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# **Section I**

## **Budget at a Glance**

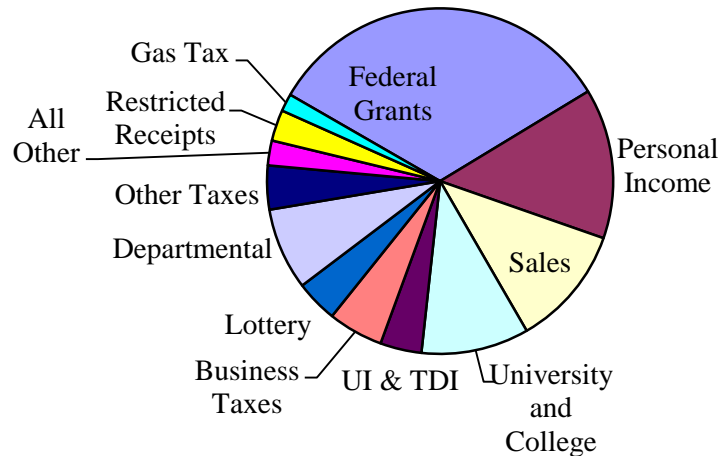
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## FY 2017 Budget at a Glance

The Assembly adopted a budget with total expenditures of \$8,938.7 million, which is \$26.1 million less than the Governor recommended. It contains \$3,683.7 million from general revenues, which is \$7.0 million more than the Governor recommended.

### Sources of Funds



### Budget Issues

- **FY 2017 Gap.** The Budget Office estimates that in preparing the FY 2017 budget, the Governor faced a projected revenue-expenditure gap of about \$190 million. This was higher than the House Fiscal Staff projections based on differing Budget Office assumptions. That gap was significantly reduced by increased resources from the FY 2015 closing and updated revenue estimates. The Governor's budget resolved much of the deficit through revenue items, a majority of which are non-recurring. There are numerous spending changes in human service agencies included reductions that appeared to be structural in nature. Available resources in FY 2016 increased following the May revenue and caseload conferences, allowing an even larger surplus to be carried forward to FY 2017. The Assembly's budget substituted these one-time funds for many of the one-time resources the Governor proposed. The enacted budget continues investment in programs designed to position the state for greater growth than currently assumed in the five-year forecast. It reduced the total debt to be put before the voters and declined to fund many new programs that would increase out-year spending.

- **Out-Year Projections.** The Governor's budget projected the out-years again appear to be significantly unbalanced. The Budget estimated a \$192.1 million gap for FY 2018, equating to 5.3 percent of useable revenues, that grows to \$332.6 million in FY 2021, 8.6 percent of useable revenues. The FY 2018 gap is primarily due to the use of one-time items in the resolution of the current budget gap. The estimate also reflects the projected impact of casino gaming in Massachusetts and final phase-in of shifting transportation funding from general revenues. The enacted budget projects somewhat smaller gaps beginning with \$182.1 million or 5.0 percent of revenues in FY 2018, growing to \$313.6 million in FY 2021, 8.1 percent.

- **Submission Deadline.** The Assembly rejected the Governor's proposal to delay the budget submission deadline by three weeks.

## Taxes and Revenues

### *Tax Changes*

- ***Earned Income Tax Credit.*** The Assembly increased the Earned Income Tax Credit for low and moderate wage earners from 12.5 percent of the federal credit to 15.0 percent effective for tax year 2017. The Budget assumes an associated revenue loss of \$2.7 million for FY 2017. The loss would annualize to \$5.5 million in FY 2018.
- ***Cigarette Tax.*** The Assembly did not concur with the Governor's proposal to increase the cigarette excise tax by \$0.25 per pack, to \$4.00 per 20-pack, effective August 1, 2016.
- ***Pension and Annuity Retirement Exemption.*** The Assembly adopted legislation exempting up to \$15,000 of pension and annuity income from state personal income tax for filers who have reached full Social Security retirement age, including single filers with adjusted gross incomes of \$80,000 and joint filers with adjusted gross incomes of \$100,000, effective January 1, 2017. The Budget assumes a revenue loss of \$6.3 million, which annualizes to \$13.0 million for FY 2018.
- ***Minimum Corporate Tax.*** The Assembly lowered the minimum corporate tax from \$450 to \$400, effective January 1, 2017; the Budget assumes an associated revenue loss of \$1.6 million, which annualizes to \$3.2 million for FY 2018.

### *Enhanced Compliance and Collections*

- ***Intercompany Transaction Audit.*** The Budget assumes collecting an additional \$6.7 million in corporate income taxes owed to the state from transactions between related companies that are not part of a combined group, but are affiliated, and transactions between commonly controlled companies that may not have been taxed accurately prior to the institution of combined reporting. The project would permit the Division of Taxation to work with a vendor to analyze existing data to determine taxes owed. These revenues are expected to be non-recurring.
- ***Fraud and Waste Data Tool Revenue Enhancement.*** The Budget assumes net revenues of \$3.5 million by investing a total of \$1.5 million for annual service agreements and purchasing a fraud and waste data tool that will combine data across agencies, including Department of Labor and Training, Department of Revenue and health and human service agencies to detect fraud and waste.
- ***Revenue Agents and Officers.*** The Budget assumes a net budget impact of \$3.0 million from the addition of five new positions in the Division of Taxation to increase compliance efforts.
- ***Nexus Program.*** The Budget assumes new revenue collections of \$1.0 million from the reinstatement of the Division of Taxation Nexus Program, which would identify and register businesses with a physical presence in the state to ensure that they pay all taxes owed. The Budget includes 1.0 new associated full-time position and assumes costs of \$0.1 million for the program. The net increase to the state is estimated to be \$0.9 million.
- ***Retaliatory Assessments.*** The Budget assumes \$1.1 million in new insurance company gross premiums tax collections from increased enforcement of retaliatory tax structures for insurance policies, which require that policies written for Rhode Island residents by out-of-state insurers are subject to the higher of the Rhode Island tax rate or that of the state where the insurer is domiciled.

## ***Other Revenues***

- ***Medical Marijuana.*** The FY 2017 budget includes legislation to restructure the regulation of the state's medical marijuana system. This includes new registration requirements and the institution of plant tagging, effective January 1, 2017. The Budget includes 4.0 new positions for the Department of Business Regulation to administer to the program. All licensing and registration fees associated with the program will be deposited as restricted receipts, dedicated to program administration.
- ***DMV Fees.*** The Budget maintains the current law provision requiring the transfer of 75.0 percent of motor vehicle fees into the Highway Maintenance Account or \$25.4 million more than FY 2016. In FY 2016, 25.0 percent was transferred and in FY 2018, all of the fees will be transferred into the Account.
- ***Hospital Licensing Fee.*** The Budget includes \$169.0 million in revenues from extending the hospital licensing fee into FY 2017 at 5.652 percent using the same two-tiered fee as included in FY 2016. The licensing fee appears annually in the Appropriations Act.
- ***Forward Capacity Market Revenue.*** The Budget includes \$0.1 million in revenues from the state's participation in a Forward Capacity Market agreement, in which the state commits to a one hour twice per year test to demonstrate its ability to decrease demand for electricity. If successful, an incentive payment is made. The last four year agreement, which ended in FY 2014, yielded a total of \$0.4 million.
- ***State Fleet Passenger Vehicles.*** The Budget assumes \$1.0 million in revenues from the sale of current vehicles and leasing approximately 250 light-duty passenger vehicles that are currently used by employees in numerous departments. A third party administrator would be responsible for maintenance and replacement with the leasing cost offset by the current costs to operate and maintain.
- ***Corporate Filing Fees Parity.*** The Budget alters the application and renewal fees for registered limited liability partnerships from \$100 for each partner to a flat fee of \$150 for the original application and \$50 for the renewal application. It assumes an associated revenue loss of \$30,000.
- ***Veterans' License Plates.*** The Budget exempts Veterans' license plates from the \$20 service fee and \$5 transfer fee charged for other specialty plates and creates a special plate for Gold Star Parents, whose children were killed in the line of duty. It assumes an associated revenue loss of \$35,000.
- ***Beach Fees.*** The Assembly lowered the beach fees back to the 2011 levels and held the four host beach communities harmless from lost revenues by also changing the revenue sharing percentage to the previous level. It also ensures a credit for individuals who purchased season passes before the July 1, 2016 effective date. The Budget assumes a revenue loss of \$1.3 million in FY 2017.

## ***Tax Credits and Incentives***

- ***Tax Stabilization Incentives.*** The Assembly did not concur with the Governor's proposal to expand the current tax incentive program by allowing the Commerce Corporation to enter into up to five incentive agreements with municipalities for state reimbursement of up to 50 percent of foregone property tax revenue per year via a competitive process. It retains the current allowance of 10 percent.
- ***Rebuild Rhode Island Tax Credit.*** The Budget includes \$25.0 million for credits issued for the Rebuild Rhode Island Tax Credit program, which it also capped at \$150.0 million. The Assembly additionally adopted legislation to allow no more than one development per year located on a single site on the I-195 Land to be considered as multiple projects, each eligible for maximum project credits, provided each satisfies all other conditions of the program.

- ***Anchor Tax Credit.*** The Budget includes \$0.7 million for the Anchor Tax Credit program, which creates a tax credit of an unspecified amount for businesses that successfully solicit the relocation of a separate business or the relocation of at least ten employees of that business on a permanent basis.
- ***New Qualified Jobs Tax Credit.*** The Assembly did not concur with the Governor's proposal to eliminate the current New Qualified Jobs Tax Credit maximum of \$7,500 per new job created and reduce the total number of new jobs needed to qualify by half.
- ***Research and Development Tax Credit.*** The Assembly did not concur with the Governor's proposal to allocate \$5.0 million to establish a new refundable research and development tax credit.
- ***Wavemaker Fellowships.*** The Budget includes \$3.5 million, which is \$1.8 million more than enacted from general revenues for the Wavemaker Fellowship Tax Credit program authorized by the 2015 Assembly.

## **Economic Development**

- ***Debt Restructuring.*** The FY 2016 enacted budget included a restructuring of general obligation bond debt, where principal payments are deferred and/or shortened to provide additional savings in particular years. The FY 2016 budget includes savings of \$64.5 million, with anticipated FY 2017 savings of \$19.4 million. The savings for FY 2017 are actually \$36.2 million, or \$16.8 million more than expected.
- ***Hotel Taxes.*** The Assembly adopted legislation ensuring the state's regional tourism districts and the Providence Warwick Convention and Visitors Bureau will receive shares of the state's 5.0 percent hotel tax collections at statutory levels that existed prior to December 31, 2015 for FY 2017 only. The Commerce Corporation will receive correspondingly decreased shares of state hotel tax collections, estimated to total \$1.1 million.
- ***Main Street Streetscape Improvement Fund.*** The Budget includes an additional \$1.0 million for the Main Street Streetscape Improvement Fund. The 2015 Assembly provided \$1.0 million for the fund and authorized the Commerce Corporation to award loans, matching grants and other forms of financing to enhance sidewalks, signage of public space and lighting in order to create an attractive environment in local business districts.
- ***Affordable Housing.*** The Budget includes \$40.0 million from new general obligation bond funds to be put before the voters on the November 2016 ballot to provide funding for affordable housing support, including rehabilitation of existing structures and new construction. It also includes \$10.0 million from new general obligation bond funds to be put before the voters on the November 2016 ballot to improve properties that are blighted or in need of revitalization, including residential, commercial, and public properties.
- ***Innovate RI Small Business Programs.*** The Assembly provided the enacted amount of \$1.0 million from general revenues, to support Small Business Innovation Research grants and the Bioscience and Engineering Internship Programs.
- ***Commerce Corporation - Operations.*** The Assembly provided the enacted level of \$7.4 million to support general operations of the Corporation.
- ***First Wave Closing Fund.*** The Budget includes \$7.0 million, which is \$2.0 million more than enacted for the First Wave Closing Fund that may be used by the Commerce Corporation to provide businesses with

working capital, for a total of \$12.0 million. The 2015 Assembly authorized the fund and provided \$5.0 million in FY 2016.

- **Industry Cluster Grants.** The Budget includes \$0.8 million for the Industry Cluster Grants program, which enables the Commerce Corporation to provide startup and technical assistance grants ranging from \$75,000 to \$250,000 and to provide competitive grants ranging from \$100,000 to \$500,000 for activities within an industry cluster and to close industry cluster gaps.
- **P-Tech Initiative.** The Assembly provided \$1.2 million, which is \$0.3 million more than enacted, for the P-Tech Initiative. The initiative establishes partnerships between high schools, higher education institutions, and employers to offer courses towards high school diplomas and associate's degrees. The enacted budget includes \$0.9 million for the program and the Commerce Corporation has partnered with three school districts.
- **Innovation Initiative.** The Budget includes \$1.5 million from general revenues available from debt refinancing for Innovation Initiative vouchers for businesses with less than 500 employees. Vouchers of up to \$50,000 may be given for research and development assistance from a Rhode Island university, research center, or medical center.
- **College and University Research.** The Budget includes \$150,000 for a College and University Research Collaborative to conduct ongoing economic analysis by the state's public and private higher education institutions to inform economic development policy.
- **Historic Tax Credit Trust Fund Debt Service.** The Assembly provided \$30.9 million and \$31.0 million from general revenues in FY 2016 and FY 2017, respectively, to fund debt service for historic tax credits. The Assembly also adopted legislation to provide a one-year postponement of the sunset provision for the Historic Structures Tax Credit program.
- **Building and Fire Permit Initiatives.** The Assembly included the enacted level of \$250,000 from general revenues to expedite building permit and fire inspection processes for state supported and certain municipal projects.
- **Minimum Wage.** The Assembly did not concur with the Governor's proposal to increase the minimum wage from \$9.60 per hour to \$10.10 per hour, effective January 1, 2017. The 2015 Assembly increased the minimum wage from \$9.00 per hour to the current \$9.60, effective January 1, 2016. The minimum wage has been increased annually since January 1, 2013; prior to that date, it had not increased since 2007.
- **Air Service Development.** The Budget includes \$1.5 million from general revenues for an initiative to support additional direct routes to major metropolitan areas.
- **Quonset Piers.** The Assembly concurred with the Governor's proposal to provide a total of \$90.0 million for extension and renovation of the Quonset Business Park's piers. The Budget assumes \$50.0 million from proposed new general obligation bonds, up to \$25.0 million from Quonset Development Corporation revenue bonds, and \$15.0 million from Rhode Island Capital Plan Funds will be expended for the restoration and repairs to Pier 2.
- **Port of Providence.** The Budget includes \$20.0 million from new general obligation bond funds to be put before 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 the City of Providence and the Providence River and associated infrastructure improvements. The state would enter into a revenue sharing agreement with ProvPort, a non-profit entity that provides port services for the City. ProvPort

would be responsible for the management and marketing of the land; however, the state would own the land itself.

- ***Innovation Campus Bond.*** The Assembly concurred with the Governor's recommendation for \$20.0 million of new general obligation bonds to be submitted to the voters on the November 2016 ballot for the construction of one or more innovation campuses. However, the Assembly included the requirement that the campus or campuses must be affiliated with the University of Rhode Island.

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

- ***Distressed Communities Relief Fund.*** The Budget includes \$12.4 million, which is \$2.0 million more than enacted for the Distressed Communities Relief Fund, but with redistribution of funding among qualifying communities. Distribution is based on updated tax levies. In the first year a community qualifies, it receives a transition payment of half its proportional share; in the year a community no longer qualifies, it also receives a transition payment of half its proportional share. The FY 2017 recommendation reflects the inclusion of Cranston as a qualifying community and includes a transition payment out of the program for East Providence, which no longer qualifies.

- ***Payment in Lieu of Taxes Program.*** The Assembly provided \$42.0 million 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 recommendation is \$1.9 million more than enacted and represents full funding for the program. The FY 2016 enacted amount of \$40.1 million represents 23.7 percent of the foregone tax.

- ***Motor Vehicles Excise Tax.*** The Assembly funded the Motor Vehicles Excise Tax program at the enacted amount of \$10.0 million. The 2010 Assembly enacted legislation lowering the mandated exemption to \$500, for which the state will reimburse municipalities an amount subject to appropriation. Municipalities may provide an additional exemption; however, it will not be subject to reimbursement.

- ***Library Resource Sharing Aid.*** The Assembly provided \$9.4 million from general revenues. This reflects an additional \$0.9 million to increase library aid support to municipalities to 23.7 percent. Current law allows 25.0 percent reimbursement of second prior year expenditures. The Governor's budget provided aid equivalent to 21.2 percent.

- ***Library Construction Aid.*** The Budget includes \$2.2 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. The three-year moratorium on the acceptance of applications for library construction aid projects ended June 30, 2014.

- ***Property Valuation Reimbursements.*** The Assembly provided \$1.4 million for FY 2016 and \$0.6 million for FY 2017 to reimburse communities conducting property valuation updates. The Assembly did not concur with the Governor's proposal to alter the current property revaluation schedule to statistical updates to property valuations every fifth and tenth year, with full revaluations occurring every fifteenth year, effective as of the assessment date of December 31, 2017.

- ***Airport Impact Aid.*** The Budget includes the enacted level of \$1.0 million for FY 2017 to the Commerce Corporation so that the Airport Corporation can provide impact aid payments to the seven communities that host the six state airports. The community payments are made proportionately based on the number of total landings and takeoffs.



- ***Municipal Incentive Aid.*** The Budget does not include funding for the Municipal Incentive Aid program, for which FY 2016 was the third and final year of a \$5.0 million annual appropriation.

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

- ***FY 2017 Formula Education Aid.*** The Budget includes \$876.2 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 funding formula. This is \$39.4 million more than enacted and fully funds current estimates.
- ***Funding Formula Assumptions.*** The Budget funds the sixth year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2017 uses March 15, 2016 student enrollment data adjusted for FY 2017 projected charter school enrollments, a per pupil core instruction amount of \$8,979 and state share ratio variables updated with June 30, 2015 data. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years.
- ***Density Aid.*** The Budget includes \$1.5 million for a new category of aid which will provide additional state support for those districts that have at least 5.0 percent of their students enrolled at a school of choice, which includes charter schools or state schools. For FY 2017, six districts would be eligible for this funding, which provides \$175 per pupil for every student sent to a charter or state school. This is a three year program that would phase out in FY 2020.
- ***Local Charter and State School Tuition.*** The Assembly reduced the local tuition payments to charter and state schools by the greater of seven percent of the local per pupil funding or the district's "unique" costs. Unique costs are preschool services, services to students ages 18 to 21, career and technical education, out-of-district special education, retiree health benefits, debt service and rental costs. When unique costs are greater, payments to mayoral academies are further reduced by the per pupil value of the unfunded pension liability. This is estimated to reduce local tuition payments to charter and state schools by \$5.9 million, which is \$1.1 million less than the two-part reduction to charter and state schools proposed in the Governor's budget.
- ***Special Education Funds.*** The education funding formula allows for additional resources 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 \$4.5 million for FY 2017. This is \$2.0 million more than enacted and represents the plan to gradually increase funds annually to the total needed. The Assembly also passed legislation requiring the Department of Elementary and Secondary Education to collect data on those special educational costs that exceed four times the per pupil cost.
- ***Early Childhood Funds.*** The education funding formula allows for additional resources from the state to increase access to voluntary, free, high-quality pre-kindergarten programs. The Budget includes \$5.2 million for FY 2017. This is \$1.2 million more than enacted and represents the plan to gradually increase funds annually. Early childhood categorical funds are used as a match for a federal grant; the corresponding increase in federal grant funds is \$3.2 million. This means there will be \$4.4 million of total new funding in FY 2017 to increase the pre-kindergarten classes by 20 from 33 to 53.
- ***Transportation Funds.*** The education funding formula allows for additional resources from the state to districts for transportation costs. The Budget includes \$6.4 million for FY 2017 which is \$2.0 million more than the FY 2016 enacted level. The state currently provides funding to mitigate a portion of the

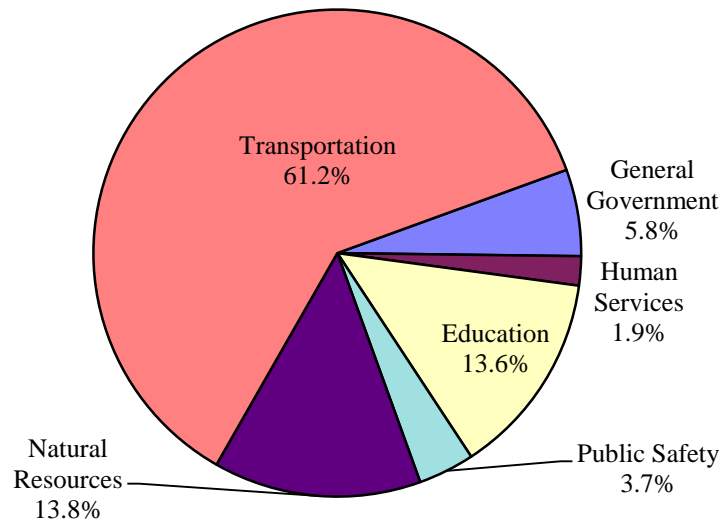
excess costs associated with transporting students to out-of-district non-public schools and within regional school districts.

- **Career and Technical Education Funds.** The education funding formula allows for additional resources from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and offset the higher than average costs of maintaining highly specialized programs. The Budget includes \$4.5 million for FY 2017, which is \$1.0 million more than the enacted budget.
- **English Language Learner.** The Budget includes \$2.5 million for a new category of funding to support English language learners that are in the most intensive programs for FY 2017. The funding shall be used on evidence-based programs proven to increase outcomes and will be monitored by the Department of Elementary and Secondary Education.
- **State Schools Stabilization Funding.** The Budget includes \$1.7 million in stabilization funding to the Davies Career and Technical School and the Metropolitan Career and Technical School 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.
- **School Construction Aid.** The Budget includes a total of \$80.0 million to fund projected costs of school housing aid to local districts for FY 2017, which is \$10.9 million less than enacted for FY 2016. This includes the enacted level of \$70.9 million for the traditional program and \$9.1 million for the new School Building Authority. The enacted budget included a one-time appropriation of \$20.0 million from general revenues derived from bond refinancing proceeds to seed the new fund.
- **Local Maintenance of Effort.** The Assembly did not concur with the Governor's proposal to change the maintenance of effort requirement for local communities' contribution to education beginning in FY 2018. It would have required the annual contribution to increase by the greater of inflation or consistent per pupil growth, defined as at least one percent for two consecutive years. Under current law, communities must contribute as much as they did the previous year.
- **Local Education Budgets.** The Budget includes legislation to require local education agencies to post their adopted budgets on their websites and include a link to the Department of Elementary and Secondary Education's website effective for FY 2018.
- **Group Home Aid.** The Budget includes \$4.8 million for group home aid consistent with current law that requires that aid be paid for all beds opened as of December 31, 2015. This includes an additional \$2,000 per bed for a total of \$17,000 per bed. Beds associated with Bradley Hospital's CRAFT program would increase by \$4,000 to a total of \$26,000.
- **Recovery High Schools.** The Budget includes \$500,000 from general revenues for FY 2017 only to support the state's recovery high school. Recovery high schools are specifically designed for students recovering from a substance abuse disorder.
- **Textbook Reimbursement.** The Budget includes the enacted level of \$240,000 for reimbursements allowed under the textbook reimbursement program. Under current law, 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.

- **School Breakfast.** The Budget includes the enacted level of \$270,000 from general revenues for the administrative cost reimbursements to districts for the school breakfast program. Food is paid for from federal sources.

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

**FY 2017 - FY 2021 Capital Projects by Function**



- **Outlays and Funding.** The FY 2017 through FY 2021 plan includes \$5,444.5 million of outlays on \$12,377.4 million of project estimates. Average outlays would be \$1,088.9 million per year for the five-year period with \$1,014.3 million required at the end of the period to complete the projects.
- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$586.8 million of general obligation bond debt issuances, including \$243.0 million approved by voters in November 2014 and \$227.5 million from new general obligation bonds to be presented to the voters on the November 2016 ballot. Debt service on these bonds is paid from state general revenues, and once all are issued the annual debt service is estimated to be \$18.8 million.
- **Other Debt Approvals.** The plan also requires \$25.0 million, approved by the 2016 Assembly under the Public Debt Management Act for Quonset pier repairs.
- **Financing.** Paying for the five-year outlays includes \$1,083.2 million from debt financing and \$4,361.3 million from current or pay-go sources. Pay-go represents 80.1 percent with debt funding being 19.9 percent.
- **Debt Levels.** Total net tax supported debt increases during the period through FY 2021 by \$50.8 million from \$1,675.8 million to \$1,726.2 million. Past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this capital budget.
- **Debt Ratios.** Net tax supported debt would decrease from 3.6 percent of personal income reported for FY 2015 to 2.9 percent into FY 2017 before dropping gradually back to 2.6 percent in FY 2020 assuming

that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected.

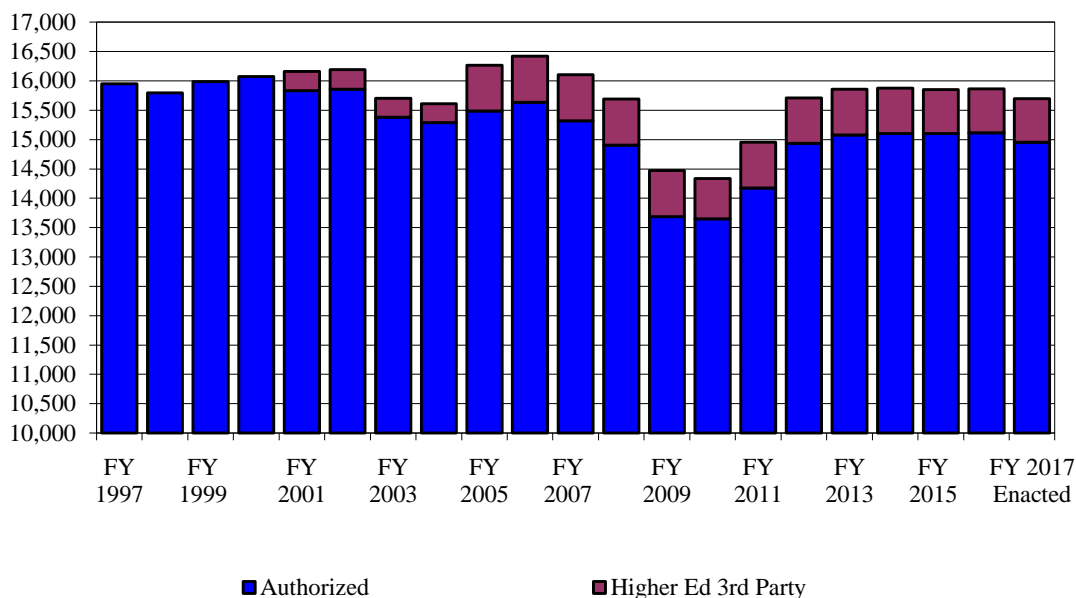
- **Rhode Island Capital Plan Fund.** The plan relies heavily on the use of Rhode Island Capital Plan funds, an important source of pay-go funds designed to reduce the need for borrowing. Total outlays for the five-year period are \$615.9 million.
- **RhodeWorks.** After the FY 2016 budget was submitted, the Assembly adopted new RhodeWorks legislation in 2016-H 7409, Substitute A, as amended that the Governor signed into law on February 11, 2016. The capital budget was adjusted to include toll revenue and Grant Anticipation Revenue Vehicle (GARVEE) bonds authorized in the legislation. In the total outlays mentioned, \$545.5 million is from funding authorized as part of the RhodeWorks legislation.

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

- **Staffing.** The Assembly provided \$1,985.5 million for personnel expenditures and 14,952.6 full-time equivalent positions, including 745.8 higher education positions dedicated for research or supported by other third-party funds. This is \$2.3 million less and 274.7 full-time equivalent positions less than the Governor’s recommendation. This reflects the elimination of 225.0 vacancies to better align authorization and staffing levels. The expenditures include both salaries and benefits, as well as contracted services.

In FY 2016, the state averaged 13,687.4 filled positions reflecting an average of 1,274.8 non-research vacancies. In FY 2015, the state averaged 13,801.1 filled positions reflecting an average of 1,142.1 non-research vacancies. In FY 2014, the state averaged 13,908.9 filled positions reflecting an average of 1,001.8 non-research vacancies.

**Full-Time Equivalent Positions**



- **Employee Classification Study.** The Budget includes a total of \$1.2 million from general revenues for a classification and compensation study over FY 2016 and FY 2017.
- **Classification Issues.** The Assembly added a cybersecurity officer position to the unclassified service.

- ***Lean Process Improvement Projects.*** The Budget includes \$210,000 over two years, including \$100,000 from general revenues for the Office of Management and Budget to fund lean process improvement projects to improve operational efficiency. The Assembly also provided \$40,000 in FY 2016 for two lean process management events per year for Department of Business Regulation staff.
- ***Office of the Health Insurance Commissioner.*** The Assembly provided \$0.9 million from general revenues for the Office of the Health Insurance Commissioner, which is currently funded from federal grant funds. The grants are scheduled to expire September 30, 2016. Funding includes \$0.6 million to support the Office's consumer-oriented website that publishes health pricing data and the continued maintenance of the Rhode Island Resource, Education, and Assistance Consumer Helpline and \$0.3 million for staff.
- ***DMV Extended Hours.*** The Budget includes \$40,000 for FY 2016 and \$107,000 for FY 2017 for a pilot program that would allow the Division of Motor Vehicles to offer extended hours on certain days at a registry location, which has yet to be determined.
- ***DMV Information Technology Modernization.*** The Budget includes \$3.3 million and \$2.7 million from all sources for FY 2016 and FY 2017, respectively, for Division of Motor Vehicles' information technology modernization, for which a new contract amendment was signed in November 2015. The project is scheduled to be completed in December 2016, with some user modules available for customer service representatives' use earlier in FY 2017.
- ***Municipal Portal.*** The Budget includes legislation to establish a Municipal Finance Transparency Portal to allow access to municipalities' financial reports and contracts in a standardized format. The Assembly provided \$0.2 million and 1.0 new full-time position for the Division of Municipal Finance for this initiative.
- ***Electronic Permitting System Expansion.*** The Budget includes \$0.5 million from the Information Technology Investment Fund for the Electronic Permitting System, a standardized system available to the State Building Code Commission and all municipalities and fire districts. The first phase of the system includes permits for building and fire codes of ten municipalities. The funds will allow expansion to include 25 additional communities by the end of FY 2017.
- ***Cybersecurity Unit.*** The Budget includes \$0.8 million to fund a Cybersecurity Unit within the Department of Administration. This includes funding for cybersecurity officer position as well as funding for consultants and providing cybersecurity training for employees in the Executive Branch.
- ***Information Technology Investment Fund.*** The Budgets assumes use of \$24.7 million from the Information Technology Investment Fund over two years, including \$15.7 million in FY 2016 and \$9.0 million in FY 2017.
- ***State Regulation Modernization System.*** The Budget includes \$0.7 million from general revenues for the Office of Regulatory Reform and the Secretary of State to create an online and searchable code of state regulations.
- ***Consolidation of Internal Audit.*** The Budget reflects the consolidation of internal auditing functions, which are currently performed in several agencies, into the Office of Management and Budget. This consolidation reflects the merger of staff from the Bureau of Audits, the Department of Transportation, the Department of Human Services and auditors from higher education in a new Office of Internal Audit. The Budget assumes \$0.1 million in personnel savings.

- ***Division of Enterprise Technology Strategy and Services.*** The Assembly adopted legislation to establish the Division of Enterprise Technology Strategy and Services. It will assume the responsibilities of the Division of Information Technology, which was created by an executive order.
- ***Capital Asset Management and Maintenance.*** The Budget reflects the merger of the Divisions of Capital Projects and Property Management, and Facilities Management to create the Division of Capital Asset Management and Maintenance.
- ***38 Studios Debt Service.*** The Budget includes \$2.5 million in FY 2017 for debt service relating to 38 Studios, \$10.0 million less than enacted. This assumes use of settlement proceeds that the Corporation received. The FY 2016 final budget also includes the enacted amount of \$12.5 million.
- ***Unemployment Insurance Benefits.*** The Budget includes \$156.3 million in FY 2017 from the Unemployment Insurance Trust Fund for the payment of unemployment insurance benefits. This is \$17.7 million less than enacted to reflect current benefit recipients.
- ***UI Taxes.*** The Budget makes changes to the unemployment insurance taxes that some employers pay and lowers the amount the trust fund must hold in reserve in order to save Rhode Island employers an estimated \$30 million in 2017 from a reduction in unemployment insurance taxes.
- ***TDI Fraud and Program Integrity Task Force.*** The Budget establishes a Temporary Disability Insurance Fraud and Integrity Task Force charged with educating workers, employers and healthcare professionals about the program.
- ***TDI Benefits.*** The Budget includes legislation to reduce the amount of time a claimant has to apply for temporary disability insurance benefits from 52 weeks to 90 days. The Budget includes total benefits of \$168.0 million for FY 2017, which is \$7.0 million less than enacted.
- ***Temporary Caregiver Insurance.*** The Budget includes \$9.5 million from the Temporary Disability Insurance Trust Fund for benefit payments and administration of the temporary caregiver insurance program. This is \$0.5 million less than enacted.
- ***Police and Fire Relief Fund.*** The Budget includes \$4.0 million from general revenues for the Police and Fire Relief program for annuity payments and in-state tuition to eligible spouses, domestic partners and dependents of certain injured or deceased police officers and fire fighters. This is \$0.1 million less than enacted.
- ***Office of Debt Management.*** The Budget includes an additional \$0.3 million to support a new Office of Debt Management within the Office of the General Treasurer. The Office will be responsible for monitoring the process by which the state and other governmental units issue and manage public debt. Funding from removing the exemption to the fee paid for debt issuances for taxable issues and refundings and by municipalities will support 1.0 new position and technology upgrades including a web portal to track all public debt.
- ***New Voting Equipment.*** The Budget adds a total of \$1.0 million from general revenues for a multi-year purchase and maintenance agreement for new voting equipment.
- ***Online Voter Registration.*** The Budget includes \$0.1 million from general revenues for FY 2017 for implementation of an online voter registration portal that would allow residents to register to vote and/or change their voter registration information online.

- ***E-Poll Books.*** The Budget includes \$195,000 from general revenues for 200 electronic poll books. Electronic poll book use will be phased in over a few years and will allow elections officials to review and process voter information during an election.
- ***Contingency Fund.*** The Budget includes \$250,000 for the Governor’s Contingency Fund. The FY 2016 budget also includes \$0.4 million, including \$160,800 in funds reappropriated from FY 2015.
- ***Convention Center Authority.*** The Budget includes \$22.5 million from general revenues for the Convention Center Authority to cover debt service requirements in FY 2017.
- ***License Plate Reissuance.*** The Budget includes a delay in the start of license plate reissuance from July 2016 to April 2017, after the anticipated December 2016 deployment of the Registry’s modernized information technology system for administrative ease.

## **Health and Human Services**

- ***Unified Health Infrastructure Project.*** The Budget provides state and federal funding totaling \$118.6 million in FY 2016 and \$57.4 million in FY 2017 to support the Unified Health Infrastructure Project in the Executive Office of Health and Human Services and Department of Human Services’ budgets. This includes \$80.2 million more for FY 2016, of which \$10.0 million is from general revenues and \$4.9 million is from Information Technology Investment funds.
- ***Unified Health Infrastructure Project – Medicaid Savings.*** The Budget includes \$14.9 million in general revenue savings in the Executive Office of Health and Human Services from maximizing federal opportunities and improved efficiencies through automated enrollment once the Unified Health Infrastructure Project which was anticipated to start on July 12, 2016. After budget passage it was announced that the start date has been delayed to September 13, 2016.
- ***Unified Health Infrastructure Project – Administrative Savings.*** The Budget assumes general revenue savings of \$1.3 million in the Department of Human Services from administrative efficiencies related to Phase II of the Unified Health Infrastructure Project.
- ***Managed Care Plans.*** The Budget includes \$899.0 million, including \$419.4 million from general revenues for medical benefits to be paid to Neighborhood Health and UnitedHealthcare for those enrolled in Rite Care or the Rhody Health Partners programs in FY 2017.
- ***Medicaid Expansion.*** The Budget includes \$390.9 million for medical benefits through the Medicaid expansion program. This includes \$9.8 million from general revenues for the first year that states must start to contribute to the program.
- ***Rhody Health Options.*** The Budget includes \$338.6 million, including \$166.9 million from general revenues for the state’s integrated system to pay for long term care and acute care services for individuals eligible for Medicare and Medicaid through a managed care plan.
- ***Home and Community Based Services.*** The Budget includes \$67.4 million, including \$33.1 million from general revenues for the fee-for-service payments made to home and community care providers.
- ***Home Care Rates.*** The Budget includes \$4.1 million, \$2.0 million from general revenues to raise the rates paid to personal care attendants and home care workers in the Executive Office of Health and Human Services budget. This impacts services in both the managed care and fee-for-service system.

- ***Overdose Task Force Recommendations.*** The Budget includes \$1.5 million, \$0.7 million from general revenues in the Executive Office of Health and Human Services' budget to address the problem of opioid dependency. It includes \$2.0 million in the Department of Corrections' budget to provide treatment and skills training for total support of \$3.4 million.
- ***Health System Transformation Project.*** The Assembly includes \$18.8 million from federal funds to support the Health System Transformation Project. The Executive Office of Health and Human Services is waiting for federal approval to use existing state resources to match federal funds to be allocated to hospital and nursing home incentive programs in FY 2017. If approved, payments would be made by October 2016.
- ***Nursing Facilities Adjustment.*** The Budget includes \$7.9 million, \$3.9 million from general revenues for the October 1, 2016 nursing home rate increase. The Assembly also included legislation to require that at least 85 percent of the increase will support direct care workers at the nursing facilities.
- ***Hospital Payments.*** The Budget includes \$19.2 million, \$9.5 million from general revenues for the inpatient and outpatient upper payment limit reimbursements to be made to the community hospitals in FY 2017.
- ***Uncompensated Care Payments.*** The Budget includes \$104.5 million, \$70.3 million from general revenues, for the FY 2017 uncompensated care payment to community hospitals. The Assembly did not concur with the Governor's proposal to lower the payment and reallocate the available funds for the hospital and nursing home incentive programs.
- ***Graduate Medical Education.*** The Budget includes a \$2.0 million state payment to Lifespan for graduate medical education activities in FY 2016 and FY 2017.
- ***Medicaid Transportation Contract.*** The Budget includes savings of \$2.4 million, including \$1.0 million from general revenues, from re-negotiating the current three-year transportation contract in the medical assistance program.
- ***Cash Assistance Benefits Caseload.*** The Budget includes \$112.8 million, including \$34.6 million from general revenues for Rhode Island Works assistance, subsidized child care, supplemental security income and general public assistance for FY 2017. This is \$3.9 million more than enacted, including \$1.9 million more from general revenues for updated costs adopted at the November and May Caseload Estimating Conferences. The Assembly did not concur with the Governor's proposal to exclude these estimates from future Caseload Estimating Conferences.
- ***Child Care.*** The Assembly extended the child care transition program until September 30, 2017. The program allows a family whose income has increased after initially became eligible for subsidized child care services with income at or below 180 percent to stay on the program another year or until income is above 225 percent of poverty.
- ***Child Care Providers Union Agreement.*** The Budget includes \$0.7 million from federal funds over FY 2016 and FY 2017 for the provisions of the collective bargaining agreement that includes home computers, orientation and training sessions, direct deposits and certification bonuses.
- ***Institute for the Practice and Study of Non-Violence.*** The Budget includes \$200,000 for the Institute's Violence Reduction Strategy.
- ***Rhode Island Alliance of Boys and Girls Clubs.*** The Budget includes \$250,000 for the Boys and Girls Clubs' Project Reach program.



- **Day One.** The Budget includes \$217,000 for outreach programs and supportive services programs at Day One.
- **Rhode Island Community Food Bank.** The Budget includes \$175,000 for the food collection and distribution through Rhode Island Community Food Bank.
- **Community Action Agencies.** The Budget includes \$520,000 to support services provided by the state's nine community action agencies.
- **Crossroads.** The Budget includes \$660,000 from general revenues for Crossroads Rhode Island to address homelessness and other related issues.
- **RI Coalition Against Domestic Violence.** The Budget includes \$300,000 for prevention services supported through the Domestic Violence Prevention Fund.
- **Senior Center Support.** The Budget includes \$400,000 from general revenues for senior center support through the Division of Elderly Affairs.
- **Meals on Wheels.** The Budget includes \$530,000 from general revenues for Meals on Wheels.
- **Volunteer Guardianship Program.** The Budget \$81,512 from general revenues for the guardianship program and includes another \$81,512 assuming a Medicaid match can be claimed.
- **Long Term Care Ombudsman.** The Budget includes \$0.3 million for the long term care ombudsman.
- **Medicaid Rehabilitation Services.** The Budget includes \$0.6 million, including \$0.3 million from general revenues, for the personal care attendants program and the home modification program in the Office of Rehabilitation Services to approximately 40 people.
- **Services to Adults with Developmental Disabilities.** The Budget includes \$240.0 million, \$118.4 million from general revenues to support services for approximately 4,000 adults with developmental disabilities in the state-run and privately operated systems.
- **Developmental Disabilities Direct Care Worker Rates.** The Budget includes \$4.5 million from general revenues matched by Medicaid to support a rate increase to direct care workers in the privately operated system for adults with developmental disabilities. This is specifically targeted to those working in an integrated community based or employment based services that supports the requirements of the consent decree.
- **Eleanor Slater Hospital Study/Reorganization.** The Budget includes \$1.0 million from Rhode Island Capital Plan funds for a feasibility study to determine the next step in the Eleanor Slater Hospital re-organization plan. It also assumes savings of \$8.4 million, including \$4.1 million from general revenues from the re-organization of the state-run hospital, the specifics of which have not yet been finalized.
- **System of Care.** The Budgets include \$79.5 million and \$75.5 million for services provided to children in the care of the Department of Children, Youth and Families through the System of Care in FY 2016 and FY 2017, respectively. This includes \$53.6 million from general revenues in FY 2016 and \$51.3 million in FY 2017. The Department's contract with the two lead networks that previously managed the System of Care expired on April 1, 2016. The Department has since signed short-term contracts with all 38 subcontractors previously managed by the two lead networks. The new contracts are valid for a three month period, from April 1, 2016 through July 1, 2016, subject to monthly renewal.

- ***Foster Care Support.*** The Budget includes \$27.1 million from all funds for foster care and adoption assistance subsidies, including \$20.3 million from general revenues. The budget also provides \$1.0 million to increase the average daily foster care rate by 15.8 percent from \$16.05 per day to \$18.59 per day.
- ***DCYF Daycare.*** The Budget includes \$5.4 million for daycare subsidies provided to children in the care of the Department of Children, Youth and Families, including \$4.7 million from general revenues and \$0.7 million from federal funds. The budget assumes the same caseload as FY 2015, adjusted to reflect the 3.0 percent childcare provider rate increase that became effective July 1, 2015.
- ***Veterans' Affairs – New Positions.*** The Budget includes two new positions and elevates the Division of Veterans' Affairs to an independent office.
- ***Support for Veterans' Organizations.*** The Budget includes \$200,000 to support veterans' organizations throughout the state. Funding will be awarded through the Office of Veterans' Affairs.
- ***New Veterans' Home – Bond Authorization.*** The Budget includes new bond language to ensure that there are sufficient resources to build the new Veterans' Home, which will still cost the state less than originally anticipated. The voters approved a \$94 million bond that would be reduced by federal reimbursements. The federal Veterans Administration approved a different project design than anticipated at a new cost of \$121.0 million, but also authorized a larger reimbursement.
- ***Lead Poisoning Prevention.*** The Budget includes \$187,000 from general revenues to backfill the loss of one-time funding from the Providence Water Supply Board for lead poisoning prevention efforts. Funds will be used to support certified lead centers, which provide case management to lead poisoned children, and for data analysis.
- ***New Interpreter Position.*** The Budget includes \$0.1 million to fund a new staff interpreter position for public hearings, informational sessions, and interoffice communication for the Commission on the Deaf and Hard of Hearing.
- ***Women, Infants, and Children Nutrition Program Transfer.*** The Budget reflects the transfer of the Women, Infants, and Children Nutrition Program from the Department of Human Services to the Department of Health to comply with federal statutes. The Budget includes \$26.1 million from federal funds and 13.0 full-time equivalent positions to support the program.
- ***Poison Control Center.*** The Budget include \$200,000 from general revenues in both FY 2016 and FY 2017 to fund the Poison Control Center, which provides assistance and medical diagnosis of poisonings.

## **Education**

- ***Public Higher Education.*** The Budget includes \$1,161.3 million for Public Higher Education institutions including debt service. This includes \$196.4 million from general revenues. Excluding debt service, general revenue support is \$8.4 million more than the FY 2016 final budget.
- ***Public Higher Education Tuition and Fees.*** The Budget prohibits tuition increases for the three public higher education institutions, consistent with the Governor's recommendation.
- ***Higher Education Asset Protection Funding.*** The Budget includes \$9.0 million of additional Rhode Island Capital Plan funding for asset protection projects, including \$5.9 million for the University, \$2.3 million for the College, and \$0.8 million for the Community College. The additional funding from Rhode

Island Capital Plan funds is intended to allow the institutions to use unrestricted resources that they would otherwise commit to asset protection projects beyond their Rhode Island Capital Plan Fund allocation for personnel and operating expenses.

- **University Engineering Building Referendum.** The Budget includes \$25.5 million of new general obligation bonds to be submitted to the voters on the November 2016 ballot for the second phase of a project to renovate and build additions to the College of Engineering complex at the University of Rhode Island. Annual debt service would be \$2.1 million; total debt service would be \$40.8 million.
- **Innovation Campus.** The Budget includes \$20.0 million of new general obligation bonds to be submitted to the voters on the November 2016 ballot for the construction of one or more innovation campuses. However, the Assembly included the requirement that the campus or campuses must be affiliated with the University of Rhode Island. Annual debt service would be \$1.7 million; total debt service would be \$32.0 million.
- **Westerly Campus.** The Budget includes \$2.0 million from Rhode Island Capital Plan funds for the new Westerly Higher Education and Industry Center to provide furniture, fixtures, and equipment for the facility. Current estimates project a \$5.1 million cost for the construction of the campus, to be funded through a combination of private and public sources. The Budget also includes \$750,000 from general revenues to secure a long-term lease for the Center and \$0.4 million from restricted receipts and 3.0 new full-time equivalent positions in the Office of Postsecondary Commissioner.
- **Coastal Resiliency Initiative.** The Budget includes \$0.1 million for a new Coastal Resiliency Initiative at the University's Graduate School of Oceanography to assist shoreline communities in preparing for and managing climate change impacts.
- **Dual Enrollment Initiative.** The Budgets include \$1.7 million and \$1.3 million from tuition savings fees for the Dual Enrollment program in FY 2016 and FY 2017, respectively. This program allows qualified high school students to earn college credit at no cost to the student.
- **Last Dollar Scholarship.** The Budgets include \$10.1 million from tuition savings fees and federal loan reserve funds for the Last Dollar Scholarship program for students with proven academic performance and financial need to attend Rhode Island's public higher education institutions.
- **Telecommunications Education Access Fund.** The Budget includes \$1.3 million in FY 2017, including \$0.4 million from general revenues to support the Telecommunications Education Access Fund. This fund provides financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet. This fund is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line.
- **Advanced Coursework Pilot Program.** The Budget includes \$0.6 million previously dedicated to supporting underperforming schools for an advanced course work pilot program to support high school students in accessing personalized advanced coursework opportunities. Funding will support approximately 1,000 students.
- **Empowerment Schools.** The Budget includes \$0.5 million from general revenues for professional development for principals as part of the new empowerment schools initiative.
- **Computer Science Education.** The Budget includes \$260,000 from general revenues to expand access to computer science courses for elementary and secondary students.

- **PSAT/SAT.** The Budget includes \$500,000 from general revenues to provide the SAT and PSAT for free during the school day to all Rhode Island public school students.

## **Public Safety**

- **Prison Population.** The Budget assumes a population of 3,200, which is 92 less inmates than the enacted population of 3,292. It also assumes a revised population of 3,183 for FY 2016, which is 109 less than enacted.
- **Correctional Officer Training Class.** The Budget includes \$0.6 million for recruiting and training costs for a correctional officer training class to be held in FY 2017; the class is delayed from FY 2016 pending an outcome of litigation with the Department of Justice concerning the correctional officer examination process. The FY 2016 final budget also includes \$51,400 to acquire expert legal services to make sure the issue is resolved.
- **Weapons Requalification.** The Budget includes the enacted level of \$0.5 million from general revenues to conduct annual weapons requalification for correctional officers.
- **New Correctional Facility Study.** The Budget includes \$250,000 from Rhode Island Capital Plan funds for FY 2017 to conduct a cost-benefit analysis and study options for replacing the Maximum Security and High Security facilities with a new facility for both populations.
- **Corrections Asset Protection.** The Budget includes \$18.8 million from Rhode Island Capital Plan funds for FY 2017 through FY 2021 for asset protection projects at correctional facilities.
- **Medium Security Renovations.** The Budget includes \$20.0 million from Rhode Island Capital Plan funds for FY 2017 through FY 2021 for infrastructure improvements at the John J. Moran medium security facility. This includes the expansion of available space for dining areas, kitchen, and dispensary and other inmate programs and recreational activities.
- **Intake Service Center Renovations.** The Budget includes \$7.5 million for FY 2017 through FY 2021 to restore the exterior of the Intake Service Center including window and roof replacement, as well as joint patching and resealing the brick veneers on the north and south side of the building.
- **Sex Offender Discharge Planning.** The Budget includes \$250,000 from general revenues for Crossroads RI for discharge planning for sex offenders.
- **Corrections Database Programming.** The Budget adds \$0.2 million from general revenues to make programming changes and maintenance for the inmate and probation/parole tracking databases and to continue funding for the Community Mapping and Reentry System (CMARS) that was previously funded through the recidivism grant for which funding ended September 30, 2015.
- **Medication/Mediation Assisted Treatment Program.** The Budget includes \$2.0 million to begin a medication-assisted treatment program of opioid users in the Adult Correctional Institutions. The funds will be used to screen for opioid use disorders and conduct an assessment of new inmates to determine treatment options. The initiative will also start medication-assisted treatment prior to release with community referral for ongoing treatment.
- **Justice Reinvestment Initiative/Pretrial Population Management.** The Budget includes \$0.9 million and 4.0 new probation officer positions to fund a proposal of the Justice Reinvestment Working Group to

reduce recidivism. Funding would also support staff training, risk assessment services and cognitive behavioral training.

- ***Transitional Employment Grant.*** The Budget includes \$0.5 million from general revenues for transitional employment grants to be administered by the Office of Management and Budget. This initiative is intended to increase employment and reduce recidivism of formerly incarcerated individuals.
- ***Indigent Defense Program.*** The Budget includes \$3.8 million from general revenues in FY 2017 for the Judiciary's indigent defense program, which is \$0.2 million more than enacted.
- ***Judicial Asset Protection.*** The Budget includes \$4.8 million from Rhode Island Capital Plan funds for FY 2017 through FY 2021 for 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, cellblock upgrades, and elevator upgrades.
- ***Judicial Complex Restoration.*** The Budget includes \$3.0 million from Rhode Island Capital Plan funds for FY 2017 through FY 2021 for the restoration of the Licht Judicial Complex. This includes plaster repair, courtroom benches, carpet replacement, and repainting of the courthouse interior.
- ***Judicial HVAC.*** The Budget includes \$3.8 million from Rhode Island Capital Plan funds for FY 2017 through FY 2021 for the replacement and/or restoration and/or cleaning of the heating, ventilation and air conditioning system for all judicial complexes including Licht, Garrahy, Murray, McGrath, Noel, Traffic Tribunal and Fogarty Judicial Annex. Work includes water pump and boiler installations and the replacement of water lines, exhaust fans, air handlers, baseboard control valves, the variable air volume box and the domestic water system.
- ***Judicial Noel Courtrooms.*** The Budget includes \$10.0 million from Rhode Island Capital Plan funds starting in FY 2016 to begin the build out of the shelled courtrooms at the Noel Judicial Complex to relieve overcrowding at the Garrahy Judicial Complex.
- ***Sheriffs' Academy.*** The Budget provides \$47,250 for FY 2016 to hold a six-week training academy for new sheriffs recruits. The Academy began in May 2016 to allow the Division of Sheriffs to fill vacancies for the beginning of FY 2017.
- ***State Police Arbitration Settlement.*** The Budget includes \$2.9 million from all sources for costs associated with the September 2015 decision settling the contract arbitration between the state and the Rhode Island State Troopers Association. The settlement provides cost-of-living increases of 3.5 percent, 3.0 percent, and 3.5 percent for the contract years ending April 30, 2014, April 30, 2015, and April 30, 2016, respectively, for a total increase of 10.0 percent.
- ***New Troopers.*** The Budget provides \$3.3 million for 26.0 new state police troopers, anticipated to graduate from the 56<sup>th</sup> Training Academy and be sworn into the State Police in July 2016.
- ***Cybersecurity.*** The Budget includes \$50,000 from general revenues in FY 2017 for the Rhode Island National Guard to participate in the Governor's Cybersecurity Commission working groups.
- ***Rhode Island Statewide Communications Network.*** The Budget includes \$10.0 million from all sources for FY 2017 through FY 2021 for the Rhode Island Statewide Communications Network. This includes \$5.0 million from Rhode Island Capital Plan funds, \$2.5 million from federal sources, and \$2.5 million from restricted receipts. The Budget also includes \$1.1 million from general revenues each year in FY 2016 and FY 2017 for the contract with Motorola to maintain the radio system.

## Environment

- **Clean Diesel Program.** The Assembly created a Clean Diesel Fund within the Department of Environmental Management to reduce emissions from heavy-duty diesel engines and help companies improve supply chain efficiency. The Budget includes \$2.0 million from general revenues in FY 2017 to fund the new program.
- **Recreation, Green Spaces, and Healthy Communities Bonds.** The Budget includes \$35.0 million of new general obligation bonds to be submitted to the voters on the November 2016 ballot for facilities and infrastructure improvements at state parks, stormwater pollution prevention, brownfield remediation, bikeways development, open space acquisition, and recreation acquisition and development grants.
- **Fort Adams Sailing Improvements.** The Budget includes \$4.4 million for FY 2017 through FY 2021 for improvements to Fort Adams State Park, which will allow the state to host large-scale sailing events. The state was awarded a stopover for the Volvo Ocean Race, which occurred in May of 2015. The funding includes Rhode Island Capital Plan funds and also reflects anticipated private donations for the construction of a mid-park educational and recreational facility.
- **Galilee Piers.** The Budget includes \$5.7 million from state and federal sources for FY 2017 through FY 2021 for infrastructure improvements at the Port of Galilee.
- **World War II State Park Improvements.** The Budget includes \$1.6 million from Rhode Island Capital Plan funds in FY 2016 to complete the capital project to revitalize the currently closed World War II State Park, eliminating the currently empty pond and replacing it with a splash park. The Budget also includes \$250,000 from general revenues in FY 2017 for the second year of a five-year initiative to transfer maintenance and operation of the Park from the state to Woonsocket following the completion of the capital project.
- **State Recreational Facilities Improvements.** The Budget includes \$11.3 million for FY 2017 through FY 2021, including \$10.9 million from Rhode Island Capital Plan funds and \$0.4 million from federal sources for improvements at Rhode Island parks and management areas. This includes \$3.0 million more from Rhode Island Capital Plan funds than the Governor recommended; this is instead of new debt.
- **State Piers.** The Budget includes \$3.6 million from Rhode Island Capital Plan funds for FY 2017 through FY 2021 for marine infrastructure and pier development at sites critical to Rhode Island's tourism and fishing economy.

## Transportation

- **DMV Fees.** The Budget maintains the current law provision requiring the transfer of 75.0 percent of motor vehicle fees into the Highway Maintenance Account or \$25.4 million more than FY 2016. In FY 2018, all of the fees will be transferred into the Account.
- **Commercial Truck Registrations.** The Assembly adopted legislation to establish a new schedule for annual registration fees for commercial trucks, truck tractors, and truck trailers with gross vehicle weight of over 10,000 pounds that are used for commercial purposes, effective July 1, 2017. Annual registration costs will be reduced on a sliding scale from a 26.0 percent reduction for vehicles at lower weights to a 50.0 percent reduction in annual registration costs for vehicles weighing 26,000 pounds or more. The associated revenue loss is an estimated \$4.2 million for FY 2018.

- **Winter Maintenance.** The Assembly provides \$20.6 million in FY 2016 and \$21.7 million in FY 2017 for winter maintenance expenditures. Based on current spending plans, it recommends use of excess winter maintenance funds for Capital Equipment Replacement.
- **Highway Drainage.** The Budget includes \$5.0 million for catch basin inspection and cleaning. Pursuant to the state's sewer systems permit, the Department of Transportation must inspect and clean the state's 25,000 catch basins annually. The Department is currently required by a consent decree with the U.S. Department of Justice to maintain storm drains and address pollutants that are going into the Narragansett Bay and other waterways.
- **RhodeWorks Program.** The Budget includes \$850,000 in expenditures relating to RhodeWorks, an initiative to accelerate the replacement and reconstruction of state bridges with the goal of reducing the percentage of deficient bridges. This includes \$100,000 for public relations, \$300,000 for engineering services and \$450,000 for outside legal services.
- **Maintenance Staff.** The Budget reflects the reclassification of 40 existing vacant positions as maintenance staff. These positions will be used for increased state operations in the areas of drainage, road striping, and bridge maintenance.
- **Rhode Island Public Transit Authority.** The Governor's budget includes an additional \$1.9 million from the growing Highway Maintenance Account and \$1.2 million from general revenues to pay for debt service in FY 2017. The Assembly also provided \$0.9 million from general revenues for operating support.

