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# **Section I**

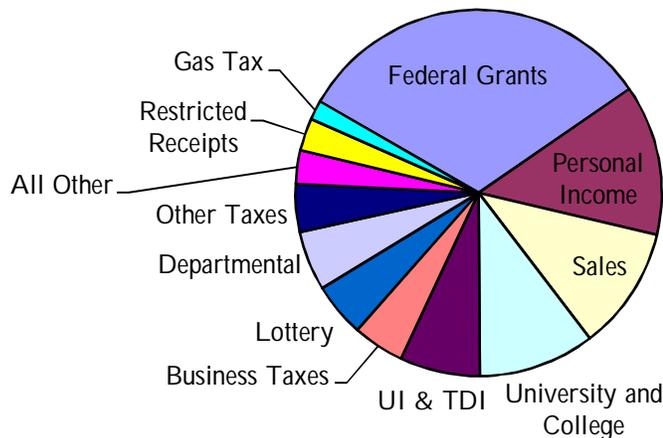
## **Budget at a Glance**

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## FY 2013 Budget at a Glance

The Assembly adopted a budget with total expenditures of \$8,099.9 million, which is \$156.4 million more than the Governor recommended. It contains \$3,295.8 million from general revenues, which is \$26.7 million more than the Governor recommended.

Sources of Funds



### Budget Issues

- **FY 2013 Gap.** House Fiscal Staff estimated that in preparing the FY 2013 budget, the Governor faced a projected revenue-expenditure gap of \$130 million, which would grow to over \$270 million by FY 2017. This was somewhat lower than Staff's FY 2012 forecast in the FY 2012 enacted budget, mainly because of pension reform adopted in November 2011. However, revisions and corrections to expenditure assumptions and a more pessimistic November 2011 economic forecast offset much of those savings. The Governor's budget resolved this gap with increased revenues, some of a limited or one-time nature along with expenditure reductions. The gap narrowed by \$93.2 million for FY 2012 and \$32.7 million for FY 2013 due to stronger than expected revenue estimates and caseload changes adopted at the May 2012 Revenue and Caseload Estimating Conference. About \$60.6 million of the combined impact is due to expenditure savings or revenues that would be considered non-recurring.

- **Out-Year Projections.** The Governor's budget projected the out-years to be significantly unbalanced. The forecast included with the Budget estimated a \$103.6 million gap for FY 2014, 3.1 percent of useable revenues; that grows to \$464.4 million in FY 2017, 12.0 percent of useable revenues. The FY 2014 gap is due to the use of one-time items in the resolution of the current budget gap as well as commitment of future expenses not reflected in FY 2013. Beginning in FY 2014, the estimate reflects the potential impact of casino gaming in Massachusetts. Those losses account for nearly one-third of the FY 2017 gap. House Fiscal staff projects gaps of \$128.3 million growing to \$375.9 million by FY 2017. It assumes the impact of casino gaming with no mitigation from state authorized table games pending the outcome of the November referendum.

- **Supplemental Pension System Contributions.** The Budget includes \$3.1 million, including \$2.7 million from general revenues in appropriation to the retirement systems based on the requirement for an appropriation to the retirement systems equal to 20.0 percent of the state's savings from reductions in the prior year retirement rates to reduce the unfunded liability. The Governor proposed legislation removing the requirement but the Assembly did not concur and funds the payment.

## **Taxes and Revenues (See Section VI, Special Reports: Revenue Changes)**

### **Sales Taxes**

- **Rental of Vacation Homes and Bed and Breakfast Inns.** The Assembly did not concur with the Governor's proposal to subject rentals of vacation homes and rooms at bed and breakfast inns with at least one bedroom for rent to the state's occupancy tax of 5.0 percent, the local occupancy tax of 1.0 percent and the state sales tax of 7.0 percent. Applicable rentals would be those that are rented for more than 15 days per year.
- **Meals and Beverage Tax Increase.** The Assembly did not concur with the Governor's proposal to generate \$39.5 million by increasing the meals and beverage tax from 1.0 percent to 3.0 percent of gross receipts from retail sales of meals and beverages in or from eating and/or drinking establishments.
- **Reinstate Project Status.** The Governor's budget includes a general revenue loss of \$1.0 million from the reinstatement of the Economic Development Corporation's ability to grant project status designation to businesses that create 100 or more net new jobs. This would exclude retail and banking projects and the program would sunset on July 1, 2022. The Assembly did not concur and maintained current law.
- **Clothing and Footwear.** The Assembly included \$5.9 million in revenue from repealing the sales tax exemption on clothing and footwear items that cost more than \$250, effective October 1, 2012. This assumes loss of \$1.8 million of voluntary payments from remote sellers in anticipation that the proposal for a tiered tax on this item would put the state out of compliance with the Streamlined Sales and Use Tax Agreement. The Governor had proposed repealing the sales tax exemption on items that cost more than \$175 per item, effective July 1, 2012, and included revenues of \$11.5 million.
- **Taxicabs and Other Road Transportation Services.** The Budget includes \$2.5 million in revenues by subjecting taxicab, limousine, charter bus and shuttle services to the sales and use tax, effective October 1, 2012.
- **Moving, Storage, Warehousing and Freight Services.** The Assembly did not concur with the Governor's proposal to generate \$10.8 million by subjecting moving, storage, warehousing and freight services to the sales and use tax.
- **Pet Care Services.** The Budget assumes \$0.9 million in revenues by subjecting pet care services to the sales and use tax, effective October 1, 2012. This excludes veterinary services and laboratory testing. The services that would be subjected to the sales and use tax would include boarding, grooming, sitting and training.
- **Car Washes.** The Assembly did not concur with the Governor's proposal to generate \$1.3 million by subjecting car washes to the sales and use tax.

- **Package Tours.** The Assembly repealed the 2011 Assembly's action to apply the sales tax to package tours and scenic and sightseeing transportation services. The Budget includes a general revenue loss of \$0.6 million from this repeal.
- **Cigarette Excise Tax Increase.** The Budget assumes \$1.8 million in revenues from the Governor's proposal to increase the cigarette tax by \$0.04 per pack to \$3.50 per 20-pack, effective July 1, 2012. At \$3.50 per 20-pack, Rhode Island cigarette excise tax would remain the second highest, but the final price is lower than Massachusetts and Connecticut because of minimum markup provisions.
- **Redefine Little Cigars.** The Assembly adopted the Governor's proposal to change the definition of little cigars to ensure they remain subject to the cigarette sales tax. Currently, many little cigars exceed the weight threshold in statute, which allows them to be taxed like other cigars, which is 80.0 percent of their wholesale cost up to a maximum of \$0.50 per cigar. The Budget assumes new revenues of \$2.4 million from this change.
- **Cigar Tax.** The Assembly did not concur with the Governor's proposal to increase the maximum tax on cigars from \$0.50 to \$1.00 for each cigar.

#### **Other Taxes and Fees**

- **Motion Picture Tax Credit.** The Assembly concurred with the Governor's proposed legislation to extend the motion picture tax credit to documentary productions meeting specific guidelines, decreasing the minimum production budget, including pre and post production, from \$300,000 to \$100,000. The legislation also transfers the final review and approval of the tax credits from the Film and Television Office to the Division of Taxation and sunsets the issuance of new credits on or after July 1, 2019. The Assembly also extended the tax credits to musical and theatrical productions and prohibited use of the credits by any company that has been in bankruptcy or receivership and clarified that a company that received loans or loan guarantees from the state in a given year would be ineligible for the credit during that year. There is no change in the \$15.0 million cap on the program and thus no fiscal impact.
- **Hospital Licensing Fee.** The Assembly adopted Section 1 of Article 21 to extend a 5.35 percent fee for all hospitals except South County and Westerly, which will be assessed a fee of 3.37 percent, subject to federal approval. It assumed \$141.3 million in revenues, \$136.0 million from the community hospitals and \$5.3 million from Eleanor Slater Hospital.
- **Compassion Centers.** The 2011 Assembly adopted legislation to subject medical marijuana to the sales and use tax and imposed a 4.0 percent surcharge on net patient revenues generated at the compassion centers. At the time of the enactment, compassion centers were on hold and no revenues were assumed in the Governor's FY 2012 and FY 2013 budget recommendations. Those centers are now proceeding and the Assembly included \$1.4 million in revenues in FY 2013 based on approved applications and projected sales.
- **Telecommunications Education Access Fund.** The Assembly did not concur with the Governor's recommended legislation to reduce the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line, effective July 1, 2012 and expand it to include wireless lines.
- **Motor Vehicle Fees.** The 2011 Assembly enacted legislation establishing a transportation trust fund that would be funded through incremental increases of license and registration fees as part of a plan to

reduce the state's reliance on borrowing for transportation. The incremental increases would begin in FY 2014 and reach their peak in FY 2016, when they will generate approximately \$20 million annually. The Governor proposed to accelerate the fee increases, such that they are fully implemented on January 1, 2013 and allow the Department of Transportation to use the proceeds for operating costs. The Budget assumes this generates \$13.6 million in FY 2013 and the full annual value in FY 2014.

The Assembly did not concur with the fee acceleration, but did provide an additional \$10.0 million from general revenues for debt service in order to provide the Department with additional operating funds, accelerating the Governor's proposal to do so in FY 2014.

- **School Bus Re-inspection.** The Budget assumes \$58,650 from the imposition of a new \$100 fee for the re-inspection of a school bus, in the event the initial inspection fails. Currently, there is not a fee for the initial inspection. The Division of Motor Vehicles inspects 1,700 school buses annually. For the first half of calendar year 2011, 46.0 percent of the inspections resulted in failure.

- **Beverage Containers.** The Assembly concurred with the Governor's proposal to extend the \$0.04 per case litter control fee to all beverage containers and assumed revenues of \$0.2 million. The current definition excludes sports drinks, fruit beverages and ready to drink tea and coffee. The tax is currently collected by the beverage wholesaler and it currently exempts recyclable beverage containers.

- **Department of Health Fees.** The Governor proposed \$1.5 million of additional general revenues by changing dozens of fees collected by the Department of Health. The increases affect fees for licenses and license renewals; these require either statutory or regulatory changes. Changes would affect fields such as physical therapy, dentistry and nursing. The Assembly included \$1.8 million based on a revised revenue estimate and the inclusion of a \$25 minimum fee.

### ***Enhanced Collections***

- **Tax Amnesty.** The Budget assumes \$10.9 million in one-time revenues from a 75 day tax amnesty, effective September 1 through November 15, 2012 for all taxes owed for periods on or before December 31, 2011, as proposed by the Governor. Filers will not be subject to penalties or prosecution and will pay 12.0 percent interest from the date the taxes were owed until payment. Filers may enter into a tax payment plan with the tax administrator, or pay one-half of the amount owed immediately, 25.0 percent the following month, and 25.0 percent the month after that. The Budget includes expenditures of \$0.3 million for operating expenses relating to the tax amnesty, making the net revenue impact \$10.6 million. Similar tax amnesty programs were offered in FY 1987, FY 1996 and FY 2007.

- **Eliminate Tax Preparation Assistance.** The Assembly concurred with the Governor's proposal to stop providing free tax preparation services to taxpayers and reclassify the staff that did so as revenue agents. The Budget assumes the redirected efforts will produce revenues of \$1.3 million.

- **Tobacco Enforcement Task Force.** The Budget assumes \$2.9 million in revenues from enhanced tobacco collections from adding 4.0 new tax investigator positions, for a net impact of \$2.6 million. The Division of Taxation currently has one full-time position dedicated to cigarette tax enforcement. In FY 2008 and FY 2009, he conducted 500 road inspections; in FY 2010, 200 road inspections were done. The Budget also includes legislation requiring a dealer to file and pay tax within five days from the date of purchase of unstamped cigarettes.

### ***Other Revenues***

- ***Bond Premiums Proceeds.*** The Assembly did not concur with the Governor's proposal to transfer \$12.6 million of bond premiums proceeds paid by buyers of state debt in exchange for a higher yield from the Rhode Island Capital Plan Fund to the General Fund.
- ***Narragansett Bay Commission Debt Service Payment.*** The Budget does not contain the Governor's proposed transfer of \$3.1 million from the Narragansett Bay Commission to state general revenues by June 30, 2013.
- ***Neighborhood Health Plan.*** The Budget assumes \$1.8 million in revenues from Neighborhood Health Plan to support dental benefits for Medicaid eligible adults.

### **Lottery**

- ***Lincoln 24-7 Sunset.*** The Assembly extended the provision to allow Twin River to receive an enhanced share of revenues from those generated during extended hours of operation. While the authorization to operate 24 hours a day, seven days a week is permanent, the provision for an enhanced local share was due to sunset in FY 2012. This extension results in additional revenues of \$0.9 million for the Town of Lincoln based on current estimates.

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

- ***Distressed Communities Relief Fund.*** The Budget provides \$10.4 million in FY 2013 to fund the Distressed Communities Relief Program at the enacted amount. Communities' aid distribution is based on updated qualifying tax levies. Updated data shows that Cranston now qualifies for distressed aid in FY 2013. Communities entering and exiting the program receive 50.0 percent of what would otherwise be full funding under the formula. The Assembly also adopted legislation to allow municipalities to receive all of their distressed aid payments in August. Payments were made twice a year; August and March.
- ***Payment in Lieu of Taxes Program.*** The Budget includes \$33.1 million to fund the Payment in Lieu of Taxes program at the enacted level. This program reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Reimbursement is 27.0 percent of the forgone tax, subject to appropriation. Distributions to communities reflect updated data and a ratable reduction to the appropriation, representing 21.4 percent of the value.
- ***Motor Vehicles Excise Tax.*** The Budget funds the Motor Vehicles Excise Tax program at the enacted amount of \$10.0 million.
- ***Library Resource Sharing Aid.*** The Budget includes \$8.8 million to fund library operating aid at the enacted level.

- **Library Construction Aid.** The Budgets include \$2.8 million to fully fund library construction aid requirements in FY 2012 and \$2.5 million in FY 2013. The 2011 Assembly adopted legislation to set a three-year moratorium on the acceptance of applications for library construction aid projects.
- **Property Valuation Reimbursement.** The Budget provides full funding of \$0.9 million in FY 2012 and \$1.6 million in FY 2013 to reimburse communities conducting property valuation updates.
- **Airport Impact Aid.** The Budget provides the enacted level of \$1.0 million in FY 2013 to the Economic Development Corporation so that the Airport Corporation can provide impact aid payments to the seven communities that host the six state airports.
- **Municipal Investigative Auditors.** The Budget includes \$0.7 million in FY 2013 to fund 6.0 full-time municipal investigative auditors. The positions will be responsible for analyzing municipal audits, as it relates to pension and other post-employment benefit obligations to determine the fiscal health of municipalities. The positions will also be responsible for reviewing municipal accounting procedures and training staff members in the use of accepted auditing principles.
- **Municipal Actuarial Studies.** The revised budget includes \$234,000 for the state's 50.0 percent share of municipal actuarial studies for FY 2012. Pension legislation passed in the fall requires local plans to complete actuarial review by April 1, 2012, with the state reimbursing communities for half the cost.
- **Central Falls Receivership.** The Budgets include general revenue expenditures of \$1.6 million in FY 2012 and \$0.3 million in FY 2013 for various costs, primarily for legal services pertaining to the non-judicial receivership for Central Falls.
- **Central Falls Stabilization Payment.** The Budget includes \$2.6 million in FY 2012 to fund the agreement reached with police and fire retirees from the City of Central Falls. The one-time expense will provide supplemental payments to the retirees, whose pensions were reduced by up to 55.0 percent before the bankruptcy, from FY 2012 through FY 2016. After this period, the retirees would receive the scheduled reductions in their pension payments.
- **Municipal Oversight.** The Budget adds \$0.5 million from general revenues for municipal oversight related expenses.
- **Electronic Local Permitting.** The Budget includes \$0.3 million from general revenues for the purchase or lease and operate a web-accessible plan review management and inspection software system. This would create a standardized system available to the State Building Code Commission and all municipalities.

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

- **FY 2013 Formula Education Aid.** The Budget includes \$739.6 million for school formula aid for school districts including Central Falls, the Metropolitan Career and Technical School, Davies Career and Technical School and charter schools pursuant to the new funding formula. This is \$33.1 million more than enacted and includes \$22.1 million to fund the second year of the funding formula and an additional \$11.0 million to accelerate the phase-in of funding for communities that are considered underfunded.

- **Funding Formula Assumptions.** The Budget funds the second year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2013 uses March 14, 2012 student enrollment data adjusted for FY 2013 projected charter school enrollments, a per pupil core instruction amount of \$8,679 and state share ratio variables updated with June 30, 2011 data. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years, adjusted for the infusion of \$11.0 million to accelerate this, and districts that are going to receive less state funding will have that loss phased in over ten years.
- **Aid Payments.** The Assembly altered the payment schedule of education aid so that districts receive a larger share of their total aid earlier in the fiscal year. It changed the payment schedule for both operating and housing aid.
- **Central Falls School District.** The Assembly funded the Central Falls School District pursuant to the education funding formula, which takes into account the city's ability to pay and also adopted language that gives the Commissioner of Elementary and Secondary Education the authority to exercise control and management over the district whenever he or she deems it necessary, but included language that clarifies that the Commissioner cannot interfere with contracts.
- **Regionalization Bonus.** The education funding formula requires additional funding from the state for a limited two-year bonus for regionalized districts. The Budget includes \$0.4 million to fund this.
- **Special Education Funds.** The education funding formula allows for additional funding from the state for high-cost special education students when those costs exceed five times the district's combined per pupil core instruction amount and student success factor amount. The Budget includes \$500,000 for FY 2013.
- **Early Childhood Funds.** The education funding formula allows for additional funding from the state to increase access to voluntary, free, high-quality pre-kindergarten programs. The Budget includes \$1.5 million for FY 2013 with funding initially going to 17 communities with concentrations of children from low-income families as determined by the Department of Elementary and Secondary Education.
- **Transportation Funds.** The education funding formula allows for additional funding from the state to districts for transportation costs. The Budget includes \$2.0 million for FY 2013 for the second year of funding projected to be phased in over 10 years.
- **Career and Technical Education Funds.** The education funding formula allows for additional funding from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and offset the higher than average costs of maintaining highly specialized programs. The Budget includes \$3.0 million for FY 2013.
- **Permanent School Fund.** The Budget makes the \$0.2 million from the Permanent School Fund, funded by duties paid to the state by auctioneers, and currently provided to only the Central Falls School District, available for education aid to be distributed at the discretion of the Department of Elementary and Secondary Education. The Budget anticipates all of the persistently lowest achieving districts may be eligible for some funding.
- **School Construction Aid.** The Budget includes \$74.6 million to fund projected costs of school housing aid to local districts for FY 2013, which is \$4.9 million more than the FY 2012 entitlement. The final FY 2012 cost is \$2.7 million less than enacted.

- ***School Construction Aid Minimum Share.*** The Assembly adopted legislation to roll back the state's minimum housing aid participation to 35.0 percent but provided the 40.0 percent to approved projects that were expecting the increase. The 2010 funding formula legislation called for a two-year phased increase in minimum housing aid reimbursement from 30.0 percent to 40.0 percent by FY 2013 for projects completed after June 30, 2011. The Budget assumes savings of \$440,000 from maintaining the minimum state share at 35.0 percent.
- ***Group Home Aid.*** The Budget reflects group home aid consistent with current law that requires that aid be paid for all beds opened as of December 31, 2011. The FY 2013 budget is \$420,000 less than the FY 2012 enacted budget.
- ***Textbook Reimbursement.*** The Budget includes the enacted amount of \$240,000 for reimbursements allowed under the textbook loan program for FY 2013. The state reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12<sup>th</sup> grade. The Governor had proposed eliminating the funding.
- ***School Breakfast.*** The Budget includes the enacted amount of \$270,000 for the administrative cost reimbursement to districts for the school breakfast program. The Governor had proposed eliminating the funding.
- ***Urban Collaborative Accelerated Program.*** The Budget includes legislation that requires that beginning in FY 2014, the Urban Collaborative Accelerated Program will be funded pursuant to the education funding formula. These students are currently in the district enrollment counts and the state is currently paying education aid for these students to the sending communities.

## **Housing and Economic Development**

- ***Affordable Housing.*** The Budget includes a \$25.0 million bond referendum for the November 2012 ballot for affordable housing projects. This assumes use of \$12.5 million each in FY 2014 and FY 2015. The new bond proceeds will be used by the Housing Resources Commission to provide state funds to promote affordable housing through redevelopment of existing structures and new construction.
- ***America's Cup.*** The Budget includes general revenue expenditures of \$770,000 in FY 2012 to the Economic Development Corporation for services, primarily security that will be provided by the state during the America's Cup World Series event. This is in addition to infrastructure improvements at Fort Adams.
- ***Experimental Program to Stimulate Competitive Research (EPSCoR).*** The Budget includes \$1.2 million in FY 2013 for participation in the National Science Foundation's Experimental Program to Stimulate Competitive Research. This is a reduction of \$350,000 to FY 2012 and represents sufficient match for the federal funds.
- ***State Small Business Credit Incentive.*** The Budgets include federal fund expenditures of \$8.7 million and \$4.3 million in FY 2012 and FY 2013, respectively, for the State Small Business Credit Incentive program. The federal Small Business Jobs Act of 2010 created this program, which was funded with \$1.5 billion to enhance state programs that support lending to small businesses. The state

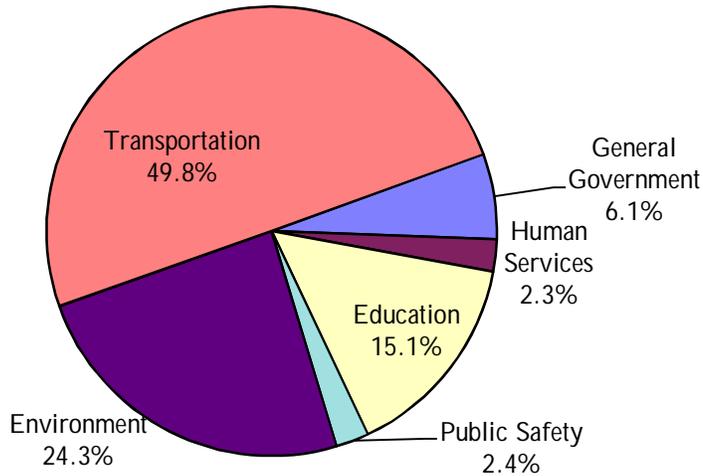
was awarded a total of \$13.2 million for three programs: \$9.0 million for the Slater Technology Fund, \$2.0 million for the Small Business Loan Fund and \$2.0 million for Betaspring.

- ***Slater Technology Fund.*** The Budget includes \$1.5 million in FY 2013 for the Slater Technology Fund, which is a state-backed venture capital fund. This reflects a reduction of \$0.5 million from the FY 2012 funding level.
- ***Economic Development Corporation Operations.*** The Budget includes the enacted level of \$4.1 million in FY 2013 from general revenues to support general operations of the Economic Development Corporation.
- ***I-195 Land.*** The Budget includes \$3.0 million for the completion of land sales and \$1.5 million for the first year of debt service on the \$42.0 million of revenue bonds authorized by the 2011 Assembly to purchase land made available through the relocation of I-195 by the Department of Transportation. The relocation project requires resources from these land sales to finance the remaining work, and this interim mechanism allows for a more deliberate process on the disposition of the land directed by the I-195 Commission, while the project is completed. The debt authorization stipulated that proceeds from the eventual sale of the land would be used for debt service.
- ***I-195 Commission.*** The Assembly provided general revenue expenditures of \$50,000 in FY 2012 and \$0.9 million in FY 2013 to cover the I-195 Commission's operating costs for approximately three years. It also provided \$250,000 from Rhode Island Capital Plan funds in FY 2013 and \$100,000 in FY 2014 for architectural and engineering services.

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

- ***Bond Referenda.*** The capital plan includes \$209.0 million in new referenda to be presented to the voters in November 2012. Authorized debt would include \$50.0 million to renovate and modernize buildings at Rhode Island College, \$20.0 million for the Department of Environmental Management to acquire open space and develop recreational facilities and a \$25.0 million authorization for affordable housing projects. The ballot would also include a \$20.0 million authorization for Clean Water Finance Agency infrastructure loans and up to \$94.0 million for the construction of a long-term care facility and assisted living facility for veterans, as well as renovations to the current facility for other uses.

### FY 2013 - FY 2017 Capital Projects by Function



- **Other Debt Approvals.** The capital plan also includes \$266.8 million of new authorization for debt that would not require voter approval. This includes \$45.3 million borrowed through Certificates of Participation to expand and enhance technology infrastructure, \$174.0 million of revenue bonds for various improvements at T.F. Green Airport, including the extension of the main runway, \$40.0 million from revenue bonds for the Rhode Island Resource Recovery Corporation to design and construct a leachate pretreatment facility and \$7.5 million of revenue bonds for various capital projects at Quonset Point.
- **Financing.** Paying for the five-year outlays includes \$809.5 million from debt financing and \$2,790.0 million from current or pay-go sources. Pay-go represents 77.5 percent with debt funding being 22.5 percent.
- **Debt Levels.** Total net tax supported debt decreases by \$131.0 million from the \$1,846.2 million reported for the end of FY 2011 during the period through FY 2017 to \$1,715.2 million. However, past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this Capital Budget.
- **Debt Ratios.** Net tax supported debt would decrease from 4.0 percent of personal income reported for FY 2011 to 3.9 percent in FY 2013 before dropping gradually back to 3.1 percent in FY 2017 assuming that the Capital Budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected.
- **Debt Service.** Debt service in the enacted capital budget would increase from 7.1 percent of useable general revenues in FY 2012 to 7.2 percent in FY 2017.
- **Bond Premiums.** The 2006 Assembly enacted legislation to mandate that the state use bond premiums paid by buyers of state debt in exchange for a higher yield to lower the debt issuance instead of being available as general revenues for general use. The Budget includes language to clarify the original legislation to provide that any bond premiums and accrued interest, net of the cost of bond issuance and underwriter discounts, shall become part of the Rhode Island Capital Plan Fund. This has been the practice, but the general laws did not specify it.

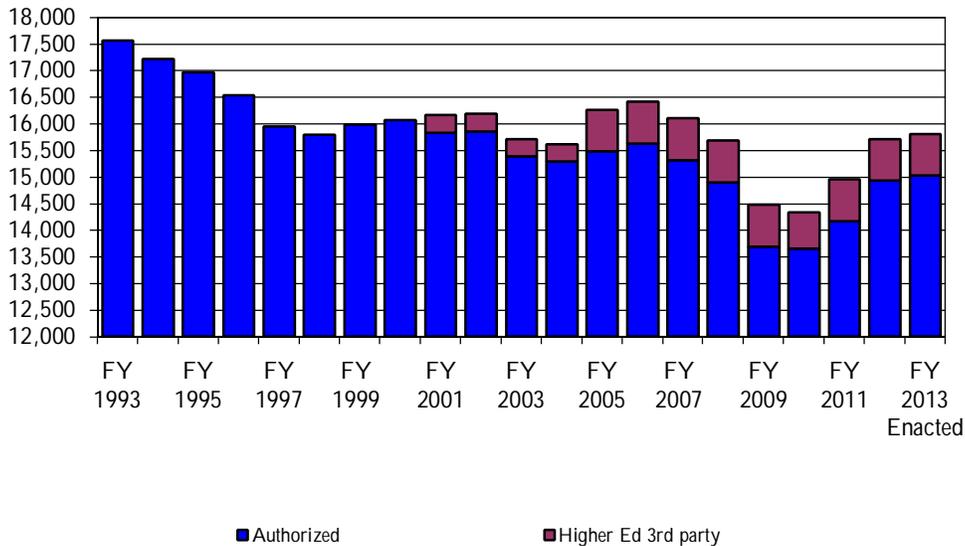
- **Outstanding State Debt.** The state's current outstanding debt if all authorized bonds are issued totals \$3,957.2 million, which includes the \$299.6 million that would be added if the \$209.0 million of general obligation bonds authorized by the Assembly for the November 2012 ballot are approved and issued.
- **Staffing Costs to Capital Fund.** The Assembly did not concur with the Governor's proposal to access Rhode Island Capital Plan funds to support staff in the Division of Capital Projects and Property Management. Rhode Island Capital Plan funds have historically been limited to use on physical assets and not operating budget items.

## State Government

- **Staffing.** The Budget includes 15,026.3 full-time equivalent positions, including 776.2 higher education positions supported by research or other third-party funds. This is 84.1 positions more than enacted with nearly half of them related to converting existing contract employees to full-time equivalent positions. Program reductions result in the elimination of 17.6 positions from the Department of Administration, 22.0 positions from the Department of Human Services, and 7.7 positions from the Department of Labor and Training.

Offsetting these reductions are 14.5 additional positions for the Division of Motor Vehicles and 10.0 others for the Department of Revenue. The Budget includes an additional 39.0 positions for the Department of Health converted from temporary to full-time positions and 20.0 new positions throughout the Department to ensure there is available staff to pursue additional federal awards. It also includes 9.0 positions for the Office of Health and Human Services and 5.0 for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. There are 21.5 positions in four agencies for a new Race to the Top Early Childhood Learning grant, 14.0 new faculty positions at the University of Rhode Island and 10.0 new faculty and staff positions at Rhode Island College. As of the pay period ending June 16, 2012, there was an average of 13,700.0 positions filled, leaving 1,032.5 non-research vacancies. In FY 2011, the state averaged 13,725.2 filled positions reflecting an average of 1,028.0 non-research vacancies.

### Full-Time Equivalent Positions



- **Personnel System Study.** The Budget includes \$250,000 from general revenues for a statewide study and review of the state’s personnel system, which was designed and implemented more than 50 years ago.
- **Human Resources Restructure.** The Budget includes a savings of \$0.4 million from restructuring the Human Resources Division from the elimination of 12.0 positions in the Division of Human Resources late in FY 2013 after the personnel study is completed.
- **Pension Reform Expenses.** The Budget includes an additional \$0.6 million from Retirement System funds in the FY 2012 revised budget to pay for actuarial studies and expected legal expenses stemming from the pension changes made in the fall special session.
- **Defined Contribution Administrative Costs.** The Budgets include \$0.2 million and \$0.3 million for FY 2012 and FY 2013, respectively, from general revenues to pay for the Treasurer’s expenses associated with administering the new defined contribution plan.
- **Director Compensation.** The Assembly maintained the current public hearing process for salary adjustments of department directors.
- **Election Day Holiday.** The Assembly did not adopt the Governor’s original proposal, which he subsequently withdrew, to generate savings from eliminating Election Day as a paid holiday for state employees. Existing collective bargaining unit contracts require the state to add one additional day of personal leave in its place, costing a similar amount.
- **Unemployment Insurance Benefits.** The Budget includes \$364.4 million for the payment of unemployment insurance benefits in FY 2013, including \$72.3 million from federal stimulus funds and \$292.2 million from the Employment Security Trust Fund, reflecting the Congressional extension of federally funded benefits through January 2, 2013.

- ***Unemployment Insurance Loan Repayment.*** The Budget includes \$18.6 million in FY 2013 for the payment of interest and principal on the state's federal unemployment insurance loans. The FY 2013 interest payment was estimated to be approximately \$12 million. The Budget includes authorization for the remainder of the balance of the account to allow the state to pay down the principal.
- ***Police and Fire Relief Fund.*** The Assembly did not concur with the Governor's proposal to replace the guaranteed standard annuity and tuition payments with a discretionary program overseen by a review panel.
- ***Community Service Grants.*** The Budget provides \$7.6 million for 213 grants which is \$0.5 million less than enacted. It eliminates 105 grants previously given including those grants to agencies that did not respond to requests for information, defunct agencies, hospitals, schools, and volunteers in public school associations and all grants that were under \$2,000. The Budget provides one-time capital funding for several organizations and new funding to others. It also restores grants that support senior centers and services.
- ***Historic Tax Credit Trust Fund Debt Service.*** The Budgets include \$21.2 million and \$21.3 million from general revenues in FY 2012 and FY 2013, respectively, to fund debt service for historic tax credits. This is \$7.1 million less than the \$27.4 million current service estimate, but the higher level would likely be needed in FY 2014 and beyond.
- ***Contingency Fund.*** The Budget includes the enacted amount of \$250,000 for the Contingency Fund.
- ***Office of Management and Budget.*** The Budget reflects the creation of the Office of Management and Budget that will assume the functions of the State Budget Office and some responsibilities of the Office of Economic Recovery and Reinvestment. It will include a Federal Grants Management Office to coordinate federal grant applications.
- ***Bureau of Audits.*** The Assembly did not concur with the Governor's recommendation to eliminate the Bureau of Audits. It provided funding of \$1.2 million and staffing of 12.0 full-time positions.
- ***Office of Digital Excellence.*** The Assembly adopted legislation to create the Office of Digital Excellence within the Department of Administration. It authorized a chief digital officer, who must be appointed by the Director of the Department of Administration. The Office will oversee and coordinate information technology projects to ensure projects are well coordinated and properly implemented.
- ***Division of Motor Vehicles.*** The Budgets include \$0.6 million in FY 2012 and \$0.8 million in FY 2013 from general revenues to fund 14.5 new customer service representatives and data entry clerks in the Division of Motor Vehicles to enhance services by reducing wait times at the Cranston headquarters.
- ***Rhode Island Financial Accounting Network System.*** The Assembly provided pay-go funding for information technology projects, which may include the implementation of the time and attendance, projects, and grants modules as part of the Rhode Island Financial Accounting Network System. The Governor had recommended a debt issuance.

- **Technology Investment Fund.** The Assembly provided \$9.0 million from general revenues for the Technology Investment Fund. The Governor had recommended the use of bond premium proceeds transferred from the Rhode Island Capital Plan Fund.
- **Integrated Tax System.** The Budget provides \$25.0 million for an integrated tax system, which will store all taxpayer information into one centralized computer system. The system would replace the current antiquated system. Annual debt service would be \$3.1 million for 10 years and be paid from general revenues. The Assembly adopted legislation to allow any use of federal forfeiture funds to reduce the amount of borrowing.
- **Compensation for Board Members.** The Budget does not contain the Governor's proposal to eliminate compensation for members of the Board of Elections, Labor Relations Board and Personnel Appeal Board.
- **Voter Identification Law.** The Budget includes \$150,000 for FY 2012 to implement the new voter identification law. The funding is to be used by the Secretary of State's office to produce voter identification cards, train existing staff to use the equipment and notify the public of the new law.
- **Rhode Island Health Benefits Exchange.** The Budget establishes the Rhode Island Health Benefits Exchange in the Office of the Governor. In September 2011, he issued an executive order to establish the Office as the centrally accountable office for operational and financial implementation, including policy development. The Budget includes \$22.2 million in the Office of the Governor to hire consultants to develop and assist in the implementation of the exchange and to fund 6.0 positions. Funding is also included in the Office of the Lieutenant Governor and the Department of Business Regulation.

## Health and Human Services

- **Eleanor Slater Hospital – New Building.** The Budget includes \$35.0 million from Rhode Island Capital Plan funds in the five-year capital plan for a new building at the Pastore Center, consolidating the separate hospital buildings operated by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals into one facility.
- **Program Audit and Oversight Unit.** The Budget includes \$150,000 from general revenues for five positions to staff the newly created Program Audit and Oversight Unit in the Executive Office of Health and Human Services. The unit will conduct program and performance reviews for all the health and human service agencies to include reviewing compliance with state and federal requirements and program standards, with new staff starting in March 2013.
- **Medicaid Benefits Program.** The Budget transfers the Medicaid medical benefits program totaling \$1.7 million from all sources to the Executive Office of Health and Human Services. The administrative staff was transferred in FY 2012. The eligibility application process remains with the Department of Human Services since applicants are often eligible for other benefits in addition to Medicaid through that department.
- **HIV Care and Treatment Program.** The Budget transfers the HIV care and treatment program from the Department of Human Services to the Office of Health and Human Services, consistent with the transfer of the Medicaid program.

- **Medicaid - Dental Care for Adults.** The Budget maintains dental coverage for individuals 21 or older and includes \$5.6 million from all sources, with \$2.7 million from general revenues and \$1.8 million from Neighborhood Health Plan of Rhode Island sources matching available federal funds. The Governor's budget proposed eliminating these benefits.
- **Hospital Payments.** The Budget includes \$11.7 million for an updated outpatient upper payment limit reimbursement to the community hospitals in FY 2013 and authorizes these payments in subsequent fiscal years.
- **Nursing Homes Payments.** The Budget includes \$358.5 million to support nursing facilities in FY 2013. The Assembly added \$6.4 million to adjust base spending and \$1.4 million for facilities to transition to the new nursing home rate methodology. It also included the same \$6.4 million base adjustment in FY 2012.
- **Managed Care Plans.** The Budget includes \$595.7 million for medical benefits to children and their parents through the Rlte Care program and \$209.7 million for benefits to disabled adults through Rhody Health.
- **Clinical and Utilization Reviews.** The Budget includes general revenue savings of \$5.6 million from clinical and utilization reviews for individuals receiving home care services, including children with special health care needs. It also includes savings from the state verifying that payments are being made only for services provided.
- **Project Sustainability.** The Budget includes \$177.1 million from all sources to provide community based services to approximately 3,600 developmentally disabled adults through Project Sustainability. This is \$9.9 million more than FY 2012.
- **Inpatient Fee-for-Service Hospital Rates.** The Budget limits any fee-for-service inpatient payments made to the community hospitals to the lesser of the Medicaid rate or the rate charged by the hospital for savings of \$3.9 million, \$1.9 million from general revenues.
- **Health Care Reform - Treatment Services.** The Budget continues to take advantage of opportunities under federal health care reform and includes general revenue savings of \$3.5 million from providing some behavioral health treatments and services to adults with developmental disabilities through a new health home model. The federal government will pay 90 percent of the costs of Medicaid funded services for two years.
- **State Only Substance Abuse Treatment Services.** The Budget includes general revenue savings of \$100,000 by providing state only residential substance abuse treatment services to indigent and uninsured individuals in less restrictive settings with appropriate supports.
- **Rlde Transportation.** The Budget includes \$6.5 million, including \$1.8 million from general revenues, for Rlde transportation expenses. This is \$0.3 million more from general revenues, including \$600,000 for increased utilization by clients not eligible for Medicaid, offset by savings of \$150,000 from instituting a copayment of \$2 per trip to and from adult day care centers, beginning July 1, 2012, and \$156,274 from available federal resources used to offset general revenue expenses.

- **Child Care Monthly Co-share.** The Assembly retained the current monthly cost sharing requirement for low income parents receiving child care and did not concur with the Governor's proposal to raise it.
- **Pharmaceutical Assistance.** The Budget includes \$0.4 million for the Pharmaceutical Assistance to the Elderly program. The program provides assistance to Medicare Part D recipients who have reached the "donut hole" and social security disability insurance recipients prior to Medicare Part D eligibility. Federal health care reform eliminates the "donut hole" by 2020.
- **Veterans' Home Staffing and Census.** *The Budget delays the planned increases in staffing levels and the census from the final quarter of FY 2012 to the final quarter of FY 2013. It includes savings of \$0.4 million from eliminating 35.0 positions included in the enacted budget for the last four months of FY 2012 and adds 9.0 full-time and 26.0 temporary positions for the final quarter of FY 2013.*
- **New Veterans' Home.** The Budget authorizes a bond referendum for a new Veterans' Home on the November ballot. The bonds are not to exceed \$94.0 million and may be issued over a period not to exceed ten years. Federal funds may be available as partial reimbursement after the first of the three phases, reducing the total amount of bonds the state would need to issue.
- **System of Care.** The Budget includes \$71.5 million for the System of Care, a network based system in which providers throughout the state work together to provide targeted services to children and families in order to reduce the number of children in out-of-home care. Current caseload projections require \$6.1 million for an average of 738 children receiving residential and community based services through the System of Care in FY 2013.
- **YESS Aftercare Services.** The Budget maintains \$2.0 million in general revenue funding for aftercare services for the Young Adults Establishing Self Sufficiency program. This program provides services to youth aging out of state care. The Assembly rejected the Governor's proposal to reduce these services by \$0.4 million.
- **DCYF Education Costs.** The Budget includes \$0.5 million from general revenues to support education costs for children in the Department of Children, Youth and Families' care. The Department of Elementary and Secondary Education is currently transitioning some financial responsibility for children in the Department's care attending school outside of their home districts from the schools to the state. This is the first year of a five-year transition process.

## Education

- **Public Higher Education.** The Budget includes \$1,031.7 million for Public Higher Education including debt service. This includes \$172.5 million from general revenues, which is \$6.0 million more than FY 2012. The Budget includes the Board's requested increase of \$17.6 million for tuition and fees, including \$9.6 million at the University, \$3.0 million at the College and \$5.0 million at the Community College. The Board of Governors approved combined tuition and fee increases of 9.5 percent for resident undergraduates and 2.0 percent for non-resident undergraduates at the University. At the College, resident and non-resident undergraduate tuition and fee increases are 4.0 percent. Tuition and fees increase 7.5 percent at the Community College.
- **Higher Education Staffing.** The Budget includes 14.0 new faculty positions at the University and 10.0 new faculty and staff positions at the College. It also adds 2.4 positions for the Office.

- ***Rhode Island Board of Education.*** The Assembly enacted legislation to abolish the Board of Governors for Higher Education and the Board of Regents, effective January 1, 2014 and create a new Rhode Island Board of Education. It also abolished the Office of Higher Education, effective January 1, 2014 and created an executive committee of education comprised of the three institutions of public higher education, and the commissioners of higher education and elementary and secondary education.
- ***Higher Education Assistance Authority.*** The Assembly retained the Higher Education Assistance Authority and its corporate existence which the Governor had proposed terminating on September 1, 2012.
- ***Need Based Scholarships and Grants.*** The FY 2012 revised budget includes an additional \$0.2 million from general revenues for need based grants and scholarships to provide maintenance of effort for the federal college access challenge grant in the Office of Higher Education's budget. For FY 2013, the Budget includes \$5.2 million from general revenues and \$8.0 million from Tuition Savings funds for a total of \$13.2 million.
- ***College Access Challenge Grant.*** The Budget includes \$1.5 million over two fiscal years from federal funds for the college access challenge grant that is aimed at increasing the number of low-income students who are prepared to enter post-secondary education.
- ***Rhode Island College Academic Buildings Referendum.*** The Budget authorizes a \$50.0 million referendum to be submitted to the voters on the November 2012 ballot for renovations to Rhode Island College academic buildings. The project includes a full renovation to Craig Lee and Gaige Halls as well as renovations to the health and nursing facilities on the campus of Rhode Island College.
- ***Race to the Top – Early Learning.*** The Budget includes 13.0 new positions and \$6.2 million over FY 2012 and FY 2013 from newly awarded Race to the Top/Early Learning Challenge Grant funds. In December 2011, the state was awarded \$50.0 million to be used to improve education for pre-school students. This grant will involve multiple human service agencies and the Department of Elementary and Secondary Education with funding allocated over four years.
- ***Wireless Classrooms.*** The Assembly approved a resolution to borrow \$20.0 million through use of Certificates of Participation to expand and enhance technology infrastructure in local education agencies. Annual debt service would be \$2.7 million for ten years and be paid from general revenues. The principal payment will be used as match for federal support and would provide total support of \$1.2 million in FY 2014 growing to \$6.7 million in FY 2023.
- ***Adult Literacy.*** The Budget adds \$2.3 million from general revenues in lieu of a like amount from Human Resource Investment Council funds for adult literacy grants for FY 2012. The Assembly also provided \$2.0 million from general revenues in lieu of Human Resource Investment Council funds for FY 2013, effectively restoring the council funds for workforce training grants to employers.
- ***Rhode Island Public Telecommunications Authority.*** The Budget provides for continued state funding for the authority in FY 2013, which the Governor had proposed to eliminate as of January 1, 2013. The Budget now requires the Administration to include any statutory changes needed to transition public television to entirely private support as part of the Governor's FY 2014 recommended budget.
- ***Arts Council Grants.*** The Budget provides \$0.6 million for discretionary grants awarded by the Rhode Island State Council on the Arts.

## Public Safety

- **Corrections Personnel Expenses.** The Budget includes \$3.1 million each in FY 2012 and FY 2013 above enacted general revenues to adjust for an understated hourly wage included in the calculation of personnel expenses for uniform correctional officers who are receiving a wage base increase of 2.95 percent for FY 2012 based on the March 2010 contract agreement.
- **Prison Population.** The Budget assumes a population of 3,194 for FY 2013, which is 37 fewer inmates than the Governor's budget assumed. It also assumes a revised population of 3,192 for FY 2012, which is 73 fewer inmates than the Governor's revised recommendation.
- **Correctional Officer Training Class.** The Budget includes \$0.7 million from general revenues for recruitment and training expenses for a new correctional officer class for each FY 2012 and FY 2013.
- **Foreclosure Assistance.** The Budget includes \$4.0 million from the national mortgage settlement deposited as restricted receipts for the Office of the Attorney General to work in conjunction with Rhode Island Housing to prevent or reduce the number of initiated foreclosures in the state.
- **Tobacco Enforcement Litigation.** The Budget includes \$0.4 million and \$0.3 million from general revenues for FY 2012 and FY 2013, respectively, to cover the state's share of tobacco enforcement litigation expenses among settling states. This case is brought by the leading United States tobacco product manufacturers and alleges the states' lack of efforts in enforcing the "Master Settlement Agreement" for non-participating manufacturers.
- **Municipal Police Training Academy.** The Assembly did not adopt the Governor's original proposal to make the Municipal Police Training Academy self-supporting through fees charged to municipalities who send candidates to the Academy.
- **Dispatch Unit and Port Security.** The Budget maintains the dispatch and port security surveillance units in the Department of Environmental Management, reversing a previous mandate to transfer the function to the Department of Public Safety.
- **Tropical Storm Irene.** The Budget includes \$9.0 million in FY 2012 for expenditures incurred from Tropical Storm Irene in August 2011. This includes \$8.9 million from federal funds and \$0.1 million from general revenues to be used as the state match.
- **Indigent Defense Program.** The Budget includes \$3.6 million from general revenues for the Judiciary's indigent defense program, which is \$0.1 million more than FY 2011 expenses.
- **State Police Contract.** The Budget includes additional general revenue expenditures of \$1.4 million in FY 2012 and \$1.3 million in FY 2013 for salary and benefit adjustments pursuant to the recently negotiated settlement with the Rhode Island State Police Troopers Association. Covered employees received an across-the-board wage increase of 3.0 percent, effective May 1, 2010 and May 1, 2011; other state employees received cost-of-living adjustments effective January 2, 2011 and July 1, 2011.
- **Forfeiture Funds.** The Budget includes \$12.4 million from available forfeiture funds for the Department of Public Safety to purchase additional equipment and additional training programs, establish a statewide municipal law enforcement accreditation program and provide grant awards to municipal law enforcement agencies for cooperative non-recurring law enforcement activities.

## Environment

- ***Rhode Island Resource Recovery Corporation Revenue Bonds.*** The Budget authorizes up to \$40.0 million in revenue bonds for the Rhode Island Resource Recovery Corporation to design and construct a leachate pretreatment facility to comply with projected changes in discharge standards for the disposal of wastewater into a public sewer system. The debt service will be paid from Corporation revenues.
- ***Fort Adams Sailing Improvements.*** The Budget includes \$1.3 million in FY 2012 and \$3.1 million in FY 2013 for improvements to Fort Adams State Park, which will allow the state to host large-scale sailing events such as the America's Cup World Series race in the summer of 2012.
- ***Blackstone Valley Bike Path Design.*** The Budget includes \$2.1 million in FY 2012 and \$1.1 million in FY 2013 for architectural and engineering work on the Blackstone Valley bike path.
- ***Narragansett Bay and Watershed Restoration.*** The Budget authorizes \$4.0 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for activities to restore and protect the water quality of Narragansett Bay and the state's watersheds.
- ***State Land Acquisition – Open Space.*** The Budget authorizes \$2.5 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for the purchase of land, development rights and conservation easements statewide.
- ***Farmland Development Rights.*** The Budget authorizes \$4.5 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for farmland development rights.
- ***Local Land Acquisition Grants.*** The Budget authorizes \$2.5 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for grants to municipalities, local land trusts and non-profit organizations to preserve open space in Rhode Island.
- ***Local Recreation Development Grants.*** The Budget authorizes \$5.5 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for grants to all municipalities for recreation development and acquisition projects.
- ***Historic and Passive Grants.*** The Budget authorizes \$1.0 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for grants to municipalities for renovation and development of historic and passive recreation areas.
- ***State Recreation Facilities.*** The Budget includes \$5.0 million more for improvements at Rhode Island parks and management areas. The Governor proposed new general obligation bonds for the November 2012 ballot; however, the Budget provides Rhode Island Capital Plan funds instead, avoiding the associated debt service.
- ***Municipal Wastewater Testing Program.*** The Budget eliminates the pollution monitoring system and fee system established by the Department of Environmental Management for point source dischargers who discharge sewage into the surface waters of the state. The Budget assumes that eliminating the program will result in a net savings to the state of \$36,913 in FY 2013, which assumes \$102,900 less to administer the program and \$65,987 in lost user fees.

- ***Eliminate Well Drilling Program.*** The Budget eliminates the well drilling registration program administered by the Department of Environmental Management, effective January 1, 2013. The Budget assumes that eliminating the program will result in a net savings of \$93,977 in FY 2013, which assumes \$103,769 less to administer the program and \$9,792 in lost user fees.
- ***Clean Water Finance Agency Revolving Loan Funds.*** The Budget authorizes \$20.0 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for loans to be issued by the Clean Water Finance Agency. This includes \$12.0 million for the Clean Water State Revolving Loan Fund, a subsidized loan program for local governmental units to finance wastewater infrastructure projects and \$8.0 million for the Drinking Water State Revolving Loan Fund, which provides loans to eligible water suppliers for drinking water projects.

## Transportation

- ***Motor Vehicle Fees.*** The 2011 Assembly enacted legislation establishing a Transportation Trust Fund that would be funded through incremental increases of license and registration fees as part of a plan to reduce the state's reliance on borrowing for transportation. The incremental increases begin in FY 2014 and reach their peak in FY 2016, when they will generate approximately \$20 million annually. The Governor proposed to accelerate the fee increases, such that they are fully implemented on January 1, 2013 with the proceeds funding the Department of Transportation's operating costs. The Assembly did not accelerate the fees, but instead provided \$10.0 million from general revenues for debt service payments over FY 2012 and FY 2013, which provides a similar amount to the Department for operating costs.
- ***East Bay Bridge System.*** The Assembly included legislation to transfer the Sakonnet River Bridge and the Jamestown Verrazano Bridge to the Rhode Island Turnpike and Bridge Authority, and would also allow for the establishment and collection of tolls on the Sakonnet River Bridge. The Assembly also established the East Bay Infrastructure Fund, which would be funded through excess toll revenue and used for road and bridge projects in the East Bay, under the direction of the Department of Transportation.
- ***Transportation Debt Service.*** The Assembly included a shift of \$4.0 million of the Department of Transportation's debt service payment from departmental sources to general revenues to fund the FY 2012 budget shortfall, and \$8.0 million in FY 2013 for the same purpose. The Budget also includes a shift of all financing of transportation debt service to general revenues over a five-year period, beginning with \$10.0 million in FY 2014, increasing by \$10.0 million annually until FY 2018.
- ***Transportation Bond Referenda.*** The Budget does not include any transportation debt authorizations. The \$20.0 million state match for federal funds originally proposed by the Governor to be borrowed are replaced with Rhode Island Capital Plan funds. The \$1.5 million of borrowing originally proposed for the Rhode Island Public Transit Authority for bus purchases have been replaced with earmarked funding from the state Vehicle Replacement Fund.
- ***Rhode Island Airport Corporation Revenue Bonds.*** The Budget includes authorization for the Rhode Island Airport Corporation to issue up to \$174.0 million of revenue bonds for various improvements at T.F. Green Airport, including the extension of the main runway. Debt service payments will be made with a combination of federal sources and Corporation revenue.

