and remove the Director of the Department of Business Regulation. They transfer primary responsibility for determining how to prioritize federal Low-Income Housing Tax Credit awards and renewable energy features from RI Housing to the Executive Office of Housing, effective January 1, 2026. These sections also repeal a defunct Department of Human Services emergency housing assistance program.

**Sections 5 and 11. Executive Office of Housing.** These sections consolidate statutory language governing the Department of Housing, to be renamed the Executive Office of Housing. They add two new reporting

requirements. The first is a statewide strategic plan to prevent and address homelessness, due every three years beginning July 1, 2026. The second is a chart showing the number and percentage of low- and moderate-income housing units by municipality, due annually beginning January 1, 2027. These sections also eliminate a requirement for each award round to include a material award for a municipality with a population of less than 25,000.

**Sections 6, 7, 9, 10, and 14. Structural Reorganization.** These sections alter the state housing structure to transfer oversight and programmatic authority to the Executive Office of Housing by dissolving the Coordinating Committee and reorganizing the Housing Resources Commission into an Advisory Council on Housing and Homelessness. Transferred authorities include the ability to designate which state or quasi-state agency will administer federal housing programs, expedited permitting for affordable housing, and exemptions from municipal real estate non-utilization taxes. These sections also transfer authority over the Housing Production Fund, which is supported by a dedicated portion of the Real Estate Conveyance Tax.

Under current law, the Commission has 28 members: 16 are ex-officio leaders of various state and non-state entities and 12 are appointed by the Governor to represent specified interests, professions, and industries. These sections replace guidance specific to each member with a broad requirement that the Council's 20 Governor-appointed members represent similar interests while removing representatives of state entities and adding tenants, landlords, local officials, and those with a lived experience of homelessness.

**Section 13. Interagency Council on Housing Production and Preservation.** This section establishes a new Interagency Council on Housing Production and Preservation. Its membership consists of 12 state agencies and is chaired by the Secretary of Housing, with administrative support provided by the Executive Office of Housing.

**Section 16. Fee-in-lieu.** If municipalities require affordable units as part of inclusionary zoning, they may allow developers to pay a fee in lieu of constructing affordable units. Funds must be used for affordable housing development in the same community. This section provides that if funds are unallocated after three years, they must be transferred to the Housing Production Fund instead of RI Housing.

**Sections 17 and 18. Monitoring and Reporting.** These sections transfer the responsibility for overseeing monitoring agents to ensure compliance with affordable housing statutes, including income limits and deed restrictions, from the Housing Resources Commission to the Executive Office of Housing, effective July 1, 2025. They repeal reporting requirements for the monitoring program and a defunct State Housing Appeals Board report. These sections also update the annual housing voucher report to more accurately reflect utilization and delay its submission as well as the annual fee-in-lieu report from March 1 to April 15.

## **Article 10. Health and Human Services**

**Section 1. Health Professional Loan Repayment Program.** This section codifies current practice of the Health Professional Loan Repayment Program into general laws to include recruitment and retention of high-quality health professionals working with underserved populations. It shifts program administration to the Department of Health and removes outdated statutory references to the Higher Education Assistance Authority.

The Health Professional Loan Repayment Program board determines which areas of the state shall be eligible to participate in the loan repayment program each year, based on health professional shortage area designations. It receives and considers all applications for loan repayment made by eligible health professionals. The article increases the board composition from nine to ten members; the Director of the Department of Health serves as the chairperson. It also authorizes the Director to implement legal proceedings against program participants who are in default or have breached their contracts.

**Section 2. Nursing Facilities Minimum Staffing.** This section changes the state’s nursing home minimum staffing requirements to expand the types of direct care workers that count towards meeting the staffing ratios to include social workers and nurse aides in training. The section reduces the hours of daily direct nursing care to 3.58 from 3.81 and excludes the hourly requirement specific to certified nursing assistants, effective January 1, 2026.

It also changes the current penalty structure and waives and forgives any penalties assessed prior to January 1, 2026. The penalty would be three percent of Medicaid reimbursements determined by the most recent financial period. Any funds recovered would be deposited into a restricted receipt account to be used for workforce development and compliance assistance programs. The section requires the Department of Health to issue rules and regulations for implementation and oversight, with a six-month transition to allow facilities to meet the new requirements. This section also requires audits to be conducted by the Executive Office of Health and Human Services and published on its website.

**Section 3. Office of Veterans Services Burial Fees.** This section allows the Office of Veterans Services to promulgate rules and regulations to charge and collect cremation and casket liner fees for eligible spouses and dependents of qualified veterans. Currently, the fees are not in regulation. The federal government now reimburses the cost of a full casket liner for a veteran’s spouse or eligible dependent of a veteran who served until retirement. The state will continue to charge cremation liner fees for all non-military burials and casket burial liners for spouses and eligible dependents of veterans who did not retire from the military.

**Section 4. Child Care for Child Care Educators.** The section extends the sunset date for the child care for childcare workers pilot program for another three years through July 31, 2028. The FY 2026 budget adds \$3.0 million for the extension.

**Section 5. Supplemental Nutrition Assistance Program.** The section requires the Department of Human Services, in coordination with the Department of Administration, to submit a plan, as part of its annual budget submission, with initial recommendations to reduce the state’s payment error rate so that it is below six percent. As of January 18, 2026, the Department will report monthly on its progress to implement the recommendations. The report will be part of its current reporting requirement to the General Assembly.

**Section 6. Child Care Rates.** This section establishes a new rate for infants, distinct from the current rate applicable to infants and toddlers, and increases the infant rate by 20 percent. The toddler and preschool rates remain the same. The FY 2026 budget adds \$3.0 million from federal funds to account for the increase.

**Section 7. Restricted Receipt Account.** This section creates a new restricted receipt account for nursing home penalty collections included in Section 2.

**Section 8. Healthcare Services Funding Assessment.** The section establishes 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. The current assessments are based on a per-member-per-month fee applied to all covered lives, including self-insured; this 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.

## **Article 11. Motor Vehicles and Transportation**

**Section 1. Division of Motor Vehicles.** This section requires the administrator of the Division of Motor Vehicles, in consultation with the Department of Transportation, to submit a report of its findings and options for updating fees imposed in Section 2 for electric vehicles, plug-in hybrid electric vehicles, and hybrid electric vehicles to the General Assembly before January 1, 2027.

This section also increases the technology surcharge fee on Division of Motor Vehicle transactions, excluding vehicle inspections, by \$1.00 to \$3.50, effective July 1, 2025. All technology surcharge fees are deposited into a restricted receipt account managed by the Division for enhancements and ongoing maintenance to its computer system. This is estimated to generate \$1.6 million in restricted receipts in FY 2026 to maintain the Division's information technology system and cost increases that would otherwise require new general revenue support.

**Sections 2 and 12. Highway Maintenance Account.** Section 2 imposes an annual registration fee of \$200.00 for battery electric vehicles, \$100.00 for plug-in hybrid electric vehicles, and \$50.00 for hybrid electric vehicles. Section 12 increases the current license and most vehicle registration surcharges from \$30.00 to \$40.00. These changes would take effect on January 1, 2026, and would generate \$6.7 million for FY 2026, to be deposited into the Highway Maintenance Account, for a total of \$117.7 million in resources.

This section also amends the allocation of the Account to increase the Rhode Island Public Transit Authority's share of the funds from 5.0 percent to 10.0 percent, with the additional \$5.0 million that it currently receives, for a total of \$16.2 million.

**Sections 3 through 7 and 9 through 11. Traffic Tribunal Fees.** These sections revise the traffic violation schedule, increasing most fines from \$85 to \$100, effective for offenses committed on or after July 1, 2025. These fees were last adjusted by the 2008 Assembly. This is anticipated to generate \$0.5 million in new general revenues.

**Section 8. Motor Fuel Tax.** This section increases the motor fuel tax from the current law estimated amount of 38 cents to 40 cents and allocates the increased 2 cents to the Rhode Island Public Transit Authority. This increases the Authority's share of the gas tax to 11.75 cents, including its current half cent from the environmental protection fee. Based on the estimated \$4.359 million per penny yield, the additional two cents would generate \$8.7 million for FY 2026.

Currently, the motor fuel tax is indexed to the one-year Consumer Price Index every other year, rounded to the nearest cent. This section requires that the adjustment be based on the inflation that occurred in the preceding two years.

**Section 13. Motor Vehicle Excise Tax.** This section alters the requirement that municipal reimbursement for the motor vehicle excise tax increase beginning in FY 2026, based on the annual change of sales tax collections, to limit the increase to 2.0 percent. The Governor had proposed repealing that requirement. The budget contains \$4.7 million to fund the increase.

## **Article 12. State Leases**

This article would authorize long-term lease renewals for the Department of Children, Youth and Families Providence office and the Emergency Management Agency warehouse in Cranston. The FY 2026 budget includes \$2.3 million for the Department of Children, Youth and Families' lease and \$0.3 million for the Emergency Management Agency's lease, which will be renewed on February 1, 2026. The annualized cost is expected to be \$0.7 million. Legislative approval is required for lease agreements for terms of five years or longer and exceeding \$500,000 in value.

## **Article 13. Revised Appropriations**

**Section 1. Appropriations.** This section contains the revised appropriations for FY 2025.

**Section 2. Line Item Appropriations.** This section establishes that each line in Section 1 of Article 1 constitutes an appropriation.

**Section 3. Internal Service Funds.** This section authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions, and other governmental units on a cost reimbursement basis.

**Section 4. Full-Time Equivalent Positions.** This section limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2025. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization. It also limits appointments for state employees supported through non-state funds to the availability of those fund sources. Consistent with the enacted level, it includes total staffing of 15,772.8 full-time equivalent positions, including 519.8 higher education positions supported by third-party funds.

**Section 5. State Fiscal Recovery Funds.** This section maintains the enacted language that clarifies that appropriations of federal funds in section one shall not be construed to mean state fiscal recovery and capital projects funds enacted as part of the American Rescue Plan Act unless specifically designated as such. The section also contains a description of each of the projects for which any appropriation is made. It is revised to add projects carried forward from prior years and reflect changes to proposed uses of authorized funding.

**Section 6. State Fiscal Recovery Funds Reporting and Compliance.** This section contains the same language from the enacted budget that requires the Pandemic Recovery Office to monitor programs funded with State Fiscal Recovery and Capital Projects funds and to report quarterly. Those reports must identify programs at risk of significant underspending or noncompliance with federal or state requirements and include an assessment of how programs at risk can be remedied. Proposed changes to this section make the last quarterly report due on January 31, 2025, and establish twice-yearly reporting beginning April 30, 2025, through October 31, 2026. This section authorizes the Governor to reclassify program income or unspent funds at-risk of federal forfeiture to other eligible projects if the value of the proposal is less than \$1.0 million and less than 20.0 percent of total program appropriations. Proposals exceeding \$1.0 million or 20.0 percent of program appropriations must be referred to the Assembly to go into effect within 30 days unless rejected by joint action of the House and Senate. This is an expansion of the one-time authority provided in the enacted budget allowing the Governor to propose reallocation of at-risk funds to only the unemployment trust fund in November 2024.

**Section 7. Underground Storage Tank Trust Fund Transfer.** This section requires the transfer of \$3.0 million from the Underground Storage Tank Trust Fund to state general revenues by June 30, 2025.

**Section 8. RI Student Loan Authority Transfer.** This section requires the transfer of \$2.7 million from the Rhode Island Student Loan Authority to state general revenues by June 30, 2025.

**Section 9. Infrastructure Bank Transfer.** This section requires the transfer of \$2.0 million from the Infrastructure Bank to state general revenues by June 30, 2025.

**Section 10. Marijuana Trust Fund Transfer.** This section requires the transfer of \$0.6 million from the Marijuana Trust Fund to state general revenues by June 30, 2025.

**Section 11. Low-Income Housing Tax Credit Transfer.** This section requires the transfer of \$4.0 million from state general revenues to the Low-Income Housing Tax Credit Fund by June 30, 2025.

**Section 12. Large Systems Initiatives Fund.** The 2023 Assembly adopted legislation establishing a Large Systems Initiatives Fund, outside of the general fund to be administered by the state's Chief Information Officer. The fund is intended to support information technology projects to facilitate capture of federal participation for information technology projects once they are implemented.

The Large Systems Initiatives Fund is supported from direct appropriations. The FY 2024 budget transferred \$115.0 million from the current Information Technology restricted receipt account for eight approved projects, including no more than \$50.0 million for the Enterprise Resource Planning System, which was then estimated to cost \$68.7 million. This section updates the Enterprise Resource Planning System project cost to \$84.5 million, with no more than \$55.1 million being supported from the Fund.

**Section 13. Effective Date.** This section provides that the article shall take effect upon passage.

#### **Article 14. Effective Date**

Article 14 provides that the act shall take effect on July 1, 2025, except where a provision within an article specifies a retroactive or prospective effective date.

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## **Section IV**

# **Adjustments to Governor's Revised Budget**

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	<b>FY 2025 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
	<b>Revenue Changes</b>					
1	May Revenue Estimate	55,100,000	-	-	-	55,100,000
	Low Income Housing Tax Credit					
2	Accounting (GBA)	[(4,000,000)]	-	-	-	[(4,000,000)]
3	Dental Insurance Loss Ratio (Q3)	(126,000)	-	-	-	(126,000)
4	Judiciary Escrow Transfer	1,071,831	-	-	-	1,071,831
	Excess Revenue Transfer to Employees'					
5	Retirement System	[-21,649,978]	-	-	-	[-21,649,978]
	<i>Other Fund Sources</i>		(47,720,228)	654,302	(105,456,969)	(152,522,895)
	<b>Total</b>	<b>56,045,831</b>	<b>(47,720,228)</b>	<b>654,302</b>	<b>(105,456,969)</b>	<b>(96,477,064)</b>
	<b>Administration</b>					
6	Arbitrage Yield Payment (GBA)	-	-	-	55,477	55,477
7	Capital - 560 Jefferson Boulevard	-	-	-	(2,000,000)	(2,000,000)
8	Capital - Cannon Building (GBA)	-	-	-	(550,000)	(550,000)
	Capital - Chapin Health Laboratory					
9	(GBA)	-	-	-	(100,000)	(100,000)
	Capital - Group Home Replacement &					
10	Rehab. (GBA)	-	-	-	(495,304)	(495,304)
	Capital - Pastore Campus Infrastructure					
11	(GBA)	-	-	-	(6,140,000)	(6,140,000)
	Capital - Pastore Center Bldgs. Demolition					
12	(GBA)	-	-	-	(1,000,000)	(1,000,000)
	Capital - Pastore Center Non-Hospital					
13	Bldgs. Asset Protection (GBA)	-	-	-	(402,048)	(402,048)
	Capital - Washington County Government					
14	Center (GBA)	-	-	-	(675,000)	(675,000)
	Capital - Zambarano Buildings & Campus					
15	(GBA)	-	-	-	8,465,000	8,465,000
16	Contract Reserve Distribution	(11,234,778)	(567,862)	(132,476)	(217,471)	(12,152,587)
17	Cybersecurity Federal Grant Match	(816,807)	-	-	-	(816,807)
18	Disparity Study - Funded in FY 2026	(450,000)	-	-	-	(450,000)
19	FEMA Contingency Reserve Timing	(3,500,000)	-	-	-	(3,500,000)
20	RIBridges Cyberattack (Q3)	700,000	-	-	-	700,000
21	Third Quarter Adjustments	(1,000,000)	-	-	-	(1,000,000)
22	Torts (GBA)	100,000	-	-	-	100,000
	<b>Business Regulation</b>					-
23	Capital - Fire Academy Expansion	-	-	-	(4,587,000)	(4,587,000)
24	Dental Insurance Loss Ratio (Q3)	(126,000)	-	-	-	(126,000)
25	Insurance Actuaries (GBA)	-	-	500,000	-	500,000
26	Medicaid Match Adjustment (Q3)	(100,000)	100,000	-	-	-
27	Office Renovation (GBA)	-	-	50,000	-	50,000
	<b>Executive Office of Commerce</b>					
28	Capital - I-195 Redevelopment District Parks	-	-	-	(1,000,000)	(1,000,000)

	<b>FY 2025 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
	<b>Housing</b>					
29	Housing Production Fund (GBA)	-	-	9,541,942	-	9,541,942
30	Housing Resources and Homelessness (Q3)	-	-	(4,048,149)	-	(4,048,149)
31	Low Income Housing Tax Credit Accounting (GBA)	(4,000,000)	-	-	-	(4,000,000)
	<b>Labor and Training</b>					
32	Residential Construction Worker Training (GBA)	-	-	200,000	-	200,000
33	Unemployment Administration	(250,000)	-	-	-	(250,000)
	<b>Department of Revenue</b>					
34	Capital - Lottery Building Renovations (GBA)	-	-	-	220,862	220,862
	<b>Board of Elections</b>					
35	Poll Pads and Software Upgrades	500,000	-	-	-	500,000
36	Third Quarter Adjustments	(500,000)	-	-	-	(500,000)
	<b>Ethics Commission</b>					
37	Case Management System (GBA)	89,042	-	-	-	89,042
	<b>Council for Human Rights</b>					
38	Prior Year Payroll Adjustment Correction (GBA)	78,195	-	-	-	78,195
	<b>Executive Office of Health and Human Services</b>					
39	Conflict-Free Case Management System to FY 2026 (GBA)	-	(3,161,481)	(2,056,214)	-	(5,217,695)
40	Health System Transformation Project (GBA)	-	(996,974)	(1,430,572)	-	(2,427,546)
41	Home & Community Based Support - ARPA (GBA)	-	1,092,523	175,530	-	1,268,053
42	Infrastructure for School-Based Services Grant (GBA)	-	145,215	-	-	145,215
43	Ladders to Licensure Implementation Delay	(240,000)	-	-	-	(240,000)
44	May Caseload Conference - Medicaid	5,971,080	8,628,921	-	-	14,600,001
45	Medicaid Enterprise System Delay (Q3)	(4,785,527)	(43,069,741)	-	-	(47,855,268)
46	MMIS Expenses (Q3)	(1,428,711)	(4,468,037)	-	-	(5,896,748)
47	PHE Unwinding Media Campaign (Q3)	(584,874)	(411,381)	-	-	(996,255)
48	RIBridges (UHIP) System Enhancement Delay (GBA)	(81,106)	(2,747,042)	-	-	(2,828,148)
49	The Work Number Delay (GBA)	(862,635)	(2,587,907)	-	-	(3,450,542)

	<b>FY 2025 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
	<b>Children, Youth and Families</b>					
50	Adoption & Legal Guardianship Incentive Grant (GBA)	-	730,000	-	-	730,000
51	Juvenile Justice Grant (GBA)	-	400,000	-	-	400,000
52	Prevention Services Carryforward (GBA)	-	3,275,197	-	-	3,275,197
53	Staffing Allocation Correction (GBA)	-	(261,742)	-	-	(261,742)
	<b>Health</b>					
54	Capital - New Health Laboratory	-	(3,950,061)	(4,343,918)	4,343,918	(3,950,061)
55	Primary Care Training Sites Program Shift to FY 2026	(2,000,000)	-	-	-	(2,000,000)
	<b>Human Services</b>					-
56	Assisted Living State - Only Stipend	(90,277)	-	-	-	(90,277)
57	May Caseload Conference - Cash Assistance	12,223	(2,377,773)	-	-	(2,365,550)
58	Office of Healthy Aging - Medicaid Programs (Q3)	(1,060,000)	(1,340,000)	-	-	(2,400,000)
59	Program Eligibility Administration Expenses (Q3)	(3,280,000)	(2,895,000)	-	-	(6,175,000)
60	RIBridges System Enhancement Delay (GBA)	(856,296)	(545,789)	-	-	(1,402,085)
61	SNAP - Summer Benefit Program Timing (GBA)	-	5,365,855	-	-	5,365,855
	<b>BHDDH</b>					
62	ARPA - 988 Hotline to FY 2026	-	(1,800,000)	-	-	(1,800,000)
63	May Caseload Conference - Private Services for Individuals with Developmental Disabilities	3,203,057	3,777,120	-	-	6,980,177
64	Third-Party Billings (Q3)	-	-	2,124,183	-	2,124,183
	<b>Office of the Child Advocate</b>					
65	Turnover Savings (Q3)	(150,000)	-	-	-	(150,000)
	<b>Deaf and Hard of Hearing</b>					
66	Turnover Savings (Q3)	(100,000)	-	-	-	(100,000)
	<b>Commission on Disabilities</b>					
67	Federal Grant Carryforward (GBA)	-	81,512	-	-	81,512
	<b>Office of the Mental Health Advocate</b>					
68	Turnover Savings (Q3)	(145,000)	-	-	-	(145,000)

	<b>FY 2025 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
	<b>Elementary and Secondary Education</b>					
69	Capital - Davies School Asset Protection (GBA)	-	-	-	(255,164)	(255,164)
70	Capital - Davies School Health Care Classroom Improvements	-	-	-	(6,886,250)	(6,886,250)
71	Contract Reserve Distribution (GBA)	697,078	205,353	73,976	-	976,407
72	Early Childhood Current Service	(1,100,000)	-	-	-	(1,100,000)
73	School for the Deaf Turnover Savings (Q3)	(400,000)	-	-	-	(400,000)
74	Special Education Pending Settlement	1,860,000	-	-	-	1,860,000
75	Teacher Retirement	1,074,349	-	-	-	1,074,349
76	Textbook Reimbursement	(180,371)	-	-	-	(180,371)
				-		
	<b>Higher Education</b>					
77	Capital - CCRI Data, Cabling, and Power Infrastructure	-	-	-	(4,200,000)	(4,200,000)
78	Capital - CCRI Flanagan Campus Renewal	-	-	-	(3,950,000)	(3,950,000)
79	Capital - CCRI Renovation and Modernization - Phase I	-	-	-	(10,500,000)	(10,500,000)
80	Capital - RIC Asset Protection (GBA)	-	-	-	(838,440)	(838,440)
81	Capital - RIC Clarke Science Modernization (GBA)	-	-	-	(2,947,933)	(2,947,933)
82	Capital - RIC Infrastructure Modernization (GBA)	-	-	-	(123,472)	(123,472)
83	Hope - May Update	(222,353)	-	-	-	(222,353)
84	Promise - May Update	(519,801)	-	-	-	(519,801)
	<b>Commission</b>					
85	Turnover and Operations (Q3)	(125,000)	-	-	-	(125,000)
	<b>Corrections</b>					
86	Accreditation	(458,656)	-	-	-	(458,656)
87	Capital - Asset Protection	-	-	-	(4,177,650)	(4,177,650)
88	Capital - Facilities Renovations	-	-	-	(3,179,677)	(3,179,677)
89	Capital - HVAC Replacement	-	-	-	(22,522,116)	(22,522,116)
90	Contract Reserve Distribution (GBA)	8,692,078	-	-	-	8,692,078
91	System Assessment	(326,455)	-	-	-	(326,455)
92	Third Quarter Adjustment (Q3)	-	(317,186)	-	-	(317,186)
93	Travel	(122,335)	-	-	-	(122,335)
	<b>Judicial</b>					
94	Mental Health Treatment Court Contract (GBA)	-	65,500	-	-	65,500

	<b>FY 2025 Changes to Governor</b>	<b>Gen. Rev.</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>Total</b>
	<b>Military Staff</b>					
95	Capital - Sun Valley Armory Addition (GBA)	-	-	-	(120,037)	(120,037)
	<b>Public Safety</b>					
96	Contract Reserve Distribution (GBA)	5,947,433	290,000	-	-	6,237,433
97	Sheriffs Turnover	(900,000)	-	-	-	(900,000)
	<b>Environmental Management</b>					
98	Capital - Dam Repair	-	-	-	(5,000,000)	(5,000,000)
99	Capital - Galilee Piers	-	-	-	(7,300,000)	(7,300,000)
	<b>Transportation</b>					
100	Capital - Highway Improvement Program	-	-	-	(20,000,000)	(20,000,000)
101	Capital - Maintenance Facilities Improvements (GBA)	-	-	-	17,387	17,387
102	Capital - RIPTA Land & Buildings to FY 2027	-	-	-	(3,061,500)	(3,061,500)
103	Capital - Salt Storage Facilities (GBA)	-	-	-	95,759	95,759
104	DOT - HMA and Gas Tax Yield	-	-	-	2,121,872	2,121,872
105	GARVEE Debt - Gas Tax and Federal Funds Correction	-	(379,448)	-	140,360	(239,088)
106	Gas Tax - Turnpike and Bridge Authority Yield	-	-	-	245,630	245,630
107	Highway Maintenance Account - Overbudgeted	-	-	-	(9,649,880)	(9,649,880)
108	RIPTA - Gas Tax Yield and HMA	-	-	-	715,708	715,708
	<b>Total</b>	<b>(13,072,447)</b>	<b>(47,720,228)</b>	<b>654,302</b>	<b>(105,456,969)</b>	<b>(165,595,342)</b>



## FY 2025 Revised Changes to Governor

### Revenue Changes

- 1. May Revenue Estimate.** The Revenue Estimating Conference concluded May 9 and revised the FY 2025 estimate to \$5,617.6 million based on collection trends through April, audited FY 2024 closing results, and the revised economic forecast. The estimate is \$61.0 million more than the November estimate and \$55.1 million more than the Governor's budget, revised for his changes included in the estimate.
- 2. Low Income Housing Tax Credit Accounting (GBA).** Allocations to the restricted account to fund future state Low-Income Housing Tax Credits, first authorized in 2023, have been budgeted as a general revenue expenditure. The state controller reclassified the FY 2024 transaction as a fund transfer based on current accounting standards, but the Governor's FY 2025 revised and FY 2026 recommendations, which contain \$4.0 million in each year, retained the original treatment. House Finance Committee concurs with the Governor's amended recommendation to correct this classification; there is no change to the funding commitment amount.
- 3. Dental Insurance Loss Ratio (Q3).** The 2024 Assembly required the Office of the Health Insurance Commissioner to provide recommendations on dental health plans and dental premium dollars spent on patient care by October 1, 2026. It authorized the Office to levy a maximum of \$150,000 from general revenues for contractors to produce the report. Consistent with the request, the Governor recommends the full \$150,000 in each FY 2025 and FY 2026. The House Finance Committee recommends \$24,000 for FY 2025 and \$126,000 for FY 2026, based on updated estimates contained in the Office's third quarter report. This requires corresponding adjustments to revenue and expenditure assumptions.
- 4. Judiciary Escrow Transfer.** If the Judiciary determines that any funds it holds in escrow have been unclaimed for five or more years, it is required to transfer these funds to the general fund. The Judiciary indicates that \$1.1 million has remained unclaimed since 2019 and it will be transferring those funds by the end of FY 2025. The House Finance Committee recognizes these revenues.
- 5. Excess Revenue Transfer to Employees' Retirement System.** The 2023 Assembly created a Supplemental Budget Reserve account and required that half all general revenues received in the completed fiscal year in excess of adopted estimates for that year be transferred to the account. It also required the remaining half be transferred to the Employees' Retirement System. The Governor proposes legislation to repeal the transfer provisions for FY 2024 only, recapturing the \$43.3 million of excess revenues in FY 2024 for use in FY 2025. The House Finance Committee maintains the current law transfer for the half applicable to the Employees' Retirement System, which reduces available revenues by \$21.6 million.

### Administration

- 6. Arbitrage Yield Payment (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$55,477 from bond funds to reflect the arbitrage yield payment owed to the federal government for issued general obligation bond proceeds.
- 7. Capital - 560 Jefferson Boulevard.** The revised budget includes \$2.9 million from Rhode Island Capital Plan funds for FY 2025 to install a new roof, heating, ventilation, and air conditioning, and asset protection funding for 560 Jefferson Boulevard. The facility is currently occupied by the Office of the State Fire Marshal, Office of Veterans Services, and the Cannabis Office. Based on a delay in the project, which is currently in the design phase, the House Finance Committee shifts \$2.0 million from FY 2025 to FY 2026.

**8. Capital - Cannon Building (GBA).** The capital budget includes \$15.9 million from Rhode Island Capital Plan funds from FY 2025 through FY 2030 for repairs and renovations to the Cannon Building. The Department of Administration plans to upgrade heating, ventilation, and air conditioning and electrical systems, renovate restrooms, and address Americans with Disabilities Act compliance. The House Finance Committee concurs with the Governor's requested amendment to reduce funding by \$1.5 million, including \$0.6 million from FY 2025 and \$0.9 million from FY 2026. This reflects the Department's updated project timeline, which aligns expenses with the completion of the Capitol Hill Master Plan, for which \$1.7 million is included in the State House Renovations project.

**9. Capital - Chapin Health Laboratory (GBA).** Based on anticipated expenses, the Governor requested two amendments to recognize savings of \$350,000 from Rhode Island Capital Plan funds for asset protection for the Chapin Health Laboratory. The recommended capital plan includes \$1.2 million for FY 2025 through FY 2027. The building houses several laboratories for the Department of Health. Construction for a new health laboratory is anticipated to be completed by the end of this year. Of the \$0.5 million recommended for FY 2025, \$0.3 million has been spent. The House Finance Committee concurs with the requested amendment and reduces \$100,000 from FY 2025 and \$250,000 from FY 2026.

**10. Capital - Group Home Replacement and Rehab. (GBA).** The House Finance Committee concurs with the Governor's requested amendment to reduce the \$6.0 million of FY 2025 Rhode Island Capital Plan funding for the Group Home Replacement and Rehabilitation project by \$0.5 million to adjust for spending that occurred in FY 2024, based on the audited FY 2024 closing statement. The total spend over the two years is unchanged.

**11. Capital - Pastore Campus Infrastructure (GBA).** The Governor's capital budget includes \$116.0 million from Rhode Island Capital Plan funds from FY 2025 through FY 2030 to make infrastructure improvements to the Pastore Center. Funds would be used for the design and construction of a new water line and distribution system to increase the quality of water and fire suppression water flow. Funds will also be used to replace the electrical system and steam lines; some of the underground wiring is over 40 years old and has exceeded its useful life. The Governor requested an amendment to reduce FY 2025 funding by \$6.1 million to recognize a delay in the steam component of the project. The funds are repurposed for other project increases and will be needed in the post-FY 2030 period. The House Finance Committee concurs and adjusts expenses accordingly.

**12. Capital - Pastore Center Bldgs. Demolition (GBA).** The capital budget includes \$10.4 million from Rhode Island Capital Plan funds for FY 2025 to demolish several buildings at the Pastore Center, including Pinel, Eastman House, Gloria McDonald, Welcome Arnold, and the old laundry facility. The House Finance Committee concurs with the Governor's requested amendment to reduce funding by \$1.0 million based on anticipated expenses. Demolition is ongoing and is expected to be completed in FY 2026.

**13. Capital - Pastore Center Non-Hospital Bldgs. Asset Protection (GBA).** The House Finance Committee concurs with the Governor's requested amendment to reduce the \$18.7 million of FY 2025 Rhode Island Capital Plan funding for the Pastore Center Non-Hospital Buildings Asset Protection project by \$0.4 million to adjust for spending that occurred in FY 2024, based on the audited FY 2024 closing statement. The total spend to fund major maintenance and capital repairs to multiple buildings over the two years is unchanged.

**14. Capital - Washington County Government Center (GBA).** The Governor's capital budget includes a total of \$2.1 million from Rhode Island Capital Plan funds for the Washington County Government Center project. This includes \$1.2 million for architectural and engineering services, \$0.8 million for asset protection, and \$0.1 million for a feasibility study, which is ongoing. The Governor requested an amendment to exclude funding for the architectural and engineering services, including \$0.7 million from FY 2025 and \$0.5 million from FY 2026. The administration notes that the feasibility study

will identify construction projects and architectural and engineering services. The House Finance Committee concurs and adjusts expenses accordingly.

**15. Capital - Zambarano Buildings and Campus (GBA).** Following his budget submission, the Governor requested amendments to add \$10.1 million from Rhode Island Capital Plan funds, based on updated expense projections for the Zambarano Buildings and Campus project, bringing total expenses to \$29.1 million. This includes \$7.0 million total, based on bids received to replace the wastewater treatment facility, which must comply with Department of Environmental Management standards. This component is now expected to cost \$11.0 million. The amendment also revises expenses for demolition of several buildings on campus; actual costs will be known when bids are received in June. The House Finance Committee concurs and includes \$8.5 million for FY 2025 and \$1.7 million for FY 2026.

**16. Contract Reserve Distribution.** Subsequent to the enactment of the FY 2025 budget, the McKee Administration reached agreements with a majority of state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, for a total of 12.0 percent. The FY 2025 revised budget included \$12.2 million from all sources, including \$11.2 million from general revenues in the Department of Administration's budget for potential costs where settlements were not yet reached. The House Finance Committee recommends distributing the funds to the Departments of Corrections, Elementary and Secondary Education and Public Safety. Settlements were reached that exceeded the aggregate amount set aside for FY 2025 by \$4.1 million from general revenues.

**17. Cybersecurity Federal Grant Match.** The state has been awarded a total of \$11.0 million from a federal cybersecurity grant made available through the Infrastructure Investment and Jobs Act. The act requires states to distribute at least 80 percent of funds to local governments, and a state match, starting at 10.0 percent, increasing to 40.0 percent, is required. The 2024 Assembly provided \$1.4 million from general revenues, including \$250,000 for FY 2024 and \$1.1 million for FY 2025. The Department did not incur any expenses for FY 2024 and noted that, before it can begin expending the funds, specific projects need to be approved by the Federal Emergency Management Agency. Updated information regarding further delays shows it now anticipates expenses of only \$0.3 million for FY 2025. The House Finance Committee recommends reducing the FY 2025 total by \$0.8 million and concurs with the recommended expense of \$1.1 million for FY 2026.

**18. Disparity Study - Funded in FY 2026.** In 2021, a study that examined statewide procurement practices from July 1, 2014 to June 30, 2017 was issued. The 2023 Assembly adopted legislation requiring the study to be conducted every five years, beginning in FY 2025. The 2024 Assembly provided \$500,000 from general revenues to fund the study, based on the expense incurred for the 2021 study. A request for proposals was issued, and five responses were received; a review team is assessing the responses and most of the funding is not expected to be spent in FY 2025. The House Finance Committee recommends reducing these expenses by \$450,000 based on the current progress and availability of funding for the study in the FY 2026 budget, as recommended by the Governor.

**19. FEMA Contingency Reserve Timing.** The revised budget includes the enacted amount of \$5.0 million from general revenues provided as a contingency reserve for COVID-19 related expenses, in the event reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions. The state is no longer incurring any COVID-related Federal Emergency Management reimbursable emergency expenses, and reimbursement was substantially complete as of FY 2024. In April, the Department submitted management costs to the Agency for review, which is ongoing. The House Finance Committee recommends maintaining only \$1.5 million for FY 2025 and requires unspent funds to be automatically reappropriated to FY 2026, for which it also adds \$2.5 million.

**20. RIBridges Cyberattack (Q3).** In December 2024, the state was notified of a cybersecurity attack on the enrollment system, which was subsequently taken offline. HealthSource RI extended the open

enrollment period from January 31 to February 28 and extended the call center hours. It also offered direct enrollment through Blue Cross and Blue Shield, and Neighborhood Health Plan, with a no-cost option for January and February. The Governor's recommended budget did not address any expenses related to the cyberattack. Subsequently, Deloitte provided the state with \$5.0 million to help pay for expenses related to the attack. The Department's third quarter report projected \$4.5 million for direct premium assistance and noted it has incurred other direct and indirect costs above that. The Administration later reported that it had identified \$6.9 million in expenses associated with the RI Bridges data security event through early June. While this estimate is subject to change, it will attempt to reconcile these and any additional costs with Deloitte. This process remains a legal matter. The House Finance Committee recommends adding \$0.7 million from general revenues to cover some of the direct expenses identified in the report that exceed the allocation from Deloitte.

**21. Third Quarter Adjustments.** The House Finance Committee recommends additional general revenue turnover savings of \$0.7 million in Central Management, Office of Management and Budget, and Division of State Purchases, primarily reflecting ongoing vacancies above revised budget assumptions and staffing costs allocated to other fund sources. It also includes savings of \$0.3 million for centralized services, reflecting billings through the third quarter.

**22. Torts (GBA).** The Governor's revised budget includes the enacted amount of \$1.4 million from general revenues for settlements and legal fees relating to the consent decree with the Department of Justice regarding job training and community services to individuals with developmental disabilities. The House Finance Committee concurs with the Governor's requested amendment to include an additional \$0.1 million from general revenues, based on anticipated expenses.

### **Business Regulation**

**23. Capital - Fire Academy Expansion.** The Governor's capital recommendation includes \$13.2 million from Rhode Island Capital Plan funds to expand the State Fire Academy. This is \$4.9 million more than enacted, including \$2.7 million more based on bids received and \$2.2 million for a separate evidence room. The House Finance Committee recommends adjusting the timing of the proposed funding to reflect an updated project schedule provided by the Department, including \$4.6 million less for FY 2025, \$3.6 million more for FY 2026, and \$1.0 million more for FY 2027.

**24. Dental Insurance Loss Ratio (Q3).** The 2024 Assembly required the Office of the Health Insurance Commissioner to provide recommendations on dental health plans and dental premium dollars spent on patient care by October 1, 2026. It authorized the Office to levy a maximum of \$150,000 from general revenues for contractors to produce the report. Consistent with the request, the Governor recommends the full \$150,000 in each FY 2025 and FY 2026. The House Finance Committee recommends \$24,000 for FY 2025 and \$126,000 for FY 2026, based on updated estimates contained in the Office's third quarter report.

**25. Insurance Actuaries (GBA).** The Governor recommends \$1.5 million from restricted receipts for FY 2025, \$140,000 less than enacted, for actuarial services to perform rate studies and review rate filings in the Insurance Division. The statute allows an assessment according to a schedule of direct writings of insurance in this state to pay for the compensation of the actuary. The Governor subsequently requested an amendment for \$0.5 million more based on updated estimates of work required. The House Finance Committee concurs.

**26. Medicaid Match Adjustment (Q3).** The House Finance Committee recommends \$100,000 more from federal Medicaid matching funds based on the Office of the Health Insurance Commissioner's third quarter report, offsetting a like amount from general revenues. This includes \$15,000 for its contracted consumer assistance helpline and \$85,000 for human service programs rates and benefit analysis work.

**27. Office Renovation (GBA).** Last year, the Department requested a total of \$450,000 across FY 2024 and FY 2025 to renovate the Insurance Division workspace. The Assembly did not provide specific funding for the initiative; however, the Department utilized around \$230,000 in FY 2024 from its authorized budget for maintenance and repairs as well as underspending in other areas, such as out-of-state travel. The Governor recommends \$230,000 for FY 2025 from general revenues to continue this work. He subsequently requested an amendment to add \$50,000 from Insurance Division restricted receipts, reflecting a total project cost of \$510,000. The House Finance Committee concurs with the amended recommendation.

### **Executive Office of Commerce**

**28. Capital - I-195 Redevelopment District Parks.** The Governor's revised budget includes \$3.0 million from Rhode Island Capital Plan funds for FY 2025 to finance infrastructure and development projects for the I-195 Redevelopment District's parks. Work includes a food and beverage service pavilion, utility infrastructure, landscaping, and replacement of trash receptacles and benches. Based on project delays, the House Finance Committee recommends shifting \$1.0 million from FY 2025 to FY 2026.

### **Housing**

**29. Housing Production Fund (GBA).** The Governor requested an amendment to provide a total of \$12.5 million from Housing Production Fund restricted receipts for FY 2025. This is \$9.5 million more than the enacted budget, which included placeholder values that were maintained in the revised budget, as submitted. The Department indicated that this amount reflects an anticipated transfer to RI Housing to support recent awards to develop affordable housing. The Fund is supported by the second tier of the Real Estate Conveyance Tax. The House Finance Committee concurs.

**30. Housing Resources and Homelessness (Q3).** The House Finance Committee recommends shifting \$4.0 million from Housing Resources and Homelessness restricted receipts from FY 2025 to FY 2026, consistent with the Department's third quarter report. The account is supported by a dedicated portion of the first tier of the Real Estate Conveyance Tax. The enacted budget reflects placeholder values after the 2024 Assembly provided a one-time transfer of \$10.0 million from general revenues.

**31. Low Income Housing Tax Credit Accounting (GBA).** Allocations to the restricted account to fund future state Low-Income Housing Tax Credits, first authorized in 2023, have been budgeted as a general revenue expenditure. The state controller reclassified the FY 2024 transaction as a fund transfer based on current accounting standards, but the Governor's FY 2025 revised and FY 2026 recommendations, which contain \$4.0 million in each year, retained the original treatment. House Finance Committee concurs with the Governor's amended recommendation to correct this classification; there is no change to the funding commitment amount.

### **Labor and Training**

**32. Residential Construction Worker Training (GBA).** The House Finance Committee concurs with the Governor's requested budget amendment to increase restricted receipt funding for the Department of Labor and Training by \$200,000 for FY 2025 to reflect a memorandum of agreement between the Department, the Housing Resources Commission, and the Department of Housing to support the training of residential construction workers. This would support the training of approximately 20 construction workers through the Real Jobs Rhode Island program.

**33. Unemployment Administration.** The House Finance Committee does not concur with the Governor's revised recommendation for a new allocation of \$250,000 from general revenues for FY 2025 to support administrative costs for the Unemployment Insurance program. Historically, administrative

expenses have been supported through federal funds and restricted receipts. Based on spending through the third quarter, the Department is estimated to end FY 2025 with a sufficient surplus to support administrative costs without additional general revenue support.

### **Department of Revenue**

**34. Capital - Lottery Building Renovations (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$220,862 from Rhode Island Capital Plan funds to FY 2025 to purchase a generator to support operations and expand the functionality of the lottery building based on the Governor's original intent. This would provide \$850,000 for FY 2025.

### **Board of Elections**

**35. Poll Pads and Software Upgrades.** The Board of Elections' FY 2026 request includes \$200,000 from general revenues to purchase 275 poll pads as part of a multi-year plan to replace 1,300 poll pads as they reach the end of their life. The Board reports that 900 poll pads will reach end-of-life before the 2026 gubernatorial election, at which point the vendor will not support them. The FY 2026 request also identified software upgrade needs. The House Finance Committee recommends reallocating \$500,000 from the current year general revenue savings to support poll pad purchases and technology upgrades in FY 2025 with language reappropriating any unspent funds for this purpose to FY 2026.

**36. Third Quarter Adjustments.** Based on spending through the third quarter and a new vendor agreement for delivery services, the House Finance Committee recommends general revenue savings of \$500,000, including \$100,000 of turnover savings and \$400,000 from election expenses.

### **Ethics Commission**

**37. Case Management System (GBA).** The House Finance Committee concurs with the Governor's requested budget amendment to increase general revenue funding for the Ethics Commission's case management system by \$89,042 to reflect projected expenses totaling \$137,946 for FY 2025.

### **Council for Human Rights**

**38. Prior Year Payroll Adjustment Correction (GBA).** The House Finance Committee concurs with the Governor's requested budget amendment to add \$78,195 from general revenues. This reflects retroactive payments for FY 2023 and FY 2024 for seven employees affected by an error in the calculation of step increases related to position upgrades approved in 2023.

### **Executive Office of Health and Human Services**

**39. Conflict-Free Case Management System to FY 2026 (GBA).** The House Finance Committee concurs with the Governor's requested amendments to adjust expenses to reflect the current plan for conflict-free case management by shifting \$5.2 million from the time-limited program that allows for enhanced Medicaid reimbursement on eligible home and community-based services included in the American Rescue Plan Act to be reinvested in expanding services. The amendments shift \$5.2 million, including \$3.2 million from federal funds and \$2.1 million from restricted receipts, from FY 2025 to FY 2026.

**40. Health System Transformation Project (GBA).** The House Finance Committee concurs with the Governor's requested amendment to adjust expenses to reflect FY 2025 current spending for the Health System Transformation Project by decreasing funding by \$2.4 million, including \$1.4 million from restricted receipts and \$1.0 million from federal funds.

- 41. Home and Community Based Support - ARPA (GBA).** The House Finance Committee concurs with the Governor’s requested amendment to adjust expenses to reflect the current plan for projects funded from the time-limited program, which allows for the enhanced Medicaid reimbursement on eligible home- and community-based services included in the American Rescue Plan Act to be reinvested in expanding services. The amendment increases funding for FY 2025 by \$1.3 million, including \$1.1 million from federal funds and \$0.2 million from restricted receipts.
- 42. Infrastructure for School-Based Services Grant (GBA).** The House Finance Committee concurs with the Governor’s requested amendment to add \$145,215 from a new federal grant for FY 2025 and \$1.0 million for FY 2026. The Executive Office was awarded a \$2.5 million, three-year grant on June 25, 2024, to expand School-Based Medicaid Services. Consultants will conduct a needs assessment and engage with community stakeholders.
- 43. Ladders to Licensure Implementation Delay.** The House Finance Committee recommends reducing Ladders to Licensure funding by \$240,000 from general revenues to \$510,000 to reflect the Executive Office’s third quarter report showing a delay in implementing the program. The FY 2026 Budget includes \$750,000 to support annual expenses.
- 44. May Caseload Conference - Medicaid.** The House Finance Committee recommends increasing medical assistance expenses by \$14.6 million for FY 2025 to reflect the May Caseload Estimating Conference estimate. This includes \$6.0 million more from general revenues and \$8.6 million more from federal funds, incorporating updated expenditure data and the delay in implementing The Work Number income verification tool.
- 45. Medicaid Enterprise System Delay (Q3).** The House Finance Committee recommends reducing expenses for the Medicaid Enterprise System by \$47.9 million, including \$4.8 million from general revenues, consistent with the Executive Office’s third quarter report to reflect an updated project schedule for developing and implementing the new system.
- 46. MMIS Expenses (Q3).** The House Finance Committee recommends reducing Medicaid Management Information System (MMIS) expenses by \$5.9 million, including \$1.4 million from general revenues, consistent with the Executive Office’s third quarter report.
- 47. PHE Unwinding Media Campaign (Q3).** The House Finance Committee recommends reducing expenses related to the media campaign for public health unwinding by \$1.0 million, including \$0.6 million from general revenues, to reflect the Executive Office’s third-quarter report. The updated spending projections reflect excess funding after the unwinding process concluded in the first quarter of the fiscal year.
- 48. RIBridges (UHIP) System Enhancement Delay (GBA).** The House Finance Committee concurs with the Governor’s requested amendment to reduce expenses related to the Unified Health Infrastructure Project, known as RIBridges, by \$2.8 million, including \$0.1 million from general revenues, to reflect a delay in system enhancements resulting from the data breach.
- 49. The Work Number Delay (GBA).** The Governor’s revised budget recommends \$3.5 million, including \$0.9 million from general revenues, for payments made to Equifax for its income verification product known as The Work Number. This allows the state access to another data source to determine eligibility for medical assistance benefits and programs in the Department of Human Services. The project start has been delayed to FY 2026, and the House Finance Committee has reduced FY 2025 funding accordingly.

## Children, Youth and Families

**50. Adoption and Legal Guardianship Incentive Grant (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$0.7 million from federal funds to reflect a newly awarded Adoption and Legal Guardianship Incentive grant. This funding is performance-based and recognizes improved performance in helping children and youth in foster care find permanent homes. Funding will be used to support adoption and kinship services through community-based providers.

**51. Juvenile Justice Grant (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$0.4 million from federal funds, reflecting a newly awarded juvenile justice grant. The grant program supports planning and developing a community-based continuum of prevention and intervention services aimed at helping prevent youth from entering the juvenile justice system or moving deeper into it. The Department will partner with nonprofits to evaluate the current services and interventions for at-risk youth and design evidence-based interventions to strengthen the system.

**52. Prevention Services Carryforward (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$3.3 million from federal Title IV-E Prevention Services funds carried forward from prior years, which were not included in his original recommendation. This program supports families in strengthening the capabilities of parents and caregivers to safely care for their children at home, thereby reducing the need for foster care placements whenever possible. The requested amendment will support staffing expenses at the Department to aid in the administration of the plan.

**53. Staffing Allocation Correction (GBA).** The Governor's recommendation inadvertently includes a shift of 8.0 Juvenile Program worker positions from Youth Development Services to other programs, as requested by the Department. He subsequently requested an amendment to shift \$0.8 million from general revenues and the 8.0 positions back to Youth Development Services funding to correct the error. This amendment also reduces federal funds by \$0.3 million to reflect the accurate level of federal matching funds. The House Finance Committee concurs with the amended recommendation.

## Health

**54. Capital - New Health Laboratory.** The Governor's FY 2025 revised budget includes \$62.7 million from all sources, including \$55.5 million from federal funds for the construction of the new health laboratory, which is expected to be completed in the fall. Recommended federal fund expenses exceed available grant funds by \$4.0 million; the Governor subsequently requested an amendment to align expenses with available funds. The House Finance Committee concurs with the amended recommendation and also shifts \$4.3 million of expenses from indirect cost recovery restricted receipts to Rhode Island Capital Plan funds, thereby preserving these receipts for other operating expenses.

**55. Primary Care Training Sites Program Shift to FY 2026.** The 2024 Assembly adopted legislation establishing a Primary Care Training Sites Program. It provided \$2.7 million from general revenues for the program; each site would be awarded no more than \$90,000. The program aims to expand training opportunities for medical students, residents, nurse practitioners, and physician assistants, with particular focus on primary care. Based on anticipated expenses, the House Finance Committee recommends \$0.7 million for FY 2025 and shifts \$2.0 million to FY 2026. It maintains the requirement that any unexpended funds automatically be reappropriated.

## Human Services

**56. Assisted Living State-Only Stipend.** The House Finance Committee recommends \$16,430 from general revenues for the additional \$206 monthly state supplemental payments provided to seven individuals who receive the state supplemental security income payment and live in a state-licensed assisted

living facility that is not eligible to receive Medicaid. This is \$90,277 less than the Governor's recommendation, reflecting testimony at the May Caseload Conference regarding expenses in the current year.

**57. May Caseload Conference - Cash Assistance.** The House Finance Committee recommends reducing expenditures for cash assistance caseloads by \$2.4 million, which includes \$12,223 more from general revenues, to reflect the May Caseload Estimating Conference estimates for Rhode Island Works, subsidized child care, supplemental security income, and general public assistance bridge programs.

**58. Office of Healthy Aging - Medicaid Programs (Q3).** The House Finance Committee recommends reducing expenses for Medicaid-funded home and community-based services by \$2.4 million, including \$1.1 million from general revenues to reflect the Office's third quarter report. The Governor also requested an amendment to reduce funding by a similar amount.

**59. Program Eligibility Administration Expenses (Q3).** The House Finance Committee recommends reducing program eligibility administration expenses by \$6.2 million, including \$3.3 million from general revenues, to reflect turnover savings and other program reductions included in the Department's third-quarter report. The Governor also requested an amendment to reduce general revenue expenses.

**60. RIBridges System Enhancement Delay (GBA).** The House Finance Committee concurs with the Governor's requested amendment to reduce expenses related to the Unified Health Infrastructure Project, known as RIBridges, by \$1.4 million, including \$0.9 million from general revenues, to reflect a delay in system enhancements resulting from the data breach.

**61. SNAP - Summer Benefit Program Timing (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$5.4 million from federal funds to account for updated timing and expenses related to the Summer Benefit Program through the Supplemental Nutrition Assistance Program.

#### **BHDDH**

**62. ARPA - 988 Hotline to FY 2026.** The Governor recommends \$3.5 million from State Fiscal Recovery funds for the 988 hotline in FY 2025. The Department's third quarter report shows spending of \$1.6 million, leaving a balance of \$1.8 million. The House Finance Committee recommends shifting \$1.8 million for use in FY 2026.

**63. May Caseload Conference - Private Services for Individuals with Developmental Disabilities.** The House Finance Committee recommends increasing community-based service expenses for individuals with developmental disabilities by \$7.0 million for FY 2025 to reflect the results of the May Caseload Estimating Conference. This includes increases of \$3.2 million from general revenues and \$3.8 million from federal funds based on current utilization trends.

**64. Third-Party Billings (Q3).** The House Finance Committee recommends increasing third-party billing receipts for Eleanor Slater Hospital by \$2.1 million to reflect updated data from third-quarter projections. This includes Medicare billings from re-enrolling physicians for certification and increasing Part D pharmacy receipts.

#### **Office of the Child Advocate**

**65. Turnover Savings (Q3).** Based on the third quarter report, the House Finance Committee recommends reducing general revenue expenses by \$150,000 to reflect additional turnover savings from two vacancies that were not anticipated in the Governor's revised budget.

### **Deaf and Hard of Hearing**

**66. Turnover Savings (Q3).** The House Finance Committee recommends turnover savings of \$0.1 million from general revenues; a position has been vacant since mid-August.

### **Commission on Disabilities**

**67. Federal Grant Carryforward (GBA).** The House Finance Committee concurs with the Governor's requested amendment to increase federal fund expenses by \$81,512, reflecting available grant funds the Commission received in FY 2023 for habilitative services.

### **Office of the Mental Health Advocate**

**68. Turnover Savings (Q3).** The House Finance Committee recommends additional general revenue turnover savings of \$0.1 million, reflecting ongoing vacancies above revised budget assumptions.

### **Elementary and Secondary Education**

**69. Capital - Davies School Asset Protection (GBA).** The House Finance Committee concurs with the Governor's requested amendment to reduce the \$0.7 million of FY 2025 Rhode Island Capital Plan funding for the Davies Asset protection project by \$0.3 million to adjust for spending that occurred in FY 2024, based on the audited FY 2024 closing statement. Funding over the two year period is unchanged.

**70. Capital - Davies School Health Care Classroom Improvements.** Based on an updated project schedule, the House Finance Committee recommends shifting \$6.9 million from Rhode Island Capital Plan funds for the health career classrooms renovation project at Davies Career and Technical School from FY 2025 to FY 2026. This work is being coordinated with the wing renovation project, and the school anticipates that the majority of spending will occur in FY 2026.

**71. Contract Reserve Distribution (GBA).** The McKee Administration reached agreements with a majority of state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, for a total of 12.0 percent. The FY 2025 revised budget includes \$12.2 million from all sources, including \$11.2 million from general revenues in the Department of Administration's budget for potential costs where settlements were not yet reached, including Local 2012 and non-union professional staff in the Department of Elementary and Secondary Education. The House Finance Committee recommends the distribution of the funds, including \$0.7 million from general revenues, for the staff who are subject to the agreement.

**72. Early Childhood Current Service.** The FY 2025 budget added \$7.0 million, bringing the total to \$29.9 million from general revenues for early childhood funding, supporting 35 new classrooms. However, the final expansion added only 25 classrooms. The Department cited provider limitations as slowing program expansion and plans to coordinate funding with the Department of Human Services for its toddler and infant program to address capacity issues. The Department provided the Department of Human Services with \$1.1 million of its appropriation, comprising \$1.0 million for infant and toddler providers and \$0.1 million for the development of an early childhood education data system. This use of funding is inconsistent with the law establishing this categorical fund, which requires its use for prekindergarten programs. The Governor's budget excludes the excess \$1.0 million for FY 2026 but retains it for FY 2025. The House Finance Committee recommends reducing FY 2025 funding by \$1.1 million to align with authorized education aid use.

**73. School for the Deaf Turnover Savings (Q3).** Based on the third quarter report, the House Finance Committee recommends reducing general revenues by \$0.4 million to reflect additional turnover savings from three vacancies that were not anticipated in the Governor's revised budget.

**74. Special Education Pending Settlement.** The House Finance Committee recommends adding \$1.9 million from general revenues to provide compensatory special education services, related administrative costs, and attorney fees to reflect a legal settlement authorized by the Rhode Island Board of Education.

**75. Teacher Retirement.** The House Finance Committee recommends adding \$1.1 million from general revenues, based on updated projections for the state's share of teacher retirement costs. This would provide a total of \$139.4 million for FY 2025. The Governor's budget included savings based on projections from the Department.

**76. Textbook Reimbursement.** The FY 2025 enacted budget includes \$240,000 from general revenues to reimburse districts for the cost of providing textbooks to non-public school students in English/language arts and history/social studies in kindergarten through 12<sup>th</sup> grade. The Governor's revised recommendation includes the enacted level for FY 2025. His FY 2026 recommendation includes \$60,000 based on historical expenditures. The House Finance Committee recommends reducing this funding to \$59,629 in FY 2025 based on actual reimbursements for the program.

### Higher Education

**77. Capital - CCRI Data, Cabling, and Power Infrastructure.** Based on updated spending plans, the House Finance Committee recommends removing \$4.2 million from Rhode Island Capital Plan funds from FY 2025 and moving it to the out-years. This includes \$600,000 more for FY 2026, \$356,000 for FY 2027, \$850,000 for FY 2028, and \$2.4 million for FY 2029.

**78. Capital - CCRI Flanagan Campus Renewal.** The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for the Community College's Flanagan Campus Renewal project based on updated plans. This includes removing \$4.0 million from FY 2025 and adding \$866,000 to FY 2027, \$2.5 million to FY 2028, and \$584,000 to FY 2029.

**79. Capital - CCRI Renovation and Modernization - Phase I.** The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for the Community College's renovation and modernization phase I project based on updated plans. This includes removing \$10.5 million from FY 2025 and adding \$2.0 million to FY 2026, \$2.7 million to FY 2027, \$3.0 million to FY 2028, and \$2.8 million to FY 2029.

**80. Capital - RIC Asset Protection (GBA).** The House Finance Committee concurs with the Governor's requested amendment to reduce FY 2025 Rhode Island Capital Plan funding for Rhode Island College's asset protection project by \$0.8 million to reflect expenses that belong to a prior year based on the audited FY 2024 closing statement. Expenditures over the two-year period are unchanged.

**81. Capital - RIC Clarke Science Modernization (GBA).** The House Finance Committee concurs with the Governor's requested amendment to reduce FY 2025 Rhode Island Capital Plan funding for Rhode Island College's master plan phase III project by \$2.9 million to reflect expenses that belong to a prior year based on the audited FY 2024 closing statement. Expenditures over the two-year period are unchanged.

**82. Capital - RIC Infrastructure Modernization (GBA).** The House Finance Committee concurs with the Governor's requested amendment to reduce FY 2025 Rhode Island Capital Plan funding for Rhode Island College's infrastructure modernization project by \$0.1 million to reflect expenses that belong to a prior year based on the audited FY 2024 closing statement. Expenditures over the two-year period are unchanged.

**83. Hope - May Update.** Based on the May update for Rhode Island College's Hope Scholarship for FY 2025, the House Finance Committee recommends \$3.4 million or \$0.2 million less from general revenues than the Governor's revised recommendation.

**84. Promise - May Update.** Based on the May update for the Community College of Rhode Island Promise scholarships for FY 2025, the House Finance Committee recommends \$6.9 million or \$0.5 million less from general revenues than the Governor's revised recommendation.

### **Historical Preservation and Heritage Commission**

**85. Turnover and Operations (Q3).** The House Finance Committee recommends \$125,000 less from general revenues for the Historic Preservation and Heritage Commission, based on updated turnover and spending projections.

### **Corrections**

**86. Accreditation.** The Governor's revised budget includes \$0.5 million from general revenues associated with the reallocation of 4.0 existing full-time equivalent positions for a new initiative to achieve American Correctional Association accreditation. The House Finance Committee does not concur with the allocation and, assumes turnover savings equivalent to the redundant positions.

**87. Capital - Asset Protection.** The Governor's capital recommendation includes \$9.7 million for FY 2025, \$5.1 million for FY 2026, and \$4.1 million annually thereafter for asset protection projects at the Department of Corrections. Compared to the approved plan, it delays \$5.7 million of unspent FY 2024 funds to FY 2025 and adds \$1.0 million for FY 2026 associated with his facilities consolidation proposal. The House Finance Committee recommends shifting \$4.2 million from FY 2025 to FY 2026 based on an updated spending timeline, and excludes the funding associated with the facilities consolidation proposal.

**88. Capital - Facilities Renovations.** The Governor recommends the approved amount of \$10.8 million from Rhode Island Capital Plan funds for a behavioral management unit at the Maximum Security facility, including \$3.4 million for FY 2025 and \$7.4 million for FY 2026. The House Finance Committee recommends retaining only \$250,000 for a feasibility study for FY 2025 and delaying all other funding one year, based on an updated timeline provided by the Department. Compared to the Governor's recommendation, this is \$3.2 million less for FY 2025, \$4.2 million less for FY 2026, and \$7.4 million more for FY 2027.

**89. Capital - HVAC Replacement.** The Governor's capital recommendation includes the approved amount of \$41.1 million from Rhode Island Capital Plan funds to replace the heating, ventilation, and air conditioning systems at the Intake Service Center. The recommendation includes \$30.9 million for FY 2025 and \$10.3 million for FY 2026, which delays \$6.9 million of unspent FY 2024 funds to FY 2025. The House Finance Committee recommends \$22.5 million less for FY 2025, \$17.5 million more for FY 2026, and \$5.0 million more for FY 2027 based on an updated project timeline provided by the Department.

**90. Contract Reserve Distribution (GBA).** The McKee Administration reached agreements with a majority of state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, for a total of 12.0 percent. The FY 2025 revised budget includes \$12.2 million from all sources, including \$11.2 million from general revenues in the Department of Administration's budget for potential costs where settlements were not yet reached, including Correctional Officers. The House Finance Committee recommends distribution of the funds, including \$8.7 million from general revenues for the FY 2025 cost related to the settlement of the Correctional Officers contract.

**91. System Assessment.** The Governor's revised budget adds \$0.3 million from general revenues to hire a contractor to conduct a Department-wide assessment of all staffing, policies, and programs. The Department hired the contractor prior to submission of its request, and \$15,560 has been spent as of April 2025. The House Finance Committee does not recommend the additional funding.

**92. Third Quarter Adjustment (Q3).** The House Finance Committee recommends \$0.3 million less from federal funds than recommended based on the actual State Criminal Alien Assistance Program grant award. These funds typically offset general revenues. The Department's third quarter report projects general revenue spending consistent with the Governor's revised recommendation which assumed an inmate population of 2,439 for FY 2025. Trend data and population through the end of March suggests the Department is on track for an average population of 2,339. Although this is 100 fewer inmates than the Governor assumes, spending through May does not indicate any reduction in per diem expenses.

**93. Travel.** The Governor's revised budget recommends \$122,335 more than enacted for the Department of Corrections for out-of-state travel, primarily by agency leadership. The House Finance Committee does not concur and maintains the enacted amount of \$64,119.

### **Judicial**

**94. Mental Health Treatment Court Contract (GBA).** The Governor's revised budget includes \$0.2 million from federal funds for operations of the mental health calendar authorized by the 2022 Assembly. He subsequently requested an amendment to add \$65,500 based on updated contracted expenses. The House Finance Committee concurs.

### **Military Staff**

**95. Capital - Sun Valley Armory Addition (GBA).** The House Finance Committee concurs with the Governor's requested amendment to reduce Rhode Island Capital Plan funding for FY 2025 by \$120,037 to construct additional armory and storage space at the Sun Valley Armory project to reflect spending consistent with the FY 2024 closing statement. This would provide \$262,475 for FY 2025. The two-year total is unchanged.

### **Public Safety**

**96. Contract Reserve Distribution (GBA).** The FY 2025 revised budget includes \$12.2 million from all sources, including \$11.2 million from general revenues in the Department of Administration's budget for potential costs for settlements with state employee unions that had not yet been reached, including the State Police. The House Finance Committee concurs with the Governor's requested amendment to add \$6.2 million to account for the settlement of the State Police contract. This reflects the same cost-of-living adjustments given to other state employees, as well as a uniform stipend increase. It is also retroactive to November 1, 2023, eight months earlier than other contracts. The increase for FY 2025 includes \$5.9 million from general revenues and \$0.3 million from federal funds.

**97. Sheriffs Turnover.** Based on spending through the beginning of May, the House Finance Committee recommends \$0.9 million of additional general revenue turnover savings in the Sheriffs division. This is equivalent to 8 vacancies. As of the beginning of April, there were 42.0 vacancies, and the Governor's budget assumes about 14 vacancies.

## Environmental Management

**98. Capital - Dam Repair.** The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for the dam repair project based on an updated schedule. This includes shifting \$5.0 million from FY 2025 to FY 2028. Total funding of \$22.0 million is as recommended.

**99. Capital - Galilee Piers.** The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for the Galilee Piers project based on an updated schedule. This includes removing \$7.3 million from FY 2025, and adding \$4.0 million to FY 2026, and \$3.3 million to FY 2027.

## Transportation

**100. Capital - Highway Improvement Program.** The 2024 Assembly provided pay-go funding for the state share of the Washington Bridge project, including \$35.0 million from State Fiscal Recovery funds, \$3.6 million from Department of Transportation sources, and \$45.0 million from Rhode Island Capital Plan funds, of which \$20.0 million is for FY 2025 and \$25.0 million is for FY 2026. The contract will be awarded in June, with construction starting in July. Based on this updated timeline, the House Finance Committee recommends shifting \$20.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026.

**101. Capital - Maintenance Facilities Improvements (GBA).** The House Finance Committee concurs with the Governor's requested amendment to increase FY 2025 Rhode Island Capital Plan funding for the Department's maintenance facilities project by \$17,387 to reflect project spending consistent with the audited FY 2024 closing statement. The two-year total is unchanged.

**102. Capital - RIPTA Land and Buildings to FY 2027.** The House Finance Committee recommends shifting \$3.1 million from Rhode Island Capital Plan funds from FY 2025 to FY 2027 based on project delays. The Authority received federal discretionary grant funds of \$8.5 million for planning, development, and engineering costs for establishing a Rapid Bus Network system, and \$22.4 million to electrify the Newport/Middletown garage; the status of the federal funds is uncertain. The state match for the two projects totals \$10.3 million, \$4.7 million is included for FY 2026, and \$5.6 million is included for FY 2027.

**103. Capital - Salt Storage Facilities (GBA).** The House Finance Committee concurs with the Governor's requested amendment to increase FY 2025 Rhode Island Capital Plan funding for the Salt Storage Facilities project by \$0.1 million to reflect the audited FY 2024 closing statement.

**104. DOT - HMA and Gas Tax Yield.** Based on an upward revision to the gas tax yield and updated estimates to highway maintenance funds, the Department will receive an additional \$2.1 million compared to the Governor's FY 2025 revised budget. The House Finance Committee recognizes the additional resources for FY 2025.

**105. GARVEE Debt - Gas Tax and Federal Funds Correction.** The revised budget includes \$75.8 million from all sources, including \$67.0 million from federal funds for existing GARVEE bonds debt service for FY 2025. Subsequently, the Budget Office noted that federal fund expenses are overstated by \$0.4 million. The House Finance Committee recommends correcting the overstatement and adding \$140,360 from other funds to reflect an upward revision of the gasoline tax yield estimate.

**106. Gas Tax - Turnpike and Bridge Authority Yield.** The House Finance Committee recommends adjusting available gasoline tax in the Department of Transportation based on an increased transfer to the Rhode Island Turnpike and Bridge Authority of \$0.2 million to reflect an upward revision to the gasoline tax yield estimate. The FY 2025 final budget would include \$15.5 million to the Authority.

**107. Highway Maintenance Account - Overbudgeted.** The Governor's revised budget includes \$272.0 million for all expenses from the Highway Maintenance Account for FY 2025. These expenses are \$9.6 million more than available resources; some of this discrepancy is attributed to the lack of timely and accurate accounting data. The House Finance Committee reduces expenditures by \$9.6 million to align expenses with available resources.

**108. RIPTA - Gas Tax Yield and HMA.** The House Finance Committee recommends a transfer of \$53.5 million from gasoline tax proceeds and highway maintenance funds to the Rhode Island Public Transit Authority based on current estimates. This is \$0.7 million more than the revised budget, most of which reflects an upward revision to the gasoline tax yield estimate.



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## **Section V**

### **Summary Tables**

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## Expenditures from All Funds

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>General Government</b>				
Administration	\$ 554,103,575	\$ 628,359,132	\$ 497,720,203	\$ 430,628,941
Office of Energy Resources	-	68,374,151	76,770,481	76,312,027
Business Regulation	44,120,539	40,812,969	35,093,954	39,094,954
Cannabis Control Commission	-	-	7,556,626	7,303,563
Executive Office of Commerce	70,777,163	189,471,202	56,157,824	58,707,824
Housing	58,335,416	213,635,726	42,898,733	44,979,456
Labor and Training	594,071,262	627,476,761	637,017,683	632,267,683
Revenue	834,605,599	860,607,926	863,687,605	873,248,086
Legislature	55,789,931	66,737,273	61,424,920	61,424,920
Lieutenant Governor	1,447,015	1,370,103	1,519,219	1,519,219
Secretary of State	15,372,795	15,727,053	14,541,522	15,291,522
General Treasurer	23,886,874	24,589,119	25,974,916	25,974,916
Board of Elections	5,682,615	5,726,638	4,474,931	4,474,931
Rhode Island Ethics Commission	2,234,502	2,415,211	2,419,632	2,419,632
Governor's Office	8,471,265	8,973,819	9,334,918	9,334,918
Human Rights	2,505,726	2,769,857	2,772,687	2,772,687
Public Utilities Commission	14,607,520	15,042,977	15,508,274	15,345,707
<b>Subtotal - General Government</b>	<b>\$ 2,286,011,797</b>	<b>\$ 2,772,089,917</b>	<b>\$ 2,354,874,128</b>	<b>\$ 2,301,100,986</b>
<b>Human Services</b>				
Health and Human Services	\$ 4,017,751,873	\$ 3,914,212,815	\$ 4,202,101,690	\$ 4,226,436,784
Children, Youth and Families	399,055,263	416,292,563	397,200,530	394,390,394
Health	356,254,973	381,872,187	292,114,774	295,526,774
Human Services	814,741,554	853,438,400	829,181,867	837,388,626
BHDDH	672,361,552	714,187,682	704,194,613	716,698,599
Child Advocate	1,891,426	1,763,740	2,264,613	2,264,613
Deaf and Hard of Hearing	914,184	804,509	929,154	929,154
Commission on Disabilities	1,936,931	2,820,433	2,056,042	1,806,042
Mental Health Advocate	981,608	730,673	1,117,164	1,117,164
<b>Subtotal - Human Services</b>	<b>\$ 6,265,889,364</b>	<b>\$ 6,286,123,002</b>	<b>\$ 6,431,160,447</b>	<b>\$ 6,476,558,150</b>
<b>Education</b>				
Elementary and Secondary	\$ 2,003,162,178	\$ 2,010,811,631	\$ 1,981,184,129	\$ 2,008,150,142
Higher Education	1,470,837,483	1,531,187,263	1,594,114,571	1,597,894,736
Arts Council	3,976,337	4,084,272	4,242,454	4,242,454
Atomic Energy	1,593,911	1,654,687	1,714,495	1,714,495
Historical Preservation	3,727,660	3,840,840	3,465,631	3,448,631
<b>Subtotal - Education</b>	<b>\$ 3,483,297,569</b>	<b>\$ 3,551,578,693</b>	<b>\$ 3,584,721,280</b>	<b>\$ 3,615,450,458</b>

## Expenditures from All Funds

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>Public Safety</b>				
Attorney General	\$ 46,456,627	\$ 50,178,621	\$ 51,639,418	\$ 52,487,807
Corrections	328,179,090	322,939,591	322,550,695	366,351,458
Judicial	147,968,237	158,909,579	159,224,433	159,224,433
Military Staff	101,622,845	102,309,746	37,396,058	41,647,731
Emergency Management	36,520,428	45,430,586	43,657,584	43,657,584
Public Safety	211,138,205	223,940,776	191,287,889	197,868,181
Public Defender	16,670,594	17,261,971	18,263,714	18,263,714
<b>Subtotal-Public Safety</b>	<b>\$ 888,556,026</b>	<b>\$ 920,970,870</b>	<b>\$ 824,019,791</b>	<b>\$ 879,500,908</b>
<b>Natural Resources</b>				
Environmental Management	\$ 143,732,584	\$ 150,341,063	\$ 160,424,187	\$ 164,424,187
CRMC	6,176,963	11,226,436	9,660,746	14,860,746
<b>Subtotal-Natural Resources</b>	<b>\$ 149,909,547</b>	<b>\$ 161,567,499</b>	<b>\$ 170,084,933</b>	<b>\$ 179,284,933</b>
<b>Transportation</b>				
Transportation	\$ 889,560,237	\$ 1,075,256,161	\$ 851,194,045	\$ 882,795,591
<b>Subtotal-Transportation</b>	<b>\$ 889,560,237</b>	<b>\$ 1,075,256,161</b>	<b>\$ 851,194,045</b>	<b>\$ 882,795,591</b>
<b>Total</b>	<b>\$ 13,963,224,540</b>	<b>\$ 14,767,586,142</b>	<b>\$ 14,216,054,624</b>	<b>\$ 14,334,691,026</b>

## Expenditures from General Revenues

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>General Government</b>				
Administration	\$ 255,026,334	\$ 223,182,559	\$ 262,776,439	\$ 249,311,650
Office of Energy Resources	-	500,000	-	-
Business Regulation	24,091,628	24,496,492	25,593,781	25,769,781
Cannabis Control Commission	-	-	-	-
Executive Office of Commerce	40,380,983	40,431,623	31,857,824	33,407,824
Housing	9,840,596	5,167,713	10,719,465	6,364,465
Labor and Training	17,790,653	20,198,193	20,379,242	18,179,242
Revenue	400,471,730	402,288,592	403,892,388	413,452,869
Legislature	53,358,280	64,146,864	58,734,623	58,734,623
Lieutenant Governor	1,447,015	1,370,103	1,519,219	1,519,219
Secretary of State	12,462,241	12,807,184	12,111,732	12,861,732
General Treasurer	4,915,333	5,100,717	4,600,223	4,600,223
Board of Elections	5,682,615	5,726,638	4,474,931	4,474,931
Rhode Island Ethics Commission	2,234,502	2,415,211	2,419,632	2,419,632
Governor's Office	8,471,265	8,973,819	9,334,918	9,334,918
Human Rights	2,055,616	2,221,997	2,249,158	2,249,158
Public Utilities Commission	-	-	-	-
<b>Subtotal - General Government</b>	<b>\$ 838,228,791</b>	<b>\$ 819,027,705</b>	<b>\$ 850,663,575</b>	<b>\$ 842,680,267</b>
<b>Human Services</b>				
Health and Human Services	\$ 1,416,418,232	\$ 1,388,921,238	\$ 1,469,676,177	\$ 1,490,421,244
Children, Youth and Families	261,358,200	261,352,456	262,985,058	262,775,058
Health	40,053,947	38,533,357	38,075,075	40,825,075
Human Services	142,790,800	142,053,994	135,580,989	136,022,692
BHDDH	305,694,995	320,841,750	316,304,980	318,778,838
Child Advocate	1,891,426	1,763,740	2,264,613	2,264,613
Deaf and Hard of Hearing	782,651	662,680	786,233	786,233
Commission on Disabilities	1,530,392	2,331,664	1,610,527	1,386,032
Mental Health Advocate	981,608	730,673	1,117,164	1,117,164
<b>Subtotal - Human Services</b>	<b>\$ 2,171,502,251</b>	<b>\$ 2,157,191,552</b>	<b>\$ 2,228,400,816</b>	<b>\$ 2,254,376,949</b>
<b>Education</b>				
Elementary and Secondary	\$ 1,588,830,390	\$ 1,597,274,317	\$ 1,643,071,869	\$ 1,657,908,810
Higher Education	314,514,386	315,128,906	329,066,351	327,246,516
Arts Council	2,395,211	2,412,492	2,414,685	2,414,685
Atomic Energy	1,180,419	1,231,639	1,278,282	1,278,282
Historical Preservation	1,898,100	1,622,211	1,986,751	1,969,751
<b>Subtotal - Education</b>	<b>\$ 1,908,818,506</b>	<b>\$ 1,917,669,565</b>	<b>\$ 1,977,817,938</b>	<b>\$ 1,990,818,044</b>

## Expenditures from General Revenues

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>Public Safety</b>				
Attorney General	\$ 35,103,418	\$ 36,677,279	\$ 38,244,427	\$ 38,244,427
Corrections	293,746,087	303,521,067	296,697,754	324,014,603
Judicial	124,336,261	132,962,235	133,516,539	133,516,539
Military Staff	3,276,320	3,195,718	3,424,058	3,424,058
Emergency Management	7,007,474	7,062,596	7,457,256	7,457,256
Public Safety	135,410,334	143,141,583	126,568,454	132,842,119
Public Defender	16,585,559	17,176,936	18,178,679	18,178,679
<b>Subtotal-Public Safety</b>	<b>\$ 615,465,453</b>	<b>\$ 643,737,414</b>	<b>\$ 624,087,167</b>	<b>\$ 657,677,681</b>
<b>Natural Resources</b>				
Environmental Management	\$ 57,238,872	\$ 56,014,410	\$ 58,380,368	\$ 58,380,368
CRMC	3,607,384	3,957,427	3,704,812	3,904,812
<b>Subtotal-Natural Resources</b>	<b>\$ 60,846,256</b>	<b>\$ 59,971,837</b>	<b>\$ 62,085,180</b>	<b>\$ 62,285,180</b>
<b>Transportation</b>				
Transportation	\$ -	\$ -	\$ -	\$ -
<b>Subtotal-Transportation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total</b>	<b>\$ 5,594,861,257</b>	<b>\$ 5,597,598,073</b>	<b>\$ 5,743,054,676</b>	<b>\$ 5,807,838,121</b>

## Expenditures from Federal Grants

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>General Government</b>				
Administration	\$ 78,720,050	\$ 151,473,170	\$ 48,547,422	\$ 47,598,341
Office of Energy Resources	-	35,438,362	31,842,712	31,554,214
Business Regulation	749,043	859,546	586,088	786,088
Cannabis Control Commission	-	-	-	-
Executive Office of Commerce	22,000,000	141,286,070	20,000,000	20,000,000
Housing	35,830,670	190,310,070	15,096,037	15,596,037
Labor and Training	42,711,594	58,967,295	41,996,527	41,996,527
Revenue	805,667	728,092	493,061	493,061
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	2,001,207	2,001,207	2,000,000	2,000,000
General Treasurer	763,030	786,809	833,127	833,127
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	450,110	547,860	523,529	523,529
Public Utilities Commission	711,984	726,117	753,555	753,555
<b>Subtotal - General Government</b>	<b>\$ 184,743,355</b>	<b>\$ 583,124,598</b>	<b>\$ 162,672,058</b>	<b>\$ 162,134,479</b>
<b>Human Services</b>				
Health and Human Services	\$ 2,543,855,296	\$ 2,468,135,086	\$ 2,708,539,855	\$ 2,709,529,994
Children, Youth and Families	121,743,506	124,493,928	117,430,501	118,620,365
Health	205,109,529	244,370,137	152,861,675	152,861,675
Human Services	659,709,433	695,533,766	682,192,831	689,957,887
BHDDH	353,159,441	368,465,135	376,934,950	385,365,078
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	340,000	421,579	340,067	340,067
Mental Health Advocate	-	-	-	-
<b>Subtotal - Human Services</b>	<b>\$ 3,883,917,205</b>	<b>\$ 3,901,419,631</b>	<b>\$ 4,038,299,879</b>	<b>\$ 4,056,675,066</b>
<b>Education</b>				
Elementary and Secondary	\$ 318,458,763	\$ 355,923,854	\$ 256,479,925	\$ 256,918,301
Higher Education	5,982,632	17,801,726	5,642,208	5,642,208
Arts Council	996,126	1,011,780	1,022,711	1,022,711
Atomic Energy	-	-	-	-
Historical Preservation	1,267,431	1,613,889	822,451	822,451
<b>Subtotal - Education</b>	<b>\$ 326,704,952</b>	<b>\$ 376,351,249</b>	<b>\$ 263,967,295</b>	<b>\$ 264,405,671</b>

## Expenditures from Federal Grants

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>Public Safety</b>				
Attorney General	\$ 3,265,105	\$ 3,967,174	\$ 3,568,559	\$ 3,568,559
Corrections	1,819,835	3,381,753	1,758,102	1,758,102
Judicial	4,417,956	6,136,960	6,294,895	6,294,895
Military Staff	86,857,534	85,921,172	28,982,412	28,982,412
Emergency Management	28,880,583	35,315,706	34,906,616	34,906,616
Public Safety	32,744,693	36,737,879	26,747,999	27,053,323
Public Defender	85,035	85,035	85,035	85,035
<b>Subtotal-Public Safety</b>	<b>\$ 158,070,741</b>	<b>\$ 171,545,679</b>	<b>\$ 102,343,618</b>	<b>\$ 102,648,942</b>
<b>Natural Resources</b>				
Environmental Management	\$ 36,020,076	\$ 47,071,238	\$ 44,708,519	\$ 44,708,519
CRMC	2,319,579	6,919,009	3,331,166	3,331,166
<b>Subtotal-Natural Resources</b>	<b>\$ 38,339,655</b>	<b>\$ 53,990,247</b>	<b>\$ 48,039,685</b>	<b>\$ 48,039,685</b>
<b>Transportation</b>				
Transportation	\$ 474,772,781	\$ 526,224,085	\$ 474,885,393	\$ 474,582,143
<b>Subtotal-Transportation</b>	<b>\$ 474,772,781</b>	<b>\$ 526,224,085</b>	<b>\$ 474,885,393</b>	<b>\$ 474,582,143</b>
<b>Total</b>	<b>\$ 5,066,548,689</b>	<b>\$ 5,612,655,489</b>	<b>\$ 5,090,207,928</b>	<b>\$ 5,108,485,986</b>

## Expenditures from Restricted Receipts

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>General Government</b>				
Administration	\$ 49,989,447	\$ 34,337,796	\$ 24,323,516	\$ 24,124,275
Office of Energy Resources	-	26,431,400	39,258,984	39,089,028
Business Regulation	12,156,568	12,906,525	5,486,102	5,486,102
Cannabis Control Commission	-	-	7,556,626	7,303,563
Executive Office of Commerce	-	-	-	-
Housing	12,664,150	18,157,943	17,083,231	23,018,954
Labor and Training	31,962,084	38,577,324	37,961,768	35,411,768
Revenue	9,481,272	9,535,239	11,084,929	11,084,929
Legislature	2,431,651	2,590,409	2,690,297	2,690,297
Lieutenant Governor	-	-	-	-
Secretary of State	409,347	418,662	429,790	429,790
General Treasurer	17,607,485	18,092,687	19,906,235	19,906,235
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	13,895,536	14,316,860	14,754,719	14,592,152
<b>Subtotal - General Government</b>	<b>\$ 150,597,540</b>	<b>\$ 175,364,845</b>	<b>\$ 180,536,197</b>	<b>\$ 183,137,093</b>
<b>Human Services</b>				
Health and Human Services	\$ 57,478,345	\$ 57,156,491	\$ 23,885,658	\$ 26,485,546
Children, Youth and Families	703,557	1,477,948	1,534,971	1,744,971
Health	108,069,735	90,964,570	92,414,141	93,076,141
Human Services	6,243,767	9,900,575	6,010,641	6,010,641
BHDDH	12,907,116	24,070,361	10,454,683	12,054,683
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	131,533	141,829	142,921	142,921
Commission on Disabilities	66,539	67,190	105,448	79,943
Mental Health Advocate	-	-	-	-
<b>Subtotal - Human Services</b>	<b>\$ 185,600,592</b>	<b>\$ 183,778,964</b>	<b>\$ 134,548,463</b>	<b>\$ 139,594,846</b>
<b>Education</b>				
Elementary and Secondary	\$ 53,019,127	\$ 49,467,500	\$ 50,456,858	\$ 50,745,881
Higher Education	8,669,141	8,891,195	9,336,631	9,336,631
Arts Council	-	-	115,058	115,058
Atomic Energy	25,036	25,036	25,036	25,036
Historical Preservation	419,300	419,300	511,827	511,827
<b>Subtotal - Education</b>	<b>\$ 62,132,604</b>	<b>\$ 58,803,031</b>	<b>\$ 60,445,410</b>	<b>\$ 60,734,433</b>

## Expenditures from Restricted Receipts

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>Public Safety</b>				
Attorney General	\$ 7,938,104	\$ 9,269,168	\$ 7,301,432	\$ 8,149,821
Corrections	1,386,843	1,981,387	1,303,091	1,303,091
Judicial	14,839,020	15,037,352	15,787,999	15,787,999
Military Staff	55,000	66,000	66,000	66,000
Emergency Management	412,371	419,898	428,308	428,308
Public Safety	12,509,218	13,245,878	14,313,880	14,313,880
Public Defender	-	-	-	-
<b>Subtotal-Public Safety</b>	<b>\$ 37,140,556</b>	<b>\$ 40,019,683</b>	<b>\$ 39,200,710</b>	<b>\$ 40,049,099</b>
<b>Natural Resources</b>				
Environmental Management	\$ 21,304,790	\$ 27,261,032	\$ 24,775,624	\$ 24,775,624
CRMC	250,000	250,000	624,768	624,768
<b>Subtotal-Natural Resources</b>	<b>\$ 21,554,790</b>	<b>\$ 27,511,032</b>	<b>\$ 25,400,392</b>	<b>\$ 25,400,392</b>
<b>Transportation</b>				
Transportation	\$ 6,116,969	\$ 6,165,817	\$ 6,066,037	\$ 6,066,037
<b>Subtotal-Transportation</b>	<b>\$ 6,116,969</b>	<b>\$ 6,165,817</b>	<b>\$ 6,066,037</b>	<b>\$ 6,066,037</b>
<b>Total</b>	<b>\$ 463,143,051</b>	<b>\$ 491,643,372</b>	<b>\$ 446,197,209</b>	<b>\$ 454,981,900</b>

## Expenditures from Other Funds

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>General Government</b>				
Administration	\$ 170,367,744	\$ 219,365,607	\$ 162,072,826	\$ 109,594,675
Office of Energy Resources	-	6,004,389	5,668,785	5,668,785
Business Regulation	7,123,300	2,550,406	3,427,983	7,052,983
Cannabis Control Commission	-	-	-	-
Executive Office of Commerce	8,396,180	7,753,509	4,300,000	5,300,000
Housing	-	-	-	-
Labor and Training	501,606,931	509,733,949	536,680,146	536,680,146
Revenue	423,846,930	448,056,003	448,217,227	448,217,227
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	500,000	500,000	-	-
General Treasurer	601,026	608,906	635,331	635,331
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
<b>Subtotal - General Government</b>	<b>\$ 1,112,442,111</b>	<b>\$ 1,194,572,769</b>	<b>\$ 1,161,002,298</b>	<b>\$ 1,113,149,147</b>
<b>Human Services</b>				
Health and Human Services	\$ -	\$ -	\$ -	\$ -
Children, Youth and Families	15,250,000	28,968,231	15,250,000	11,250,000
Health	3,021,762	8,004,123	8,763,883	8,763,883
Human Services	5,997,554	5,950,065	5,397,406	5,397,406
BHDDH	600,000	810,436	500,000	500,000
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	-	-	-	-
Mental Health Advocate	-	-	-	-
<b>Subtotal - Human Services</b>	<b>\$ 24,869,316</b>	<b>\$ 43,732,855</b>	<b>\$ 29,911,289</b>	<b>\$ 25,911,289</b>
<b>Education</b>				
Elementary and Secondary	\$ 42,853,898	\$ 8,145,960	\$ 31,175,477	\$ 42,577,150
Higher Education	1,141,671,324	1,189,365,436	1,250,069,381	1,255,669,381
Arts Council	585,000	660,000	690,000	690,000
Atomic Energy	388,456	398,012	411,177	411,177
Historical Preservation	142,829	185,440	144,602	144,602
<b>Subtotal - Education</b>	<b>\$ 1,185,641,507</b>	<b>\$ 1,198,754,848</b>	<b>\$ 1,282,490,637</b>	<b>\$ 1,299,492,310</b>

## Expenditures from Other Funds

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>Public Safety</b>				
Attorney General	\$ 150,000	\$ 265,000	\$ 2,525,000	\$ 2,525,000
Corrections	31,226,325	14,055,384	22,791,748	39,275,662
Judicial	4,375,000	4,773,032	3,625,000	3,625,000
Military Staff	11,433,991	13,126,856	4,923,588	9,175,261
Emergency Management	220,000	2,632,386	865,404	865,404
Public Safety	30,473,960	30,815,436	23,657,556	23,658,859
Public Defender	-	-	-	-
<b>Subtotal-Public Safety</b>	<b>\$ 77,879,276</b>	<b>\$ 65,668,094</b>	<b>\$ 58,388,296</b>	<b>\$ 79,125,186</b>
<b>Natural Resources</b>				
Environmental Management	\$ 29,168,846	\$ 19,994,383	\$ 32,559,676	\$ 36,559,676
CRMC	-	100,000	2,000,000	7,000,000
<b>Subtotal-Natural Resources</b>	<b>\$ 29,168,846</b>	<b>\$ 20,094,383</b>	<b>\$ 34,559,676</b>	<b>\$ 43,559,676</b>
<b>Transportation</b>				
Transportation	\$ 408,670,487	\$ 542,866,259	\$ 370,242,615	\$ 402,147,411
<b>Subtotal-Transportation</b>	<b>\$ 408,670,487</b>	<b>\$ 542,866,259</b>	<b>\$ 370,242,615</b>	<b>\$ 402,147,411</b>
<b>Total</b>	<b>\$ 2,838,671,543</b>	<b>\$ 3,065,689,208</b>	<b>\$ 2,936,594,811</b>	<b>\$ 2,963,385,019</b>

## Full-Time Equivalent Positions

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>General Government</b>				
Administration	683.6	667.6	669.6	684.6
Office of Energy Resources	-	16.0	20.0	17.0
Business Regulation	181.0	181.0	155.0	155.0
Cannabis Control Commission	-	-	28.0	26.0
Executive Office of Commerce	5.0	5.0	5.0	5.0
Housing	38.0	38.0	38.0	38.0
Labor and Training	461.7	461.7	461.7	461.7
Revenue	599.5	599.5	604.5	605.5
Legislature	298.5	298.5	298.5	298.5
Lieutenant Governor	8.0	8.0	8.0	8.0
Secretary of State	62.0	62.0	62.0	62.0
General Treasurer	91.0	91.0	92.0	92.0
Board of Elections	13.0	13.0	13.0	13.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0
Governor's Office	45.0	45.0	45.0	45.0
Human Rights	15.0	15.0	15.0	15.0
Public Utilities Commission	57.0	57.0	57.0	56.0
<b>Subtotal - General Government</b>	<b>2,570.3</b>	<b>2,570.3</b>	<b>2,584.3</b>	<b>2,594.3</b>
<b>Human Services</b>				
Health and Human Services	233.0	233.0	243.0	243.0
Children, Youth and Families	714.5	714.5	713.5	713.5
Health	572.6	572.6	572.6	572.6
Human Services	1,079.0	1,079.0	1,079.0	1,079.0
BHDDH	1,221.4	1,221.4	1,223.4	1,223.4
Child Advocate	13.0	13.0	13.0	13.0
Deaf and Hard of Hearing	4.0	4.0	4.0	4.0
Commission on Disabilities	5.0	5.0	5.0	5.0
Mental Health Advocate	6.0	6.0	6.0	6.0
<b>Subtotal - Human Services</b>	<b>3,848.5</b>	<b>3,848.5</b>	<b>3,859.5</b>	<b>3,859.5</b>
<b>Education</b>				
Elementary and Secondary	340.1	340.1	342.1	342.1
Higher Education	4,415.3	4,415.3	4,417.3	4,517.3
Arts Council	10.0	10.0	10.0	10.0
Atomic Energy	8.6	8.6	8.6	8.6
Historical Preservation	15.6	15.6	15.6	15.6
<b>Subtotal - Education</b>	<b>4,789.6</b>	<b>4,789.6</b>	<b>4,793.6</b>	<b>4,893.6</b>

## Full-Time Equivalent Positions

	FY 2025 Enacted	FY 2025 Committee	FY 2026 Recommended	FY 2026 Committee
<b>Public Safety</b>				
Attorney General	264.1	264.1	264.1	268.1
Corrections	1,461.0	1,461.0	1,461.0	1,461.0
Judicial	745.3	745.3	749.3	749.3
Military Staff	93.0	93.0	93.0	93.0
Emergency Management	38.0	38.0	38.0	38.0
Public Safety	633.0	633.0	634.0	634.0
Public Defender	104.0	104.0	104.0	104.0
<b>Subtotal-Public Safety</b>	<b>3,338.4</b>	<b>3,338.4</b>	<b>3,343.4</b>	<b>3,347.4</b>
<b>Natural Resources</b>				
Environmental Management	439.0	439.0	439.0	439.0
CRMC	32.0	32.0	32.0	32.0
<b>Subtotal-Natural Resources</b>	<b>471.0</b>	<b>471.0</b>	<b>471.0</b>	<b>471.0</b>
<b>Transportation</b>				
Transportation	755.0	755.0	755.0	755.0
<b>Subtotal-Transportation</b>	<b>755.0</b>	<b>755.0</b>	<b>755.0</b>	<b>755.0</b>
<b>Total Positions</b>	<b>15,772.8</b>	<b>15,772.8</b>	<b>15,806.8</b>	<b>15,920.8</b>



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