



SENATE FISCAL OFFICE
REPORT

**GOVERNOR'S FY2027 AND FY2026
SUPPLEMENTAL BUDGET**

2026-H-7127 AND 2026-H-7126

EDUCATION AID & LOCAL AID

MARCH 18, 2026

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FY2027 EDUCATION AID

Education Aid

The Education Adequacy Act (2010-S-2770, Substitute A as Amended) provided a new school funding formula that creates a single methodology for distributing state aid to all public schools. The core principle behind the formula is that state funding should follow the student; therefore, the distribution of state funds changes annually based on shifts in enrollment. This formula applies to all public schools, charter schools, the Davies Career and Technical School, and the Metropolitan Career and Technical Center. The Act does not change the funding methodology for the School for the Deaf, since it is an education program that already has a state, federal, and local share.

Beginning in FY2012, the formula established a per-pupil spending amount and allocated this funding based on student enrollment, adjusting for poverty (as measured by the number of families whose income is below 185.0 percent of the federal poverty guidelines). Beginning in FY2025, the formula was amended to provide additional support for English Learners. The formula also adjusts for local revenue generating capacity and overall poverty level, as well as the concentration of children living in poverty.

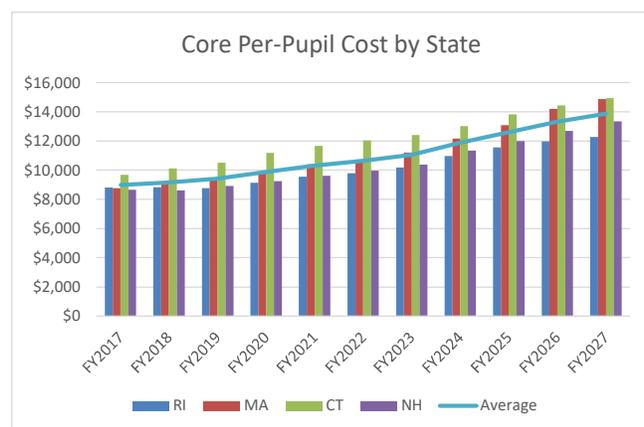
The Act included a multi-year transition plan to ease districts into the new formula, allowing time for school districts and municipal governments to adjust for gains or losses in education aid. The plan provided a transition period of ten years from the formula implementation in FY2012 for those districts projected to receive less school aid than they did in the previous year, and seven years for those districts projected to receive more. FY2021 was the final year of the transition plan. However, the FY2024 Budget as Enacted provided a Poverty Loss Stabilization Fund and a Transition Fund for enrollment loss.

In FY2027, the formula aid to the districts, charter schools, and state schools increases by \$14.6 million to fully fund the formula and Enrollment Transition funding increases by \$4.0 million, partially offset by a decrease of \$1.1 million in the Poverty Loss Stabilization Fund. An additional increase of \$6.2 million is provided through categorical aid, including \$2.5 million for High-Cost Special Education and \$3.7 million in stabilization funding for Central Falls, Davies, and the Met.

HOW THE FORMULA WORKS

Step 1 - Student Enrollment: Student enrollment is based on resident average daily membership (RADM), which refers to the average number of students who are residents of the community and were enrolled in the school district during the prior school year. The Budget is based on enrollment data as of October 2025, adjusted for projected charter and state school enrollments. Pursuant to current law, student enrollment will be adjusted to the March 2026 census in the enacted budget.

Step 2 - Core Instruction Amount: The core instruction amount provides a base level of funding per pupil derived from the average of northeast regional expenditure data from Rhode Island, Massachusetts, Connecticut and New Hampshire, as published by the National Center for Education Statistics (NCES). In the FY2027 Budget, the core-instructional amount is \$13,859, an increase of \$538 or 4.0 percent.



Step 3 - High Need Student Weight (40.0 percent): The Act includes a single factor to adjust the core instruction amount to address the effects of poverty and other factors influencing educational need. The Governor recommends increasing the student success factor, also referred to as the high need student weight, from 40.0 percent to 43.0 percent. The weight provides an additional \$5,959 ($\$13,859 \times 0.43 =$

\$5,959) for each student whose family income is at or below one hundred eighty-five percent (185%) of federal poverty guidelines

The statute requires that the weight be applied to each child whose family income is at or below 185.0 percent of the federal poverty guidelines. Traditionally, these students were tracked primarily through eligibility for the federal free and reduced lunch program (FRLP); however, Article 10 of the FY2023 Budget as Enacted required the Department of Elementary and Secondary Education (Department) to submit, as part of its FY2024 budget request, a poverty measure that does not rely on the administration of the school lunch programs. The Governor recommended and the General Assembly agreed to using certification data from programs including the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF). The counts from the data source are then multiplied by a factor of 1.6, as recommended by the U.S. Department of Agriculture (USDA) and the U.S. Department of Education for the Community Eligibility Provision (CEP) of the Healthy, Hunger-Free Kids Act of 2010.

Step 4: Multilingual Learner Factor (20.0 percent) : Article 8 of the FY2025 Budget as Enacted shifts English Learners (EL) categorical aid into the funding formula, changes the name to Multilingual Learner (MLL), and increases the weight from 15.0 percent to 20.0 percent. In FY2027, the weight provides an additional \$2,772 per eligible MLL student. The weight applies to the three lowest proficiency categories as identified through the World-class Instructional Design and Assessment (WIDA) assessments tool. Local education agencies (LEAs) are required to report annually by September 1 to the Department of Elementary and Secondary Education outlining the planned and prior use of the MLL funds to provide services to MLL students as required by the Commissioner of Elementary and Secondary Education. While the funds are no longer distributed on a reimbursement basis, the Department is required to ensure consistency with best practices.

Step 5 - Total Foundation Budget: The total foundation budget for each school district is calculated by adding the product of the total core instruction amount and the total student success factor weight.

$$\text{Total Foundation Budget} = (\$13,859 \times \text{RADM}) + (0.43 \times \$13,859 \times \text{students in poverty}) + (0.2 \times \$13,859 \times \text{MLL students})$$

Step 6 - State Share Ratio: The Education Adequacy Act creates a share ratio by adding a wealth measure, based on the concentration of children living in poverty, to the single State Share Ratio for the Community (SSRC) previously used to determine a district’s ability to pay for the cost of education. Beginning in FY2024, the formula uses the direct certification data discussed under the SSF above to measure the percentage of Pre-Kindergarten through sixth grade students living in poverty, instead of the free and reduced-lunch data used traditionally.

The total foundation budget equals the student enrollment and the high-need student weight of the district multiplied by the core instruction amount. The State’s share of the total foundation budget is the state share ratio calculated as follows:

$$\text{State Share Ratio (SSR)} = \sqrt{\frac{\text{SSRC}^2 + \%PK - 6 \text{poverty}^2}{2}}$$

Pursuant to the FY2024 Budget as Enacted, however, if a district has a PK through 6 poverty rate greater than 50.0 percent and the SSR calculation results in a ratio less than the SSRC, then the SSRC will be used. In FY2027, this adjustment impacts Pawtucket, Providence, West Warwick, Woonsocket, and Central Falls, as highlighted in the table.

By squaring each factor, the formula amplifies the greater of the two variables. Consequently, school districts with less capacity to raise revenue than the State as a whole and a higher concentration of child

poverty look relatively poorer, while districts with a higher capacity to raise revenue and lower concentrations of poverty look relatively wealthier. Those poorer districts with the higher SSR will receive a greater portion of the calculated education costs as state aid than the wealthier districts.

The SSRC calculation is based on each community's total assessed property value and median family income, relative to districts across the State. The total community property value includes motor vehicles, personal property and State payments in lieu of taxes. These values are brought to full market value based on market experience and then adjusted by the median family income. The higher the EWAV share ratio, the less capacity the community has relative to the rest of the state for generating locally derived revenue to support schools and the more state aid the community will receive. While similar to the share ratio used in the school construction formula to determine the state's share of debt service obligations, the Education Adequacy Act adjusted the SSRC calculation to increase the State share of the total education budget.

Analyst Note: Beginning with the FY2027 education aid calculation, the community property values no longer contain motor vehicle values since 2022 was the last year vehicles can be taxed. Another adjustment will occur for the FY2028 aid calculation due to the tangible property tax exemption enacted in the FY2024 Budget as Enacted.

The distribution includes an update to the median family income (MFI) component of the EWAV based on the socio-economic data from the American Community Survey (ACS) provided by the United States Census Bureau. The index used to adjust for MFI is the ratio of the median family income of the municipality relative to the median family income statewide as reported in the American Community Survey (ACS) provided by the United States Census Bureau.

Step 7 - State Share of Foundation Budget: The State's share of the total foundation budget equals the state share ratio, discussed above, times the total foundation budget. Unlike many foundation formulas, the statute neither requires a minimum nor sets a maximum local spending level beyond the limits in the maintenance of effort requirements found in RIGL 16-7-23 and 16-7-23.1. Nonetheless, a municipality is responsible, to some degree, for the difference between the state share and the total foundation amount.

Article 8 of the FY2024 Budget as Enacted promulgated RIGL 16-7.2-3(f)(3) requiring the Department to report and compare local contributions to education aid and to report compliance to each school committee and city or town council. Based on information provided by the Department's [Annual Local Education Agency \(LEA\) Fiscal Accountability Report](#), in FY2024 three districts did not fund the full local share: Central Falls, Pawtucket, and Woonsocket.

Poverty Loss Stabilization Fund: The FY2024 Budget as Enacted established funding to reduce the impact of a reduction in the community state share ratio. If the share ratio decreases by more than 2.0 percent, relative to the prior year, the formula provides 50.0 percent of the resulting reduction in funding formula aid.

Enrollment Transition Fund: To address the significant enrollment declines seen across the State, the FY2024 Budget as Enacted established an Enrollment Transition Fund providing 40.0 percent of the funding formula aid lost as a result of enrollment declines, relative to the previous year, in year one and 25.0 percent in year two.

TABLE

The table on the following page provides a step-by-step calculation of each district's formula distribution for FY2027.

FY2027 Education Aid Calculator - Governor's Recommendation

Districts	PK-12 RADM	Direct Cert	Direct Factor (1-6)	MILL (prof 1-3) (Oct 2025)	MILL (Oct 2025)	Core Instruction Funding (C = \$13,859)	Student Success Factor Funding (F = 0.43*\$13,859 = \$5,959)	MILL Funding (Y = 0.2*\$13,859 = \$2,772)	Total Foundation	PK6	EWAV	State Share Ratio 16-7.2-4(a) I, unless P>0.5 and W<1 then W=Z	State Adjusted RIGL	State Share of Foundation Budget	FY2026 Enacted (excludes group home and categorical)	Change in State Funding
Barrington	3,192	91	146	53	53	\$44,237,928	\$867,684	\$146,905	\$45,252,518	7.2%	35.7%	25.8%	25.8%	\$11,653,424	\$9,906,027	\$1,747,396
Burrillville	1,931	257	411	18	18	26,761,729	2,450,493	49,892	29,262,114	29.4%	57.0%	45.4%	45.4%	13,270,554	13,506,736	(236,182)
Charlestown	637	77	123	2	2	8,828,183	734,194	5,544	9,567,921	20.4%	14.4%	14.4%	14.4%	1,380,171	1,437,860	(57,689)
Coventry	3,929	522	835	23	23	54,452,011	4,977,266	67,751	59,493,028	30.4%	62.1%	48.9%	48.9%	29,086,463	28,316,948	769,515
Cranton	9,809	1,771	2,834	900	900	135,942,931	16,886,471	2,494,620	155,324,022	38.9%	64.1%	53.0%	53.0%	82,351,179	79,947,152	2,404,027
Cumberland	4,818	417	667	206	206	66,772,662	3,976,092	570,991	71,319,744	18.1%	57.2%	42.4%	42.4%	30,256,093	28,228,353	2,027,740
East Greenwich	2,402	109	174	36	36	33,289,318	1,039,314	99,785	34,428,417	8.5%	19.2%	14.8%	14.8%	5,111,721	4,506,248	605,473
East Providence	4,896	991	1,586	214	214	67,853,664	9,449,177	593,165	77,896,006	40.7%	60.0%	51.3%	51.3%	39,934,488	39,321,148	613,340
Foster	216	18	29	1	1	2,993,544	171,630	2,772	3,167,946	17.7%	55.6%	41.3%	41.3%	1,307,070	1,215,818	91,253
Glocester	537	34	54	5	5	7,442,283	324,190	13,859	7,780,332	11.9%	51.9%	37.7%	37.7%	2,929,385	2,961,445	(32,060)
Hopkinton	1,081	125	200	4	4	14,981,579	1,191,874	11,087	16,184,540	24.7%	67.1%	50.6%	50.6%	8,182,802	7,176,966	1,005,836
Jamestown	528	18	29	-	-	7,317,552	171,630	0	7,489,182	6.7%	-	4.7%	4.7%	354,809	372,348	(17,540)
Johnston	3,250	556	890	283	283	45,041,750	5,301,456	784,419	51,127,625	37.1%	58.6%	49.0%	49.0%	25,074,360	24,128,236	946,124
Lincoln	3,160	415	664	82	82	43,794,440	3,957,022	227,288	47,978,749	24.6%	51.8%	40.5%	40.5%	19,454,776	20,891,647	(1,436,870)
Little Compton	245	19	30	3	3	3,395,455	181,165	8,315	3,584,935	15.9%	-	11.2%	11.2%	403,054	302,814	100,240
Middletown	1,814	246	394	152	152	25,140,226	2,345,608	421,314	27,907,148	26.6%	7.3%	19.5%	19.5%	5,443,146	6,152,386	(709,240)
Narragansett	901	87	139	4	4	12,486,959	829,544	11,087	13,327,591	20.2%	-	14.3%	14.3%	1,903,654	1,728,633	175,021
Newport	1,681	644	1,030	301	301	23,296,979	6,140,535	834,312	30,271,826	68.9%	-	48.7%	48.7%	14,748,330	14,239,269	509,060
New Shoreham	122	5	8	12	12	1,690,798	47,675	33,262	1,771,735	15.9%	-	11.2%	11.2%	199,196	96,190	103,006
North Kingstown	3,504	457	731	59	59	48,561,936	4,357,491	163,536	53,082,964	25.1%	25.0%	25.1%	25.1%	13,297,309	12,506,815	790,494
North Providence	3,374	678	1,085	315	315	46,760,266	6,464,725	873,117	54,098,108	42.0%	69.6%	57.5%	57.5%	31,096,202	30,424,725	671,477
North Smithfield	1,629	133	213	47	47	22,576,311	1,268,154	130,275	23,974,740	18.2%	46.1%	35.0%	35.0%	8,402,197	9,237,556	(835,359)
Pawtucket	7,416	2,693	4,309	1,649	1,649	102,778,344	25,677,733	4,570,698	133,026,776	63.9%	84.0%	74.6%	74.6%	111,742,492	110,615,318	1,127,174
Portsmouth	1,971	128	205	21	21	27,316,089	1,220,479	58,208	28,594,776	14.6%	-	10.3%	10.3%	2,952,056	2,806,429	145,627
Providence	18,912	7,794	12,470	7,116	7,116	262,101,408	74,315,728	19,724,129	366,141,264	81.5%	83.7%	82.6%	83.7%	298,090,238	297,521,286	568,952
Rhodes	1,022	111	178	2	2	14,163,898	1,058,384	5,544	15,227,826	18.5%	49.2%	37.2%	37.2%	6,659,847	6,207,775	(447,928)
Scituate	1,135	74	118	2	2	15,729,965	705,589	5,544	16,441,098	12.8%	28.1%	21.8%	21.8%	3,589,755	4,299,021	(709,266)
Smithfield	2,296	187	299	22	22	31,820,264	1,783,044	60,980	33,664,287	15.3%	45.9%	34.2%	34.2%	11,517,172	10,587,119	930,053
South Kingstown	2,278	249	398	31	31	31,570,802	2,374,213	85,926	34,030,941	20.5%	-	14.5%	14.5%	4,933,019	5,062,521	(129,501)
Tiverton	1,522	169	270	7	7	21,093,398	1,611,414	19,403	22,724,214	23.4%	20.7%	22.1%	22.1%	5,310,072	5,310,972	(900)
Warwick	7,747	1,295	2,072	224	224	107,365,673	12,347,815	620,883	120,334,371	35.2%	47.8%	42.0%	42.0%	50,510,917	48,586,276	1,924,641
Westerly	2,056	353	565	53	53	28,494,112	3,365,852	146,905	32,006,862	34.9%	-	24.7%	24.7%	7,898,662	8,148,033	(249,371)
West Warwick	3,368	922	1,475	154	154	46,677,112	8,791,263	426,857	55,895,232	56.1%	76.4%	67.0%	67.0%	42,703,957	42,094,167	609,791
Woonsocket	5,173	2,269	3,630	1,034	1,034	71,692,607	21,634,897	2,866,041	96,193,545	84.5%	89.8%	87.2%	89.8%	86,381,803	88,120,161	(1,738,357)
Bristol-Warren ²	2,653	331	530	48	48	36,767,927	3,156,082	133,046	40,057,056	-	-	-	-	10,433,944	10,652,150	(218,206)
Exeter-West Greenwich ²	1,507	103	165	15	15	20,885,513	982,104	41,577	21,909,194	-	-	-	-	6,430,326	7,123,365	(693,039)
Charlho	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foster-Glocester ²	1,016	67	107	5	5	14,080,744	638,844	13,859	14,733,447	-	-	-	-	5,707,272	5,299,561	407,711
Central Falls	2,276	753	1,205	1,095	1,095	31,543,036	7,179,849	3,035,121	41,758,054	66.2%	96.4%	82.7%	96.4%	40,254,764	43,351,250	(3,096,486)
District Total	116,004	25,168	40,269	14,198	14,198	\$1,607,699,434	\$239,976,679	\$39,354,016	\$1,887,030,131					\$1,039,666,680	\$1,032,390,727	\$7,275,953
Charter School Total	14,224	4,744	7,590	2,951	2,951	197,130,416	45,234,002	8,179,582	250,544,000	-	-	-	-	201,641,009	195,233,633	6,407,376
Davies	888	161	258	30	30	12,306,792	1,535,134	83,154	13,925,080	-	-	-	-	10,725,137	10,600,553	124,584
Met School	874	318	509	101	101	12,112,766	3,032,127	279,952	15,424,845	-	-	-	-	11,090,088	11,296,405	(196,405)
Nowell Academy	156	76	122	57	57	2,162,004	696,054	157,993	3,016,051	-	-	-	-	2,399,520	2,664,112	(264,592)
Urban Collaborative	117	68	109	18	18	1,621,503	648,379	49,892	2,319,775	-	-	-	-	1,949,354	2,296,446	(347,093)
Youth Build Academy	120	68	109	12	12	1,663,080	648,379	33,262	2,344,721	-	-	-	-	1,962,532	1,818,245	144,286
Total	132,383	30,603	48,965	17,367	17,367	1,834,695,997	291,770,755	48,137,851	2,174,604,603					\$1,269,434,320	\$1,254,797,399	\$14,636,921

¹ Based on October 1, 2025, enrollment updated for projected 2026-2027 charter school growth.

² Calculations based on component district data as required by the Superior Court decision in *Town of Warren v. Bristol Warren Regional School District*, et al.

Source: Rhode Island Department of Education

District Demographic Changes in Governor's FY2027 Budget relative to the FY2026 Budget as Enacted

Districts	PK-12		Percentage of RADM Direct Cert x Factor (1.6) eligible for Student Success MLL (prof 1-3) PK-6 Poverty EWAV			State Share Adjusted RIGL 16-7.2-4(a)		
	RADM	Direct Cert	RADM	Factor	(prof 1-3)	Poverty	EWAV	
Barrington	(74)	(35)	(56)	-1.6%	(4)	0.1%	5.2%	3.6%
Burrillville	(61)	(45)	(72)	-3.0%	3	0.9%	-2.0%	-1.0%
Charlestown	(18)	2	3	1.0%	-	-1.3%	-	-0.9%
Coventry	(112)	(109)	(174)	-3.7%	(4)	1.6%	1.0%	1.1%
Cranston	115	(301)	(482)	-5.3%	(80)	-0.5%	-0.5%	-0.5%
Cumberland	54	(59)	(94)	-2.1%	(30)	0.6%	1.3%	1.0%
East Greenwich	(68)	(20)	(32)	-1.1%	(2)	1.2%	2.0%	1.6%
East Providence	(70)	(198)	(317)	-5.9%	(38)	0.3%	0.1%	0.2%
Foster	(15)	(9)	(14)	-5.4%	-	-4.2%	8.5%	4.5%
Glocester	(23)	(8)	(13)	-1.9%	(1)	-0.5%	-0.1%	-0.1%
Hopkinton	(6)	(13)	(21)	-1.8%	-	-1.6%	7.9%	4.8%
Jamestown	(17)	0	0	0.2%	(1)	-0.4%	-	-0.3%
Johnston	(41)	(140)	(224)	-6.5%	10	-0.7%	2.6%	1.3%
Lincoln	(65)	(63)	(101)	-2.7%	(1)	-0.4%	-5.5%	-3.7%
Little Compton	(8)	(3)	(5)	-1.5%	(1)	3.9%	-	2.8%
Middletown	(46)	(29)	(46)	-2.0%	(1)	-4.0%	-0.6%	-2.8%
Narragansett	(18)	(26)	(42)	-4.2%	1	1.7%	-	1.2%
Newport	(40)	(48)	(77)	-3.0%	(27)	1.1%	-	0.8%
New Shoreham	1	(1)	(2)	-1.4%	(2)	7.9%	-	5.6%
North Kingstown	(13)	(61)	(98)	-2.7%	(5)	0.0%	1.5%	0.7%
North Providence	(44)	(101)	(162)	-4.3%	(37)	1.4%	-0.5%	0.2%
North Smithfield	27	(15)	(24)	-1.7%	2	-0.1%	-8.4%	-5.6%
Pawtucket	(243)	(346)	(554)	-5.4%	(51)	-2.4%	0.5%	0.5%
Portsmouth	(36)	(52)	(83)	-4.0%	(8)	0.6%	-	0.4%
Providence	(297)	(1,158)	(1,853)	-8.6%	(341)	-2.5%	-0.8%	-0.8%
Richmond	(13)	(12)	(19)	-1.6%	(4)	-3.4%	-5.7%	-4.6%
Scituate	(30)	(10)	(16)	-1.1%	(3)	0.4%	-7.2%	-4.6%
Smithfield	(59)	(19)	(30)	-1.0%	(3)	0.2%	3.4%	2.3%
South Kingstown	(54)	(37)	(59)	-2.1%	(8)	-0.8%	-0.3%	-0.6%
Tiverton	(58)	(38)	(61)	-3.2%	(3)	0.5%	-2.9%	-1.2%
Warwick	(179)	(227)	(363)	-4.0%	(15)	1.0%	1.4%	1.2%
Westerly	(113)	(50)	(80)	-2.3%	5	-0.6%	-	-0.4%
West Warwick	(96)	(139)	(222)	-5.2%	(1)	-0.3%	0.7%	0.7%
Woonsocket	(279)	(439)	(702)	-9.3%	(35)	-1.1%	0.4%	0.4%
Bristol-Warren								
Bristol	(23)	(40)	(64)	-3.6%	(3)	1.1%	-4.4%	-0.8%
Warren	(34)	(40)	(64)	-5.3%	(3)	0.5%	-1.1%	-0.3%
Exeter-West Greenwich								
Exeter	(5)	(18)	(29)	-3.9%	(1)	1.7%	-3.5%	-1.7%
West Greenwich	(4)	(12)	(19)	-2.4%	2	3.3%	-10.6%	-6.1%
Chariho								
Foster-Glocester								
Foster	(14)	(1)	(2)	0.1%	(2)	-4.2%	8.5%	4.5%
Glocester	18	(8)	(13)	-2.1%	1	-0.5%	-0.1%	-0.1%
Central Falls	(211)	(226)	(362)	-10.0%	(163)	-6.1%	-0.3%	-0.3%
District Total	(2,210)	(4,035)	(6,456)	-5.0%	(848)			
Charter School Total	70	(677)	(1,083)	-7.9%	142			
Davies	(5)	(38)	(61)	-6.6%	(5)			
Met School	65	12	19	-2.3%	14			
Nowell Academy	(22)	(15)	(24)	-3.8%	(10)			
Urban Collaborative	(27)	(17)	(27)	-1.5%	(10)			
Youth Build Academy	6	-	-	-4.8%	(8)			
Total	(2,123)	(4,770)	(7,632)	-5.2%	(725)			

CHARTER AND STATE SCHOOLS

The education funding formula calculation for charter and state schools funds students as if they were still in the sending district, with the same core instruction amount, high-need student weight, and state share ratio. The aid, however, is distributed directly to the charter or state school. In FY2027, the Governor’s recommended budget provides \$201.6 million in funding formula aid to charter schools, an increase of \$6.4 million or 3.3 percent, relative to the FY2026 Budget as Enacted. In FY2027, charter school enrollment increases by 70 students or 0.5 percent.

Sending District Tuition: Under the formula, the funding mechanism for charter and state schools changed significantly. Previously sending district tuition per-student was based on the per-pupil expenditure of the sending district, without deductions, the formula allowed sending districts to retain 5.0 percent of the per-pupil expenditure as indirect aid. The indirect aid was intended to cover residual costs from the transfer of the student from the district to the charter school. Today, the sending district tuition is calculated by dividing the local appropriation to education from property taxes, net debt service and capital projects, by the district resident average daily membership (RADM), or enrollment: there is no indirect aid retained by the sending district.

$$\text{Tuition} = (\text{local appropriation to education} - \text{debt service} - \text{capital projects} / \text{District RADM}) - \text{local tuition reduction}$$

Local Charter and State School Tuition Reduction: Article 11 of the FY2017 Budget changed the above calculation to subtract a district-specific amount from the tuition paid for each student attending a charter or state school. The per-pupil amount is then reduced by the greater of:

1. 7.0 percent of the district’s per-pupil funding, or
2. The district’s per-pupil cost of certain, unique expenditures, such as non-public textbooks, transportation for non-public students, retiree health benefits, out-of-district special education tuition and transportation, services for students age eighteen to twenty-one, pre-school screening and intervention, career and technical education tuition and transportation costs, debt service, and rental, minus the average charter school per-pupil cost for these items, as reported in the uniform chart of accounts.

If a district triggers option 2, then there is an additional reduction for tuition payments to mayoral academies where teachers do not participate in the state teacher’s retirement system equal to the per-pupil cost of the unfunded liability for the preceding year.

To address “the budgetary uncertainty that current law creates for local districts, charter schools, and mayoral academies”, Article 7 of the FY2026 Budget as Enacted capped the reduction in local tuition to charter schools and mayoral academies at 14.0 percent, beginning in FY2026.

There is a two-year lag in the data such that FY2027 tuition rates are based on FY2025 contributions and expenditures. The FY2026 local tuition rate reductions pursuant to RIGL 16-7.2-5(c) are available [here](#); however, the FY2027 reductions are not available for this publication.

In FY2011, the State paid the total tuition costs of students attending the Davies and Met Schools, while the local districts provided transportation. Pursuant to the new funding formula, however, the State payment to these state schools is calculated by the same method used to calculate school district and charter school payments. The formula requires local districts to pay state school tuition, but allows the districts to charge the state and charter schools for transportation costs. Local payments are made to the charter or state school on a quarterly basis. Failure to make a payment could result in the withholding of state education aid to the district of residence.

In FY2011, prior to the implementation of the current funding formula, charter school funding was based on the per-pupil expenditure of the sending district; however, the State paid 5.0 percent of the per-pupil expenditure as indirect aid to the sending district, and a portion of the remaining 95.0 percent based on the

share ratio of the sending district. The expenditure was based on the reference year as defined in RIGL 16-7-16(11) providing a two-year lag. Each quarter, the charter school billed the sending district for the portion of the per-pupil expenditure not paid by the State.

Please see the following examples for further clarification of the charter school formula used in FY2011.

Calculation	District A	District B
Per Pupil Expenditure:	\$8,000	\$8,000
Share Ratio:	70.0%	30.0%
Indirect Aid to Sending District:	\$400 (5.0% of \$8,000)	\$400 (5.0% of \$8,000)
State Share to Charter School:	\$5,320 (70.0% of (\$8,000 minus 5.0%))	\$2,280 (30.0% of (\$8,000 minus 5.0%))
District Share to Charter School:	\$2,280 (30.0% of (\$8,000 minus 5.0%))	\$5,320 (70.0% of (\$8,000 minus 5.0%))

NON-FORMULA PROVISIONS

Group Homes: The Group Home aid category was created by the General Assembly in 2001 to provide state support to districts hosting group homes in exchange for relieving the resident sending district of financial responsibility for students placed in group homes. When enacted, the Act maintained the current funding for group homes as a categorical grant program; however, the FY2017 Budget as Enacted increased the per-bed funding amount to \$17,000 annually per bed. Article 7 of the FY2026 budget as Enacted eliminated the per-bed deduction of funding formula aid from the Group Home aid disbursement. Previously, depending on the district's share ratio, the \$17,000 per bed was adjusted downward by the state share of the core instruction amount. For example, a district with a state share ratio of 47.8 percent would receive \$17,000 minus $(0.478 * \$18,651)$, leaving \$8,092 per bed. The article eliminated this adjustment, increasing group home aid to districts by \$2.1 million in FY2026. The FY2027 Budget includes \$3.6 million to fund group home beds, \$34,000 more than the FY2026 Budget as Enacted. This adjustment represents the most recent update on the number of group home beds per district.

Article 7 of the FY2026 Budget as Enacted eliminated the group home aid paid to East Providence for beds associated with the Bradley Hospital CRAFT Program and provided that the student's school district of origin will be responsible for providing education services to students in those beds. This change reduced group home aid to East Providence by \$468,000 in FY2026.

Based on the final January 15, 2026, report from the Department of Children, Youth, and Families, the FY2026 Revised Budget increases by 2 beds and \$34,000.

District	FY2026 Enacted		Group Home Aid ¹ FY2027			FY2026 Revised	
	Total Aid	Number of Beds	FY2027 Number of Beds	Change in Number of Beds	FY2027 Total Aid	Revised Total Aid	Change from Enacted
Coventry	\$136,000	8	8	-	\$136,000	\$136,000	\$0
East Providence ²	289,000	17	17	-	289,000	289,000	-
Lincoln	136,000	8	8	-	136,000	136,000	-
Newport	119,000	7	7	-	119,000	119,000	-
North Providence	136,000	8	8	-	136,000	136,000	-
North Smithfield	68,000	4	4	-	68,000	68,000	-
Pawtucket	340,000	20	20	-	340,000	340,000	-
Portsmouth	510,000	30	30	-	510,000	510,000	-
Providence	986,000	58	60	2	1,020,000	1,020,000	34,000
Smithfield	85,000	5	5	-	85,000	85,000	-
Warwick	408,000	24	24	-	408,000	408,000	-
Bristol-Warren	170,000	10	10	-	170,000	170,000	-
Exeter-West Greenwich	153,000	9	9	-	153,000	153,000	-
Total	\$3,535,999	208	210	2	\$3,570,000	\$3,570,000	\$34,000

¹ Based on final 1/15/2026 report from the Department of Children, Youth and Families. In the FY2026 Revised Budget, a total of 2 beds were added in Providence relative to the enacted level.

² Article 7 of the FY2026 Budget as Enacted eliminated the funding formula adjustment for group home beds and the group home beds associated with the CRAFT program at Bradley Hospital.

Categorical Programs: When the education funding formula was passed in 2010, five categorical funds were identified that would not be distributed according to the formula but pursuant to other methodologies intended to address the priorities and funding needs of the districts. These categories include Transportation, High-Cost Special Education, Career & Technical Education, Early Childhood, and the Regionalization Bonus. Article 11 of the FY2017 Budget as Enacted added two new aid categories: English Learners and the Density Fund. In the FY2024 Budget, the Density Aid Fund was replaced with the Enrollment Transition fund, which is included in the funding formula distribution. The FY2025 Budget moved English Learners into the formula distribution. The FY2019 Budget as Enacted included a temporary aid category to support new Resource Officers at public middle and high schools, which expired after FY2021. (The Central Falls, Davies and Met School Stabilization Funds are addressed in the Department of Elementary and Secondary Education section of this analysis.)

The FY2027 Budget includes funding for all of the active categories, except the Regionalization Bonus. The total increase in categorical aid is \$2.5 million for all school districts, charter schools, Davies Career & Technical School (Davies), and the Metropolitan Career and Technical School (Met).

Categorical	FY2027 Governor's Education Aid	
	Change from Enacted	Total Funding
Transportation	-	12.5
Early Childhood	-	28.9
High-Cost Special Education	2.5	20.0
Career & Tech. Schools	-	4.5
Regionalization Bonus	-	-
Group Home Aid	0.0	3.6
Total	\$2.5	\$69.4

\$ in millions

- Transportation:** This fund provides funding to districts that use the statewide transportation contract for transporting students to out-of-district, non-public schools within the resident district’s transportation region as defined by RIGL 16-21.1-2, and for 50.0 percent of the local costs associated with transporting students within regional school districts. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. In FY2027, the Governor’s budget recommendation level funds this categorical at the FY2026 level of \$12.5 million, funding regional transportation at 94.1 percent of eligible costs and

non-public school transportation at 70.1 percent of eligible costs. An additional \$2.5 million would be needed to fully fund this category.

Early Childhood Education: This fund is designed to increase access to voluntary, free, high-quality pre-kindergarten programs. The funds are distributed through a request for proposals (RFP) process targeting communities in three tiers, with the first tier having the highest concentration of children at risk for poor educational outcomes. These funds are paid to providers through the RFP process and, consequently, are not included in the distribution tables. Provisory language in Article 1 of the budget requires the Department to prioritize funding to four-year olds whose family income is at or below 185.0 percent of federal poverty guidelines and who reside in communities with higher concentrations of low-performing schools. The Budget funds this category at \$28.9 million in FY2027, consistent with the FY2026 Budget as Enacted.

Pursuant to RIGL 16-87-6, enacted through Article 10 of the FY2023 Budget as Enacted, the Department of Education (RIDE), the Department of Human Services, and the Children’s Cabinet were required to develop the [Rhode Island Pre-K expansion plan](#) to expand the Pre-K program to 5,000 seats over five years beginning in FY2024, including children ages three and four. Based on information provided by the Department, FY2026 added one classroom and five seats, relative to FY2025. The change includes a reduction of seven low-income seats, reducing the percentage of low-income seats from 69.2 percent to 68.8 percent. The total seats are projected to remain level at 2,814 in FY2027. Level funding this category year over year is expected to increase the cost of reaching the 5,000 seat goal in future years, since the incremental growth will not be built into the budget base.

RI Pre-K Districts	FY2026 Pre-K Enrollment		Low-	Percentage
	Number of classrooms	Total seats	Income seats	Low-Income
Bristol-Warren	3	56	28	50.0%
Central Falls	9	163	152	93.3%
Coventry	4	76	38	50.0%
Cranston	14	256	128	50.0%
Exeter-West Greenwich	3	45	23	51.1%
East Providence	11	214	107	50.0%
Johnston	3	54	27	50.0%
Lincoln	3	56	28	50.0%
Middletown	4	76	38	50.0%
Newport	2	36	18	50.0%
North Kingstown	1	18	9	50.0%
North Providence	3	54	27	50.0%
Pawtucket	15	282	202	71.6%
Portsmouth	1	20	10	50.0%
Providence	39	720	619	86.0%
Smithfield	2	38	19	50.0%
South Kingstown	1	18	18	100.0%
Warwick	7	126	63	50.0%
West Warwick	5	90	45	50.0%
Westerly	3	56	37	66.1%
Woonsocket	20	360	300	83.3%
Statewide Total	153	2,814	1,936	68.8%

Source: Rhode Island Department of Education

- **High-Cost Special Education:** This fund reimburses districts for instructional and related services provided to a student pursuant to an Individual Education Plan (IEP). The State reimburses costs that exceed four times the combined core instruction and student success factor funding (currently \$74,600 for FY2026). The FY2024 Budget as Enacted lowered this threshold from five times. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at \$20.0 million in FY2027, an increase of \$2.5 million over the FY2026 Budget as Enacted and \$5.4 million less than eligible reimbursements.

Analyst Note: The Governor’s FY2026 Revised Budget recommendation requires the Rhode Island Health and Educational Building Corporation (RIHEBC) to transfer \$2.5 million to the State Controller by June 30, 2025. As provided in the Executive Summary, to fulfill RIGL 35-3-7(a)(2) which requires the Governor to identify alternatives to the transfer of resources from public corporations to the general fund, the Governor proposes a reduction to the special education categorical aid program in the Rhode Island Department of Education.

- Career and Technical Schools:** This fund contributes toward the initial investment needed to transform existing programs or create new programs and the costs associated with facilities, equipment maintenance and repair, and supplies associated with higher-cost programs at career and technical schools. The Budget funds this category at \$4.5 million in FY2027, consistent with the previous fiscal year.

While not carried into FY2026, the FY2025 Budget as Enacted provided \$2.0 million to support new career and technical education programs, not currently offered in any school, that address high growth, high-wage careers. The funds are being distributed through a competitive process. The deadline to apply was February 28, 2025. The funding will be obligated by June 30, 2025, with program planning occurring in FY2026. The new programs are expected to open in FY2027.

FY2025 CTE Aid Investment in High-Growth High-Wage Jobs of the Future		
Total Grant		
LEA Grant Recipient	Award	Program Area
Central Falls	\$42,500	Translation and Interpretation for Lanugage Services Industry
Cranston	57,500	Allied Health Consortium
Foster-Glocester	472,151	Community Greenovation Lab for sustainable building practices
Lincoln	201,371	Aviation
Narragansett	250,000	Marine Tourism and Seafood
Providence - Hope High School	22,000	Production Design and Event Experience
Providence - Juanita Sanchez Life Science Institute	435,710	MRI Technician
Met School	250,000	Veterinary Careers Program
Warwick	61,420	Environmental Science - Energy
Westerly	207,348	Aviation
Total	\$2,000,000	

Source: Rhode Island Department of Education

- Regionalization Bonus:** This fund provides a bonus to regionalized districts and those that may regionalize in the future. In the first year, the bonus is 2.0 percent of the State’s share of the total foundation aid. In the second year, the bonus is 1.0 percent of the State’s share and in the third year the bonus phases out. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. This category has not been funded since FY2014, as no new regional districts have been formed.
- English Learners/Multilingual Learners:** The FY2025 Budget as Enacted shifted the English Learners (EL) categorical aid into the funding formula, changed the name to Multilingual Learners (MLL), and increased the weight from 15.0 to 20.0 percent of the per-pupil core instruction amount for each qualified EL student multiplied by the state share ratio.

When established through Article 11 of the FY2017 Budget as Enacted, the EL categorical fund provided a 10.0 percent weight and was often not fully funded to meet the qualified reimbursements. The FY2024 Budget as Enacted increased the weight to 15.0 percent and eliminated the ratable reduction clause, requiring the category to be fully funded.

EL students are identified through the WIDA (World-Class Instructional Design and Assessment) Kindergarten-MODEL and the WIDA Screener 1-12 grade. The WIDA ACCESS (Assessing Comprehension and Communication in English State to State) is used for monitoring and growth in grade K-12. WIDA is a consortium of state departments of education that developed the ACCESS test that is administered annually to English Learners to monitor the student’s language development. The models classify student into six proficiency categories. The 20.0 percent weight is applied to students in the three lowest categories: entering, emerging, and developing.

While included as part of the funding formula, the calculation used is provided below.

(Per-pupil core instruction amount x 20.0 percent) x number of EL students x state share ratio = additional state support per MLL student

While no longer distributed on a reimbursement basis, districts are required to report annually to the Department of Elementary and Secondary Education on the planned and prior year use of MLL funds to provide services in accordance with the requirements set forth by the Commission of Elementary and Secondary Education. The Department is responsible for reviewing the use of funds to ensure consistency with established best practices.

Analyst Note : The Council on Elementary and Secondary Education approved updated MLL/EL regulations on February 26, 2025. Updates include extending the deadline for districts to meet the updated MLL/EL regulation requirements from FY2030 to FY203, clarifying professional learning requirements, encouraging the expansion of bilingual/dual language programs, and increasing family and student engagement. The deadline was extended in response to public feedback requesting more time, flexibility, and supports for the implementation of the regulations. The presentation to the Council regarding the new regulations can be found [here](#).

Article 8 of the FY2024 Budget as Enacted required the Department to report, as part of the FY2025 budget submission, the number of EL students whose family income is at or below 185 percent of federal poverty guidelines and segment the populations by proficiency. In addition, the Department was required to prepare an expense report for EL education and recommend a funding solution. While the full report is available upon request, the report noted that 79.0 percent of the multilingual learner students (MLL) are enrolled in Central Falls, Providence, Pawtucket, and Woonsocket schools and the charter schools that draw from these districts. In addition, approximately 80.0 percent of the enrolled MLL students qualify for free or reduced lunch. The “recommended changes (to categorical aid) are:

- Increase weight from 15% to 25% of core expenses for the three lowest proficiency categories, approximately 80% of the students.
 - Entering -Emerging -Developing
- Add a 15% weight to the next three proficiency categories (there are six in total).
 - Expanding -Bridging -Reaching English Proficiency
- Add 15% weight for the first two years after exiting the MLL program.
 - Monitoring
- All MLL students are included in the weight allocation, including those that may be included in other formula categories such as the student success factor and special education.”

The following table shows the education aid including the formula distribution, categorical aid, and group home aid.

FY2027 Governor Recommended Education Aid¹

District	FY2026 Enacted (excludes group home and categoricals)	FY2027 Formula Change	Enrollment Transition Fund	Poverty Loss Stabilization Fund	Transportation	High-cost Special Education (>\$79,273)	Group Home Aid ²	Stabilization Funding	FY2026 Aid
Barrington	\$9,906,027	\$1,747,396	\$127,779	(\$0)	\$181,595	\$907,140	\$0	\$0	\$12,869,938
Burrillville	13,506,736	(236,182)	227,015	143,538	61,661	444,201	-	-	14,146,970
Charlestown	1,437,860	(57,689)	33,162	43,976	-	-	-	-	1,457,308
Coventry	28,316,948	769,515	533,118	-	167,351	862,375	\$136,000	-	30,785,308
Cranston	79,947,152	2,404,027	202,053	-	763,309	1,523,537	-	-	84,840,078
Cumberland	28,228,353	2,027,740	10,369	-	76,675	240,792	-	-	30,583,930
East Greenwich	4,506,248	605,473	74,304	-	59,541	781,846	-	-	6,027,413
East Providence	39,321,148	613,340	335,277	-	243,655	1,151,116	289,000	-	41,953,536
Foster	1,215,818	91,253	36,308	-	11,755	32,876	-	-	1,388,009
Glocester	2,961,445	(32,060)	50,187	-	29,467	126,365	-	-	3,135,404
Hopkinton	7,176,966	1,005,836	24,770	-	-	-	-	-	8,207,571
Jamestown	372,348	(17,540)	9,010	10,591	38,334	128,805	-	-	541,549
Johnston	24,128,236	946,124	126,529	(0)	200,299	1,223,688	-	-	26,624,877
Lincoln	20,891,647	(1,436,870)	236,188	877,286	195,895	234,751	136,000	-	21,134,896
Little Compton	302,814	100,240	13,643	-	-	-	-	-	416,697
Middletown	6,152,386	(709,240)	141,213	396,622	-	520,512	-	-	6,501,493
Narragansett	1,728,633	175,021	46,719	-	-	226,694	-	-	2,177,067
Newport	14,239,269	509,060	299,648	-	-	407,301	119,000	-	15,574,279
New Shoreham	96,190	103,006	795	-	-	-	-	-	199,991
North Kingstown	12,506,815	790,494	19,733	-	227,857	98,413	-	-	13,643,312
North Providence	30,424,725	671,477	329,109	-	183,465	843,496	136,000	-	32,588,271
North Smithfield	9,237,556	(835,359)	49,013	671,985	26,567	152,832	68,000	-	9,370,594
Pawtucket	110,615,318	1,127,173	1,941,189	-	216,705	1,700,758	340,000	-	115,941,143
Portsmouth	2,806,429	145,627	30,657	-	-	326,321	510,000	-	3,819,033
Providence	297,521,286	568,952	1,884,138	-	654,640	1,998,965	1,020,000	-	303,647,981
Richmond	6,207,775	(547,928)	63,285	352,300	-	-	-	-	6,075,433
Scituate	4,299,021	(709,266)	37,953	379,959	51,804	75,234	-	-	4,134,705
Smithfield	10,587,119	930,053	176,825	-	64,504	124,941	85,000	-	11,968,442
South Kingstown	5,062,521	(129,501)	96,705	96,508	118,539	233,026	-	-	5,477,798
Tiverton	5,310,972	(290,900)	83,244	131,953	-	740,142	-	-	5,975,412
Warwick	48,586,276	1,924,641	534,266	-	46,411	1,077,628	408,000	-	52,577,222
Westerly	8,148,033	(249,371)	255,353	-	-	435,241	-	-	8,589,256
West Warwick	42,094,167	609,791	772,456	-	97,738	461,599	-	-	44,035,750
Woonsocket	88,120,161	(1,738,357)	1,863,563	-	-	432,063	-	-	88,677,429
Bristol-Warren ³	10,652,150	(218,206)	204,135	103,168	2,664,786	1,042,237	170,000	-	14,618,271
Exeter-West Greenwich ³	7,123,365	(693,039)	37,576	436,337	1,928,411	709,429	153,000	-	9,695,080
Chariho	-	-	-	-	3,171,481	275,231	-	-	3,446,713
Foster-Glocester ³	5,299,561	407,711	103,395	(0)	944,535	202,921	-	-	6,958,122
Central Falls	43,351,250	(3,096,486)	1,736,787	-	43,821	120,206	-	11,691,949	53,847,528
District Total	\$1,032,390,727	\$7,275,953	\$12,747,470	\$3,644,223	\$12,470,802	\$19,862,682	\$3,570,000	\$11,691,949	\$1,103,653,807
Charter School Total	195,233,633	6,407,376	-	-	-	137,318	-	-	201,778,328
Davies	10,600,553	124,584	-	-	-	-	-	10,357,620	21,082,757
Met School	9,793,682	1,296,405	-	-	-	-	-	3,579,241	14,669,329
Nowell Academy	2,664,112	(264,592)	-	-	-	-	-	-	2,399,520
Urban Collaborative	2,296,446	(347,093)	-	-	-	-	-	-	1,949,354
Youth Build Academy	1,818,245	144,286	-	-	-	-	-	-	1,962,532
Total	\$1,254,797,399	\$14,636,921	\$12,747,470	\$3,644,223	\$12,470,802	\$20,000,000	\$3,570,000	\$25,628,810	\$1,347,495,623

¹ Based on October 1, 2025, enrollment updated for projected PSOC.

² Based on final 1/15/2026 report from the Department of Children, Youth and Families. In the FY2026 Revised Budget, a total of 2 beds were added in Providence relative to the enacted level and carried into FY2027.

³ Calculations based on component district data as required by the Superior Court decision in Town of Warren v. Bristol Warren Regional School District, et. al.

The following table shows the difference in education aid relative to the FY2025 Budget as Enacted.

FY2027 Governor's Recommended Education Aid - Change to FY2026 Budget as Enacted²

Districts	FY2026 Enacted (includes group home and categoricals)	FY2027 Formula Change	Enrollment Transition Fund	Poverty Loss Stabilization Fund	Transportation	High-cost Special Education REVISED (>\$79,273)	Group Home ¹	Stabilization Funding	Total Change	FY2027 Education Aid
Barrington	\$11,652,398	\$1,747,396	\$20,794	(\$1,039,957)	(\$67,384)	\$556,691	\$0	\$0	\$1,217,540	\$12,869,938
Burrillville	14,088,567	(236,182)	83,000	143,538	(40,137)	108,183	-	-	58,403	14,146,970
Charlestown	1,516,739	(57,689)	(5,961)	4,220	-	-	-	-	(59,431)	1,457,308
Coventry	29,493,104	769,515	94,102	-	156,682	271,904	-	-	1,292,204	30,785,309
Cranston	83,029,655	2,404,027	(414,538)	-	(241,415)	62,349	-	-	1,810,422	84,840,078
Cumberland	28,462,994	2,027,740	(6,222)	-	34,538	64,879	-	-	2,120,936	30,583,930
East Greenwich	6,299,984	605,473	24,988	(1,012,068)	(59,211)	168,246	-	-	(272,572)	6,027,413
East Providence	40,628,084	613,340	78,498	-	233,609	400,005	-	-	1,325,452	41,953,536
Foster	1,271,209	91,253	36,308	(34,469)	(4,509)	28,217	-	-	116,800	1,388,008
Glocester	3,181,190	(32,060)	17,260	(78,860)	(11,439)	59,313	-	-	(45,786)	3,135,404
Hopkinton	7,205,980	1,005,836	(4,245)	-	-	-	-	-	1,001,591	8,207,571
Jamestown	581,057	(17,540)	(50)	10,591	38,334	(70,844)	-	-	(39,508)	541,549
Johnston	25,447,965	946,124	126,529	(405,942)	(54,867)	565,067	-	-	1,176,912	26,624,877
Lincoln	21,424,959	(1,436,870)	114,401	877,286	195,895	(40,774)	-	-	(290,063)	21,134,896
Little Compton	321,589	100,240	237	(5,047)	-	(323)	-	-	95,108	416,697
Middletown	6,762,203	(709,240)	(22,059)	134,772	-	335,817	-	-	(260,710)	6,501,493
Narragansett	1,922,447	175,021	(25,972)	-	-	105,572	-	-	254,621	2,177,067
Newport	15,333,020	509,060	(53,027)	(441,039)	-	226,265	-	-	241,259	15,574,279
New Shoreham	98,506	103,006	(1,521)	-	-	-	-	-	101,485	199,991
North Kingstown	13,387,762	790,494	(30,859)	(737,038)	227,857	5,096	-	-	255,550	13,643,312
North Providence	31,616,254	671,477	57,831	-	(19,471)	262,182	-	-	972,018	32,588,272
North Smithfield	9,562,204	(835,359)	(29,408)	671,985	(1,938)	3,111	-	-	(191,610)	9,370,594
Pawtucket	113,322,518	1,127,173	758,457	-	(61,266)	794,261	-	-	2,618,625	115,941,143
Portsmouth	3,694,460	145,627	1,493	(80,184)	-	57,637	-	-	124,573	3,819,033
Providence	305,657,515	568,952	335,224	-	(72,111)	(2,875,599)	34,000	-	(2,009,534)	303,647,981
Richmond	6,406,497	(547,928)	(38,993)	255,857	-	-	-	-	(331,065)	6,075,433
Scituate	4,451,016	(709,266)	27,145	379,959	(23,220)	9,071	-	-	(316,312)	4,134,705
Smithfield	10,967,892	930,053	45,607	-	(25,968)	50,858	-	-	1,000,550	11,968,442
South Kingstown	5,935,724	(129,501)	(63,590)	96,508	(59,377)	(301,967)	-	-	(457,927)	5,477,798
Tiverton	5,977,672	(290,900)	13,409	(32,448)	-	307,679	-	-	(2,260)	5,975,412
Warwick	50,112,362	1,924,641	247,821	-	(1,339)	293,737	-	-	2,464,859	52,577,222
Westerly	8,761,700	(249,371)	47,462	-	-	29,465	-	-	(172,445)	8,589,256
West Warwick	42,823,516	609,791	315,544	-	42,912	243,987	-	-	1,212,234	44,035,750
Woonsocket	89,505,313	(1,738,357)	1,029,772	-	-	(119,298)	-	-	(827,883)	88,677,429
Bristol-Warren	14,885,027	(218,206)	(60,376)	(139,859)	(121,768)	273,453	-	-	(266,756)	14,618,270
Exeter-West Greenwich	9,607,263	(693,039)	(9,825)	436,337	132,294	222,049	-	-	87,816	9,695,080
Chariho	3,440,265	-	-	-	(157,234)	163,681	-	-	6,448	3,446,712
Foster-Glocester	6,614,764	407,711	(58,660)	(143,931)	(26,731)	164,970	-	-	343,359	6,958,123
Central Falls	54,768,079	(3,096,486)	1,346,330	-	(12,736)	(23,435)	-	865,775	(920,552)	53,847,528
District Total	\$1,090,219,455	\$7,275,953	\$3,996,906	(\$1,139,788)	(\$0)	\$2,401,505	\$34,000	\$865,775	\$13,434,351	\$1,103,653,806
Charter School Total	195,272,457	6,407,376	-	-	-	98,495	-	-	6,505,871	201,778,328
Davies	18,532,152	124,584	-	-	-	-	-	2,426,021	2,550,605	21,082,757
Met School	12,966,926	1,296,405	-	-	-	-	-	405,997	1,702,402	14,669,329
Nowell Academy	2,664,112	(264,592)	-	-	-	-	-	-	(264,592)	2,399,520
Urban Collaborative	2,296,446	(347,093)	-	-	-	-	-	-	(347,093)	1,949,354
Youth Build Academy	1,818,245	144,286	-	-	-	-	-	-	144,286	1,962,532
Total	\$1,323,769,794	\$14,636,921	\$3,996,906	(\$1,139,788)	(\$0)	\$2,500,000	\$34,000	\$3,697,793	\$23,725,832	\$1,347,495,623

¹ Based on final 1/15/2026 report from the Department of Children, Youth and Families. In the FY2026 Revised Budget, a total of 2 beds were added in Providence relative to the enacted level and carried into FY2027.

² Based on October 1, 2025 enrollment adjusted for projected 2025-26 PSOC.

Source: Rhode Island Department of Education

SCHOOL CONSTRUCTION AID

In 1960, the school housing aid program was enacted by the General Assembly to guarantee adequate school facilities for all public-school children in the state, and to prevent the cost of constructing and repairing facilities from interfering with the effective operation of the schools. Applications for aid to support the construction and renovation of school buildings are submitted to and evaluated by the Rhode Island Department of Elementary and Secondary Education (RIDE). State aid is provided for approved projects based on a percentage of cost. The percentage provided by the State to the school district is determined based on a share ratio designed to measure a community’s need. For FY2027, the minimum state share is 35.0 percent and the maximum is 95.3 percent for Central Falls: the state share for charter schools is 30.0 percent.

The 2010 General Assembly passed legislation increasing the minimum share ratio for traditional school districts from 30.0 percent in FY2011 to 35.0 percent in FY2012 and to 40.0 percent in FY2013. The 2012 General Assembly froze the reimbursement rate at 35.0 percent, but provided that projects completed after June 30, 2010, that received approval from the Board of Regents by June 30, 2012, receive the 40.0 percent minimum.

In FY2027, the Governor recommends \$102.9 million in school construction aid, a decrease of \$17.0 million relative to the FY2026 Budget as Enacted, and a decrease of \$28.8 million relative to the current service level of \$131.7 million provided in the December 2025 school construction aid projections. While the entire amount is expected to be used for housing aid entitlements, pursuant to the changes in Article 7, any surplus will be returned to the general fund instead of deposited into the School Building Authority Capital Fund (Capital Fund) for distribution by the School Building Authority (SBA). Based on December 2025 projections, housing aid entitlements are projected to increase to \$152.3 million in FY2028, \$175.0 million in FY2029, and \$200.0 million in FY2030. It is unclear if the cost saving measures in the Governor’s FY2027 Budget recommendation will be applied in future years. The savings initiatives shift \$11.6 million in reimbursement costs into FY2028 and \$11.3 million into FY2029.

To achieve the savings, the Department would utilize current statutory language related to projects funded from capital reserves and bonds to push a portion of the current service reimbursements from FY2027 into FY2028 and FY2029.

Capital Reserve Funded Projects: According to the Department, making the use of local capital reserve funds eligible for reimbursement is intended to reduce costs associated with school maintenance, repair, and construction by reducing financing costs which can increase total project costs by 40.0 to 50.0 percent. Reserve funds are generally used for smaller, more focused projects such as windows and doors, or air quality.

To realize savings from capital reserve funded projects, the Office of Management and Budget (OMB) cites RIGL 16-7-41(a) as authority for the Department to establish the Capital Reserve project repayment schedule provided in the [Housing Aid Reimbursement FY 2026 Guidance and Instructions](#). The statutory language gives the Commissioner of Elementary and Secondary Education the discretion to set up reimbursement cycles when a community fails to “specify or identify the appropriate reimbursement schedule”. To achieve the savings in the Governor’s FY2027 Budget Recommendation, the Department will group smaller projects by changing the interpretation of “project” to “aggregate”, thereby shifting \$7.9 million in current service projections from FY2027 into FY2028 and FY2029.

Governor's FY2027 School Construction Savings Initiatives

Current Service Level	\$131.7
Capital Reserve Funded Projects	(7.9)
Bond Funded Projects	(15.1)
Outyear Projection Savings	(5.9)
Total	\$102.9

\$ in millions

FY2026 Capital Reserve Project Repayment Schedule

Project Total Amount	Reimbursement Period
≤ \$1.0 million	1 year
> \$1.0 million and < \$1.5 million	2 years
> \$1.5 million	3 years

Source: Housing Aid Reimbursement FY2026 Guidance and Instructions

Bond Funded Projects: Pursuant to 200-RICR-20-05-4.13.1, no payment of school housing aid can be made before the project is completed; however, since housing aid has historically been fully funded, municipalities have received onetime “catch-up” payments for all prior bond payments in the fiscal year following project completion. As a cost saving initiative, the Governor’s Budget utilizes RIGL 16-7-45 which governs the distribution of funds if the full amount of housing aid is not appropriated. The statute does not allow for the ratable reduction of aid, but does provide that, under this circumstance, aid for debt service paid by a community prior to project completion can be deferred and paid “within three (3) equal installments beginning the fiscal year after project completion.” The deferment of these debt service reimbursement payments is projected to reduce FY2027 current service reimbursements by \$15.1 million.

Outyear Projections Saving: The Governor’s recommendation reduces the current service projection by \$5.9 million based on actual housing aid reimbursements in FY2026; however, the statutory changes in Article 7 of the Governor’s Budget Recommendation do not take effect until FY2027. Article 7 amends current law to provide that any surplus funding will revert to general revenue surplus instead of being deposited into the School Building Authority Capital Fund (Capital Fund) for distribution by the School Building Authority (SBA).

Analyst Note: While the Governor’s savings initiatives would reduce State costs in FY2027, delaying reimbursements to districts could increase local costs and slow school construction progress. For example, deferring state reimbursements to local capital reserve funds may slow the recapitalization of the fund and reduce resources available for repairs in the subsequent years and thus slow progress. In addition, for bond-funded projects, the district is required to make debt service payments while the project is under construction. These debt service payments may be supported by local revenues, or the community may need to utilize bridge funding. If local revenues are used, deferred reimbursements will deplete the resources available for other uses. If bridge financing is used, the deferred reimbursement will likely increase borrowing costs. As noted previously, the Governor has not indicated if the proposed expenditure shifts are the new reimbursement policy or a one-year cost savings.

It is unclear how the outyear projection savings will be realized. The number is based on the FY2026 “surplus”; yet, pursuant to current law and the Governor’s Recommended Budget the FY2026 “surplus” will transfer to the SBA. It is likely that not all the projects included in the current service level projection for FY2027 will be completed as scheduled; however, in FY2020 through FY2025, the average annual transfer to the SBA was \$3.0 million. In FY2023 through FY2025, the annual average transfer was \$2.3 million.

The Department has expressed concerns about meeting the school construction reimbursement obligations within the \$102.9 million provided in the Governor’s recommendation.

Impact of Governor's School Construction Savings Initiatives on Housing Aid to Districts			
District	FY2027	FY2028	FY2029
Capital Reserve Projects			
East Greenwich	(\$654,400)	\$327,200	\$327,200
East Providence	(147,039)	73,520	73,520
Foster	(257,000)	257,000	
Foster-Glocester	(793,307)	396,654	396,654
Lincoln	(101,205)	50,603	50,603
Narragansett	(434,700)	217,350	217,350
Pawtucket	(1,540,209)	770,105	770,105
Providence	(3,953,874)	1,976,937	1,976,937
Total	(\$7,881,734)	\$4,069,369	\$3,812,369
Bond-Funded Projects			
Cranston	(1,189,963)	594,981	594,981
Cumberland	(381,580)	190,790	190,790
Exeter-West Greenwich	(335,499)	167,750	167,750
Johnston	(2,660,444)	1,330,222	1,330,222
Newport	(5,644,485)	2,822,243	2,822,243
North Providence	(1,484,930)	742,465	742,465
Providence	(1,524,023)	762,011	762,011
Warwick	(364,265)	182,133	182,133
Westerly	(1,017,131)	508,566	508,566
Segue Institute	(456,774)	228,387	228,387
Total	(\$15,059,094)	\$7,529,548	\$7,529,548

Source: Rhode Island Department of Education

Article 7 of the Governor FY2027 Budget Recommendation repeals the requirement that surplus funds appropriated to the school housing aid program be deposited into the School Building Authority Capital Fund (Capital Fund) for distribution by the School Building Authority (SBA). When the SBA was created, the school construction program funding of \$80.0 million was effectively built into the base budget; however, in the FY2023 Budget as Enacted the aid projection was estimated at \$88.5 million, and a surplus of \$3.8 million was transferred to the SBA. Subsequent transfers include \$2.7 million in FY2024 and \$416,527 in FY2025. According to OMB, in FY2026 the housing aid appropriation is projected to exceed the actual reimbursements by about \$5.9 million due primarily to project delays. OMB asserts that project delays, not permanent cost savings, are primarily responsible for the “excess” appropriations. The change in the article is intended to ensure that funds appropriated for school construction reimbursements are available for reimbursement obligation regardless of project delays.

Prior to FY2023, the school construction program funding of \$80.0 million was effectively built into the base budget; however, with the issuance of state general obligation bonds stimulating increased construction, in the FY2023 Budget as Enacted the aid projection was estimated at \$88.5 million, and a surplus of \$3.8 million was transferred to the Capital Fund.

The 2011 General Assembly enacted legislation that required RIDE to develop recommendations for cost containment strategies in the school housing aid program. The following recommendations were submitted on March 22, 2012:

- Establish capital reserve funds on the state and local level.
- Reduce the minimum share ratio.
- Limit costs associated with bonding by establishing a mechanism to allow districts with poor bond ratings to borrow at a lower interest rate, reduce the State’s reimbursement rate on interest, and provide incentives for districts to refinance bonds.

Article 9 of the FY2019 Budget as Enacted provided temporary incentives to encourage districts to improve the condition of public-school buildings in Rhode Island, established a permanent incentive for school safety and security projects, and established school maintenance expenditure requirements.

The FY2025 Budget as Enacted included \$1.0 million in federal funds and 3.0 new FTE positions to reflect the award of a \$5.0 million, five-year grant from the United States Department of Education to support the Healthy Environments Advance Learning (HEAL) program in enhancing the indoor environmental conditions in public schools to reduce chronic absenteeism and improve student health. The focus of the program is on the five LEAs with the greatest need: Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket.

Transfers to the Capital Fund from the Foundation Program

FY2017 Actual	\$11.0
FY2018 Actual	10.9
FY2019 Actual	14.7
FY2020 Actual	1.0
FY2021 Actual	1.0
FY2022 Actual	9.0
FY2023 Actual	3.8
FY2024 Actual	2.7
FY2025 Actual	0.4

Total **\$54.5**

Source: Budget databases. \$ in millions

HEAL Budget¹ (2023 - 2028)

Category	Five-Year Total
Personnel (3.0 FTE)	\$1,412,374
Fridge Benefits	968,489
Travel	10,050
Supplies	3,900
Contractual	2,343,253
Indirect Costs	220,293
Total	\$4,958,360

¹ *The Department is waiting on approval for a revised budget, as the original required substantial changes source: Rhode Island Department of Education*

School Building Authority: Article 9 of the FY2016 Budget as Enacted designated the Department of Elementary and Secondary Education (Department) as the State’s School Building Authority (SBA) and charged the Department with implementing a system of state funding for school facilities, managing the school housing aid program, and developing a project priority system. The Authority oversees two distinct funding mechanisms for school facilities: the Foundation Program, as enumerated in RIGL 16-7-35 through 16-7-47, and the School Building Authority Capital Fund (Capital Fund), as created through the article. Since FY2016, the Office has grown to accommodate increased activity stimulated by the passage of two general obligation bonds to support school construction. Currently, the Office has 5.0 FTE positions. In

FY2027, the Budget provides \$933,072 in salaries and benefits, including \$653,151 in general revenue and \$279,921 in restricted receipts.

Through Article 9, the FY2019 Budget as Enacted shifted a portion of the FTE costs for the administration of the school construction program from general revenue to a new school construction services restricted receipt account. The restricted receipts are funded by the Rhode Island Health and Education Building Corporation (RIHEBC) from the School Building Authority Capital Fund, fees generated from the origination of municipal bonds and other financing vehicles used for school construction, and its own reserves. There is no statutory limit on the amount or type of expenses that can be funded; however, Article 9 limited the fee that RIHEBC can impose on cities, towns and districts to one tenth of one percent (0.001) of the principal amount of the bond.

	School Construction Services		
	RIHEBC Bond Fee Revenue	Transferred to SBA	Difference
FY2019 Actual	\$681,447	(\$737,735)	(\$56,288)
FY2020 Actual	71,840	(770,946)	(699,106)
FY2021 Actual	303,180	(677,945)	(374,765)
FY2022 Actual	222,990	(257,613)	(34,623)
FY2023 Actual	85,000	(255,752)	(170,752)
FY2024 Actual	269,990	(242,491)	27,499
FY2025 Actual	545,450	(254,354)	291,096
FY2026 Projected	381,930	(260,000)	121,930
Total	\$2,561,827	(\$3,456,836)	(\$895,009)

Source: RIHEBC March 9, 2026.

In addition to the transfers to the SBA, since 2006, RIHEBC has transferred \$14.3 million to the state general fund, including \$6.0 million in FY2018. In the FY2016 Revised Budget, the Governor recommends the transfer of \$2.5 million to the general fund.

School Building Authority Capital Fund: In FY2016, the Department received a one-time, pass-through appropriation of \$20.0 million in new general revenue to capitalize the Capital Fund, which is held in trust and administered by the Rhode Island Health and Education Building Corporation (RIHEBC).

The FY2019 Budget as Enacted required the SBA to provide technical assistance and guidance to school districts on the necessity of school construction application process; and provided that for FY2019 and FY2020 the amount transferred from the Foundation Program was to be used for this purpose. According to the SBA, each of the 38 LEA’s that requested technical assistance in FY 2019 and FY 2020 were provided with an award for a total of \$3.7 million.

In FY2022, the Budget as Enacted provided \$590,814 in general revenue from the surplus construction aid to the Capital Fund; however, the revised budget provided a total of \$9.0 million in surplus funds. The increase was due to construction delays, caused by the COVID-19 pandemic, and bond refinancing. Several communities refinanced to take advantage of the low interest rates, saving a total of \$8.5 million in total debt service payments that was shared between the municipalities and the State.

	Transfers to the Capital Fund		
	Foundation Program	Other General Revenue	Total
FY2016 Actual	\$0.0	\$20.0	\$20.0
FY2017 Actual	11.0	-	11.0
FY2018 Actual	10.9	-	10.9
FY2019 Actual	14.7	-	14.7
FY2020 Actual	1.0	-	1.0
FY2021 Actual	1.0	-	1.0
FY2022 Actual	9.0	-	9.0
FY2023 Actual	3.8	50.0	53.8
FY2024 Actual	2.7	-	2.7
FY2025 Actual	0.4	-	0.4
FY2026 Projected	5.9	-	5.9
Total	\$60.4	\$70.0	\$79.5

Source: Budget databases. \$ in millions

In FY2023, in addition to the \$250.0 million school building bond referendum in Article 5, the FY2023 Budget as Enacted provided \$50.0 million in general revenue to the School Building Authority to address high-priority projects including upgrades to lighting, heating, and ventilation systems to create facility equity among Rhode Island students.

In FY2024, \$104.2 million was appropriated to the foundation program; however, \$101.5 was spent leaving \$2.7 million to be transferred to the Capital Fund in the FY2024 Revised Budget. Of these funds \$1.7 million was used for the [Get the Foam Out!](#) program and \$995,610 went toward the [WELL Initiative](#).

Facility Equity Initiative Pilot Program: At the January 11, 2022, meeting, the Council on Elementary and Secondary Education approved funding for the Facility Equity Initiative pilot program to provide pay-go funding for high priority projects in school districts with reimbursement rates over 65.0 percent, including

Central Falls, Pawtucket, Providence, West Warwick, and Woonsocket. This project would focus on high priority projects to improve the health and safety of students and promote equity across the State. The new Capital Fund will provide up-front funding instead of increasing the school construction allocation in the annual budget and reduce costs by eliminating interest payments on the funded projects.

The projects approved by the Council for FY2022 are supported with the \$9.0 million, from construction delays and bond refinancing, plus an additional \$3.0 million from prior year surpluses, and \$1.5 million in support from the Office of Energy Resources (OER) fund to the Facility Equity Initiative pilot program. The funding was distributed, in partnership with OER and the Division of Equity, Diversity, Inclusion (DEDI). After evaluating 53 applications from 5 LEAs, the funds were awarded to 5 districts on a priority basis designed to have the greatest impact on facility gaps between districts.

FY2022 SBA Capital Fund Facility Equity Initiative	
Central Falls	\$3.6
Pawtucket	4.4
Providence	4.5
West Warwick	0.5
Woonsocket	0.5
Total	\$13.4

\$ in millions

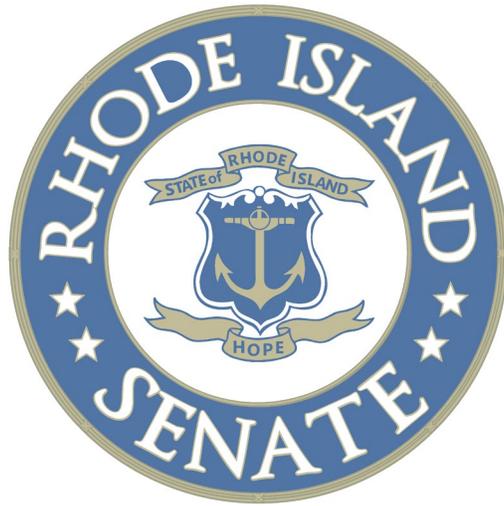
While this program was only a pilot, with the approval of the \$250.0 million school construction bond in November 2022, Article 10 of the FY2023 Budget provided that \$50.0 million be transferred to the School Building Authority Capital Fund to address high-priority projects including upgrades to lighting, heating, and ventilation systems to create facility equity among Rhode Island students. The SBA expanded the pilot program to include the ten LEAs with a base reimbursement rate over 45.0 percent, thus doubling the number of eligible schools.

Of the \$50.0 million appropriated in FY2023, \$49.1 million was distributed as follows:

- \$26.0 million funded the Facility Equity Initiative, an additional \$4.0 million was contributed by the Office of Energy Resources.
- \$14.0 million (plus \$1.0 million from the career and technology school fund) was distributed through the 21st Century Technology and Equipment Funds to provide LEAs funds to ensure that learning spaces are equipped with technology, furniture, and equipment that support science technology, engineering, and math project-based learning.
- \$7.5 million was used for the Inside Out program to provide outdoor classrooms.
- \$1.6 million was awarded through the Menu for Success program providing students with the opportunity to design and operate food trucks.
- \$850,000 is being used toward the new W.E.L.L. Initiative to meet the holistic needs of student in the wake of the pandemic. Local education agencies will be eligible for up to \$150,000 depending on enrollment. LEAs will be provided with \$5,000 to conduct professional development to support the award. Additional funding for this initiative includes \$1.6 million in federal ESSER II funds and \$500,000 in Opioid Settlement funding.

FY2023 SBA Capital Fund Facility Equity Initiative Program	
Burrillville	\$0.3
Central Falls	4.2
Coventry	3.2
Cranston	1.9
East Providence	2.2
North Providence	2.8
Pawtucket	2.8
Providence	9.3
West Warwick	0.6
Woonsocket	2.9
Total	\$30.2

\$ in millions



FY2027 LOCAL AID

Local Aid

The Governor's recommends \$427.6 million in state aid to municipalities in FY2027. This is \$4.2 million more than the FY2026 enacted level. The net increase is primarily related to increased estimated hotel tax revenue (including new receipts from the whole house short-term rental tax).

Funding for the Distressed Community Relief program is level funded at \$14.9 million. The Payment in Lieu of Taxes program is reduced by \$2.3 million for a total of \$49.0 million (full 27.0 percent cap).

Meal and Beverage Tax revenue is projected to increase by a total of \$3.1 million for FY2027 and the Hotel Tax is projected to increase by \$5.9 million over the FY2026 enacted level. Tables showing impacts by community are included at the end of this analysis.

Program	FY2026 Enacted	FY2026 Revised	Change from Enacted		FY2027 Governor	Change from Enacted	
Payment in Lieu of Taxes	\$51.3	\$51.3	-	-	\$49.0	(2.3)	-4.5%
Distressed Communities	14.9	14.9	-	-	14.9	-	0.0%
Motor Vehicle Excise Tax	239.6	239.6	-	-	239.6	-	0.0%
Tangible Tax Reimbursement	25.9	25.9	-	-	25.9	-	0.0%
State Aid to Libraries							
Grant-in-Aid	12.1	12.1	-	-	12.1	-	-
Library Construction	2.1	2.1	-	-	2.1	-	-
Total Direct Aid	\$345.9	\$345.9	-	-	\$343.6	(\$2.3)	-0.7%
Public Service Corporations Tax	\$15.7	\$15.7	-	-	\$13.2	(2.5)	(0.2)
Meals & Beverage Tax	42.0	43.2	1.2	2.9%	45.1	3.1	7.4%
Hotel Tax	18.9	19.2	0.3	1.6%	24.8	5.9	31.2%
Airport Impact Aid	1.0	1.0	-	0.0%	1.0	-	0.0%
Total Indirect Aid*	\$77.6	\$79.1	\$1.5	1.9%	\$84.0	\$6.5	8.4%
Total Aid	\$423.5	\$425.0	\$1.5	0.4%	\$427.6	\$4.2	1.0%

\$ in millions. Totals may vary due to rounding.

*Values are based on estimates made at the time of the Budget's introduction are subject to revision.

DIRECT AID TO LOCAL GOVERNMENT

Payment in Lieu of Taxes (PILOT)

The Payment in Lieu of Taxes (PILOT) program was established in 1986 to reimburse cities and towns for property taxes that would have been due on real property owned by entities that are statutorily exempt from paying taxes. These entities include private nonprofit institutions of higher education, nonprofit hospitals, or any state-owned property such as hospitals, veterans' residential facilities, or correctional facilities. The objective is to offset the costs to the community for providing public safety or other municipal services to these properties. The following table lists the properties that are counted towards the PILOT program:

Fiscal Year	PILOT Funding Trends		
	Total Funding	% Change	% Reimbursed
2022	\$46.1	-9.1%	26.0%
2023	48.4	5.0%	27.0%
2024	49.2	1.7%	27.0%
2025	49.2	0.0%	26.7%
2026	51.3	4.3%	27.0%
2027	49.0	-4.5%	27.0%

\$ in millions.

PILOT Properties by Municipality

PILOT Properties by Municipality	
Barrington	Providence
RI School of Design	Brown University
Bristol	Butler Hospital
Brown University	Home & Hospice Care of RI
Roger Williams University	Johnson & Wales University
RI Veterans Home	Miriam Hospital
Burrillville	Providence College
Zambarano Hospital	Rhode Island Hospital
Cranston	Rhode Island School of Design
Brown University	Women & Infants Hospital of Rhode Island
Johnson & Wales University	Smithfield
State Hospital and Prisons	Bryant University
East Greenwich	South Kingstown
Kent County Memorial Hospital	South County Hospital
New England Institute of Technology	Warwick
Women & Infants Hospital of Rhode Island	Bradley Hospital
East Providence	Kent County Memorial Hospital
Bradley Hospital	New England Institute of Technology
Newport	Westerly
International Yacht Restoration School	Westerly Hospital
Newport Hospital	Women & Infants Hospital of Rhode Island
Salve Regina College	Woonsocket
North Kingstown	Landmark Hospital
South County Hospital	
Pawtucket	
Miriam Hospital	

The Budget includes \$49.0 million in general revenue for the State’s PILOT program in FY2027, \$2.3 million less than the FY2026 enacted level.

Current law requires reimbursement at 27.0 percent of for gone tax revenue, but allows for a ratable reduction if the appropriation is less than this amount. The Budget appropriates 27.0 percent.

Distressed Community Relief

The Distressed Community Relief program was established in 1990 to provide State assistance to communities with the highest property tax burdens relative to the wealth of taxpayers. The Budget includes \$14.9 million in general revenue for the Distressed Community Relief Fund in FY2027, equal to the FY2026 enacted level.

Seven communities are currently eligible to receive funds under the program in FY2026 and FY2027. Distribution is based upon annually updated data related to the local tax levy and is certified by the Division of Municipal Finance.

Municipality	FY2026 Enacted	FY2027	
		Governor	Change
Central Falls	\$305,400	\$283,906	<i>(\$21,494)</i>
Coventry	804,459	\$1,581,883	<i>777,424</i>
North Providence	1,275,820	1,165,297	<i>(110,523)</i>
Pawtucket	2,021,793	1,930,433	<i>(91,360)</i>
Providence	8,185,589	7,781,873	<i>(403,716)</i>
West Warwick	1,295,536	1,198,228	<i>(97,308)</i>
Woonsocket	995,860	942,838	<i>(53,022)</i>
Total	\$14,884,458	\$14,884,458	-

The program allows for transitional funding for when a community is either newly eligible or determined to no longer be eligible for the program. This funding is 50.0 percent of its proportional share.

The Town of Coventry qualified as a distressed community in FY2026 and received a 50.0 percent appropriation of \$804,459. The remaining 50.0 percent of Coventry’s appropriation is divided among the remaining six distressed communities. In FY2027 Coventry is appropriated the full formula amount of \$1.6 million.

The Budget requires that any community classified as “distressed” be mandated to participate in the Division of Taxation’s income tax refund offset program, allowing the Division to recover unpaid State and local taxes and/or fines through an intercept of an individual’s income tax refund. The program assists communities with maximizing their collection of revenue, thereby reducing or eliminating their distressed condition. All seven communities are currently participating.

Motor Vehicle Excise Tax

In FY2023, the General Assembly eliminated local motor vehicle excise taxes (“car taxes”) throughout the State. This was the culmination of an extended phase-out period that began with the Motor Vehicle and Trailer 4 Tax Elimination Act of 1998 (MVET Act), was paused for seven years, was reinstated in FY2018, and then finally completed in FY2023, a year earlier than originally contemplated. Throughout the phase-out, the State has provided municipalities with general revenue-funded formula aid that increasingly offset losses in local revenue. The final annual aid distribution amounts by municipality totals \$234.7 million (equal to the FY2024 levy) and are codified in RIGL 44-34.1-2.

Current law (RIGL 44-34.1-2 (c)) also provides that beginning in FY2026, the car tax reimbursement provided to municipalities will include an annual adjustment indexed to growth in the state sales tax and subject to a cap of 2.0 percentage point increase from the previous year. This adjustment was originally enacted to mitigate potential foregone revenue loss subsequent to the elimination of the car tax due to changes in the economy. As sales tax revenue grows (or decreases), the State reimbursement to municipalities grows (or decreases), proportionately. The estimated final annual aid distribution in FY2026, inclusive of the sales tax adjustment totals \$239.6 million.

Article 5 of the Governor’s FY2027 budget recommendation makes statutory changes that permit the sales tax adjustment to take place and be distributed through FY2026 only and then locks in the reimbursement to the FY2026 amount. The annual sales tax growth adjustment first has a fiscal impact in FY2026. The out-year impact is summarized in the following table.

Fiscal Impact Relative to FY2026 Current Law vs. Article 5						
Scenario	FY2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Motor Vehicle Aid w/Adjustment	\$239.6	\$244.4	\$249.3	\$254.3	\$259.3	\$264.5
Motor Vehicle Aid w/o Adjustment	239.6	239.6	239.6	239.6	239.6	239.6
Change from FY2026	-	(\$4.8)	(\$9.7)	(\$14.7)	(\$19.7)	(\$24.9)

\$ in millions

Tangible Tax Changes

In FY2024, the General Assembly provided for a state aid program that reimburses municipalities the foregone revenue associated with a statewide tangible property tax exemption. Tangible personal property (TPP) comprises property that can be moved or touched, and commonly includes items such as business equipment and furniture. It is one of four classifications of property that typically are taxed by municipalities, the others being residential real estate, commercial/industrial, and motor vehicles. The latter has been completely phased out in Rhode Island as of FY2023.

The program provides an exemption on the first \$50,000 in tangible property value from the TPP statewide, as of the assessment date of December 31, 2023. The exemption does not apply to public service corporations or certain renewable energy resources and associated equipment. All ratable tangible personal property valued above \$50,000 remains taxable. The change is estimated to positively impact all taxpayers (except those noted above) and eliminate the TPP tax liability altogether for 30,152 business, or 75.0 percent of taxpayers.

To offset the revenue loss to municipalities associated with the exemption, the state provides aid through a program within the Department of Revenue’s Division of Municipal Finance (DMF). DMF reimburses municipalities at 100.0 percent of the revenue foregone due to the exemption that would have been collected for FY2025. Municipalities had until August 15, 2024, to document, certify, and file their tangible property tax assessments with the DMF in order for reimbursement. No adjustments are made to this baseline in future fiscal years. Reimbursement payments are to be made by September 30th of each year. Reimbursements are not made until a municipality or fire district has provided DMF with its certified tax roll and any other required information. The Governor’s FY2027 and FY2026 revised budgets include \$25.9 million in reimbursements for municipalities.

Analyst Note: As noted above, municipalities had until August 15, 2024, to document, certify, and file the assessment with the Division of Municipal Finance. Based on this schedule, actual reimbursement amounts would not be known until the FY2025 Supplemental Budget.

The FY2024 Budget as Enacted included \$28.0 million in general revenue within the Department of Revenue for the new state aid program with the provision that any unused funds be subject to automatic reappropriation to the following fiscal year. These funds were appropriated as a placeholder with the understanding that implementation and reimbursements do not take place until FY2025. The FY2025 Supplemental Budget and FY2026 Budgets include \$25.9 million for the program based on the actual documentation submitted by municipalities and certified by DMF.

State Aid to Libraries

Grant-in-Aid: State aid to libraries is distributed based on the city or town’s expenditure level as a percentage of the total expenditures by all communities statewide. In order to be eligible for these funds, cities and towns must maintain their level of support for public library services at 100.0 percent of the previous year’s funding from the local tax base. The Budget provides cities and towns with \$14.2 million in total direct library aid in FY2027 equal to the FY2026 enacted level. This includes \$1.2 million in funding for the Statewide Reference Library Resource Grant that supports interlibrary services for all municipal libraries. Distribution of direct library aid is based on qualifying data from the statutory reference year. Current law requires reimbursement of 25.0 percent of second prior year expenses but allows for a ratable reduction if the appropriation is less than this amount. The FY2027 appropriation is funded at 24.1 percent.

Fiscal Year	Grant in Aid*	Library Aid		Total Aid	% Change
		Construction			
2022	\$9.6	\$2.1		\$11.7	-4.9%
2023	11.0	1.9		12.9	9.8%
2024	11.5	2.1		13.6	5.8%
2025	11.9	2.2		14.1	3.7%
2026	12.1	2.1		14.2	0.7%
2027	12.1	2.1		14.2	0.0%

\$ in millions

**Inclusive of the Statewide Reference Library Resources Grant*

Construction Reimbursement: Rhode Island law grants authority to the Office of Library and Information Services (OLIS) to award grants to a municipality or a free public library for construction or capital improvements. Grants are limited to a maximum of 50.0 percent of the total eligible costs as determined by the Office of Library and Information Services and are paid on an installment basis, based on a community’s debt service requirement, for a period of up to 20 years.

For FY2027, the Budget includes \$2.1 million for Library Construction Aid, equal to the FY2026 enacted level.

INDIRECT AID TO LOCAL GOVERNMENT

Public Service Corporation Tax

The tangible personal property of telegraph, cable, and telecommunications corporations and express corporations is exempt from local taxation. It is, however, subject to taxation by the State. The State Tax Administrator applies the average assessment ratio and the average tax rate to the value of tangible personal property of each company to calculate the amount of tax due. The “average assessment ratio” is the total assessed valuation divided by the full market value of the valuation. The “average property rate” is the total statewide property levy divided by the total statewide assessed valuation.

Public Service Corporation Tax		
Fiscal Year	Total Funding	% Change
2022	\$12.6	-4.5%
2023	13.1	4.0%
2024	14.5	10.7%
2025	15.5	6.9%
2026	15.7	1.3%
2027	13.2	-15.9%

\$ in millions

The revenue from this tax flows through the State; it is not appropriated. The State is allowed to keep 0.75 percent of the tax for administrative fees. The remainder of the revenue is deposited into a restricted receipt account and apportioned to the cities and towns based on the ratio of each municipality’s population relative to the total population of the State.

In 2009, the General Assembly passed legislation freezing the tax rate on telecommunications tangible personal property at a rate equal to or greater than the rate that applied in FY2008. For each year thereafter, the tax rate applied to telecommunications tangible property can be no less than the rate that applied in FY2008.

The Budget includes the estimated amount of \$13.2 million to be distributed to municipalities on July 30, 2027.

Meals and Beverage Tax

During the 2003 session, the General Assembly enacted a 1.0 percent gross receipt tax on retail sales of meals and beverages in or from eating and/or drinking establishments. The revenue from this tax flows through the State; it is not appropriated. The taxes are collected by the Division of Taxation and distributed at least quarterly to the city or town where the meals and beverages were delivered.

Meals & Beverage Tax		
Fiscal Year	Total Funding	% Change
2022	\$32.4	33.8%
2023	35.7	10.1%
2024	38.5	7.8%
2025	39.6	2.9%
2026	41.4	4.5%
2027	45.1	8.9%

\$ in millions

For FY2026, the state anticipates \$41.4 million in collections, increasing to \$45.1 million in FY2027.

Hotel Tax

The State levies a 5.0 percent gross receipts tax on charges for occupancy of any space furnished in buildings or structures with a minimum of three rooms that are kept, used, maintained, advertised, or held out to the public to be a space where living quarters are supplied for pay for

transient use (30 days or less). This tax is collected by the hotel and remitted to the Division of Taxation on a monthly basis.

This tax is in addition to all other taxes and fees currently imposed. The Division of Taxation collects the tax and is responsible for distribution, except for the City of Newport, which is authorized to collect and disburse taxes from all hotels physically located in the City. 25.0 percent of the revenue from the 5.0 percent hotel tax is distributed to the city or town where the hotel which generated the tax is physically located.

The FY2016 Budget as Enacted expanded the hotel tax to include vacation home rentals, small bed and breakfasts, hotel room resellers, and partial-home room rentals from unlicensed lodging.

The FY2026 Budget as Enacted Article 5 of the Budget increased the 1.0 percent local occupancy tax to 2.0 percent and added a new 5.0 percent whole house short-term rental tax.

The Budget includes \$19.2 million in estimated hotel tax distribution in FY2026 and \$24.8 million in FY2027 and reflects the additional whole house short-term rental tax.

Hotel Tax Distribution		
Fiscal	Total	
Year	Distribution	Change
2022	\$11.8	119.5%
2023	13.8	16.6%
2024	13.5	-1.8%
2025	15.0	11.1%
2026	19.2	21.2%
2027	24.8	29.2%
<i>\$ in millions</i>		

OTHER AID TO LOCAL GOVERNMENT

Warwick Rental Car Tax Revenue

The RI Airport Corporation levies a customer service charge (CSC) of \$5.00 per day for all vehicle rentals from companies operating at Rhode Island T.F. Green International Airport in Warwick. Revenues from the CSC are to be used to pay for the construction, expansion, reconfiguration, operation and maintenance of the Warwick Intermodal Transit Station. The CSC is applied prior to the application of the sales tax and rental vehicle surcharge. Since 2003, per RIGL 1-2-17.1, all sales taxes (7.0 percent) and rental vehicle surcharges (6.0 percent) collected from the application of the CSC have been deposited into a restricted receipt account for the City of Warwick. The Budget includes \$1.1 million in CSC payments to the City in both FY2026 and FY2027. Article 2 of the FY2026 Budget as Enacted exempts these funds from the 15.0 percent indirect cost recovery charge the state levies on restricted receipt accounts.

Airport Impact Aid

The Budget provides \$1.0 million in funding for the Airport Impact Aid program in FY2027. The Airport Impact Aid program provides State aid funds to municipalities which host airports. Under current law, the aid is distributed according to a statutory formula that provides 60.0 percent of the first \$1.0 million, or \$600,000, for communities with airports serving more than 1.0 million passengers per year. Rhode Island T.F. Green International in Warwick is the only airport in the State that meets this threshold. The remaining 40.0 percent is distributed to communities based on each airport’s share of total landings in a calendar year, including Rhode Island T.F. Green International. Under current law, no community that hosts an airport can receive less than \$25,000.

The following table shows the estimated distribution of Airport Impact Aid for FY2025 and FY2026:

Airport	FY2026*	FY2027^	Change
Warwick - Rhode Island T.F. Green International	\$769,971	\$769,971	\$0
Block Island	44,684	44,684	-
Middletown - Newport Airport	33,482	33,482	-
Smithfield - North Central	25,000	25,000	-
Lincoln - North Central	25,000	25,000	-
North Kingstown - Quonset	56,332	56,332	-
Westerly	55,567	55,567	-
Grand Total	\$1,010,036	\$1,010,036	\$0

^FY2027 Airport Impact Aid is based on Calendar Year 2025 landing data that is made available in May 2027.

*Final FY2026 distribution amounts will be made based upon data anticipated to be received in Q3/4 of FY2026.

Property Revaluation Reimbursement

In 1997, the General Assembly enacted legislation requiring municipalities to conduct full property revaluations every nine years and statistical updates at year 3 and year 6. Communities are responsible for appropriating funds to cover the costs of full property revaluations; however, the State reimbursed municipalities for 100.0 percent of the first statistical update. Reimbursements for subsequent updates were set at 80.0 percent (up to \$16 per parcel) for the second statistical update and 60.0 percent (up to \$12 per parcel) for the third and subsequent statistical revaluations. The Budget includes \$826,038 in general revenue for the Property Revaluation program in FY2027, reflecting an increase of \$113,648 relative to the FY2026 enacted level. The change is based on an increase in anticipated reimbursements. The following communities will be reimbursed for statistical updates in 2027: Burrillville, North Smithfield, Smithfield, Lincoln, Central Falls, East Providence, Warwick, West Warwick, North Kingstown, South Kingstown, and Jamestown. Woonsocket, Scituate, Providence, Bristol, Westerly, and Little Compton are scheduled for a full revaluation.

Fiscal Year	Total Distribution	Change
2022	\$1.5	36.4%
2023	0.4	-62.3%
2024	0.9	-39.6%
2025	1.4	108.3%
2026	0.7	-49.1%
2027	0.8	12.3%

\$ in millions

Municipality	FY2027 Direct Aid							Change from FY2026
	FY2026 Enacted	Payment in Lieu of Taxes	Distressed Communities Relief Fund*	Library Aid	Motor Vehicle Excise Tax	Tangible Property	FY2027 Governor	
Barrington	\$6,478,976	\$19,206	-	\$376,927	\$6,013,312	\$83,638	\$6,493,083	\$14,107
Bristol	4,734,981	1,272,090	-	251,792	2,970,720	147,284	4,641,886	(93,095)
Burrillville	5,513,841	45,450	-	235,858	5,150,845	72,656	5,504,808	(9,033)
Central Falls	2,826,938	-	283,906	36,269	2,132,210	351,907	2,804,291	(22,647)
Charlestown	1,118,678	-	-	69,649	1,030,171	18,324	1,118,144	(534)
Coventry	7,430,108	-	1,581,883	276,371	5,989,355	365,715	8,213,323	783,215
Cranston	28,893,537	3,594,530	-	836,564	22,783,506	1,738,596	28,953,196	59,659
Cumberland	7,089,656	-	-	365,928	6,204,972	505,178	7,076,077	(13,579)
East Greenwich	4,126,790	961,042	-	153,754	2,467,614	546,636	4,129,046	2,256
East Providence	14,378,249	308,356	-	558,389	11,667,263	1,883,783	14,417,791	39,542
Exeter	2,398,565	-	-	69,070	2,275,955	53,418	2,398,442	(123)
Foster	1,822,668	-	-	44,766	1,677,019	100,687	1,822,472	(196)
Glocester	2,723,047	-	-	98,664	2,419,699	203,566	2,721,929	(1,118)
Hopkinton	1,888,497	-	-	46,228	1,653,062	189,737	1,889,027	530
Jamestown	792,228	-	-	121,561	646,850	23,473	791,884	(344)
Johnston	12,118,006	-	-	142,931	10,589,179	1,391,119	12,123,230	5,224
Lincoln	6,553,420	-	-	261,987	5,797,695	483,036	6,542,718	(10,702)
Little Compton	467,654	-	-	46,549	383,319	35,997	465,865	(1,789)
Middletown	2,493,347	-	-	178,976	2,012,423	300,020	2,491,420	(1,927)
Narragansett	2,159,665	-	-	232,183	1,868,679	77,223	2,178,084	18,419
Newport	4,579,511	1,526,284	-	497,037	2,275,955	304,205	4,603,481	23,970
New Shoreham	294,751	-	-	113,857	167,702	14,181	295,740	989
North Kingstown	6,182,144	55	-	365,353	5,486,249	329,980	6,181,637	(507)
North Providence	12,252,416	-	1,165,297	257,982	9,822,542	907,238	12,153,059	(99,357)
North Smithfield	5,027,719	-	-	99,527	4,480,037	449,370	5,028,935	1,216
Pawtucket	20,769,987	2,793	1,930,433	514,187	16,842,066	1,377,212	20,666,690	(103,297)
Portsmouth	2,780,837	-	-	140,557	2,467,614	168,858	2,777,029	(3,808)
Providence	90,430,003	37,144,858	7,781,873	1,465,947	34,834,087	6,101,330	87,328,096	(3,101,907)
Richmond	1,620,422	-	-	30,870	1,485,360	104,948	1,621,179	757
Scituate	2,305,263	-	-	146,121	2,012,423	146,895	2,305,439	176
Smithfield	10,247,065	1,802,349	-	374,151	7,235,141	1,331,050	10,742,690	495,625
South Kingstown	4,681,482	169,364	-	275,273	4,000,889	211,379	4,656,905	(24,577)
Tiverton	2,079,600	-	-	155,476	1,772,849	153,001	2,081,326	1,726
Warren	2,391,924	-	-	76,419	2,132,210	179,960	2,388,590	(3,334)
Warwick	31,533,887	1,756,150	-	911,167	25,778,183	3,080,934	31,526,434	(7,453)
Westerly	6,998,244	125,925	-	456,644	5,893,525	485,171	6,961,265	(36,979)
West Greenwich	1,603,466	-	-	75,672	1,365,573	163,578	1,604,823	1,357
West Warwick	8,155,008	-	1,198,228	231,924	5,797,695	829,938	8,057,785	(97,223)
Woonsocket	11,944,597	320,690	942,838	251,637	9,511,095	834,588	11,860,848	(83,749)
SRL ¹	1,169,541	-	-	1,169,541	-	-	1,169,541	(0)
ILG ²	81,264	-	-	81,264	-	-	81,264	-
LCA ³	2,115,628	-	-	2,097,515	-	-	2,097,515	(18,113)
Fire Districts	617,851	-	-	-	455,191	162,660	617,851	(0)
Total	\$345,871,460	\$49,049,142	\$14,884,458	\$14,192,538	\$239,550,236	\$25,908,469	\$343,584,842	(\$2,286,620)

¹SRL: Statewide Reference Library Resources Grant

²ILG: Grant-in-Aid to Institutional Libraries

³LCA: Library Construction Aid

* According to budget documents the data used to determine the distribution of the Distressed Community Relief Fund state aid is from the 2024 Census. 2025 census data will be released in January 2026. The FY2027 final distribution amounts may change once the final Census data and total enacted statewide appropriation are known.

FY2027 Indirect Aid

Municipality	FY2026 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees ¹	FY2027 Governor	Change from
							FY2026 Enacted
Barrington	\$430,383	\$206,352	\$6,873	\$281,110	-	\$494,335	\$63,952
Bristol	1,201,108	269,103	161,100	801,378	-	1,231,580	30,472
Burrillville	514,262	195,861	516	294,898	-	491,276	(22,986)
Central Falls	617,116	271,080	1,170	320,579	-	592,829	(24,287)
Charlestown	526,481	96,671	268,683	259,064	-	624,418	97,937
Coventry	1,285,556	431,165	191,284	665,528	-	1,287,977	2,421
Cranston	4,184,768	996,394	60,192	3,203,509	-	4,260,095	75,327
Cumberland	1,279,526	438,798	1,655	779,299	-	1,219,752	(59,774)
East Greenwich	1,383,160	173,723	6,733	1,250,385	-	1,430,841	47,681
East Providence	2,270,623	566,374	126,558	1,679,317	-	2,372,249	101,626
Exeter	274,139	85,613	1,350	177,634	-	264,597	(9,542)
Foster	90,892	54,033	2,991	19,366	-	76,390	(14,502)
Glocester	282,293	121,390	5,064	152,845	-	279,299	(2,994)
Hopkinton	188,489	101,542	4,447	62,622	-	168,612	(19,877)
Jamestown	307,389	66,863	140,693	173,551	-	381,107	73,718
Johnston	1,568,353	356,428	27,126	1,201,332	-	1,584,886	16,533
Lincoln	1,729,578	272,166	393,528	1,110,953	25,034	1,801,680	72,102
Little Compton	168,025	43,422	94,956	56,254	-	194,632	26,607
Middletown	3,430,337	204,025	2,593,214	1,299,284	33,482	4,130,004	699,667
Narragansett	1,817,611	175,326	889,905	1,104,390	-	2,169,621	352,010
Newport	9,214,191	301,805	7,068,495	3,995,573	-	11,365,874	2,151,683
New Shoreham	1,947,477	9,996	1,782,646	623,945	44,684	2,461,271	513,794
North Kingstown	1,612,691	334,446	259,295	1,014,938	56,332	1,665,012	52,321
North Providence	1,228,862	409,255	5,602	840,835	-	1,255,693	26,831
North Smithfield	676,771	151,728	9,838	521,728	-	683,295	6,524
Pawtucket	2,589,203	907,742	176,210	1,476,912	-	2,560,864	(28,339)
Portsmouth	784,614	213,913	64,861	509,946	-	788,720	4,106
Providence	15,097,309	2,293,639	4,074,276	9,274,083	-	15,641,998	544,689
Richmond	400,790	97,756	101,734	267,594	-	467,084	66,294
Scituate	272,914	125,610	16,995	118,763	-	261,368	(11,546)
Smithfield	1,915,720	266,185	394,819	1,377,553	25,034	2,063,591	147,871
South Kingstown	2,224,279	385,923	651,746	1,354,785	-	2,392,454	168,175
Tiverton	718,649	196,066	15,363	502,337	-	713,766	(4,883)
Warren	752,157	134,304	6,077	638,133	-	778,514	26,357
Warwick	7,977,295	999,275	2,257,851	4,495,213	769,903	8,522,242	544,947
Westerly	3,412,062	281,173	2,337,721	1,528,633	55,567	4,203,094	791,032
West Greenwich	454,390	79,560	227,031	187,099	-	493,690	39,300
West Warwick	1,243,790	374,106	280,726	627,595	-	1,282,427	38,637
Woonsocket	1,531,942	519,395	105,599	894,003	-	1,518,998	(12,944)
Total	\$77,605,195	\$13,208,207	\$24,814,923	\$45,142,968	\$1,010,036	\$84,176,133	\$6,570,938

¹*FY2027 Airport Impact Aid is based on Calendar Year 2026 landing data that is made available in March 2027.

Final FY2027 distribution amounts will be made based upon data anticipated to be received in Q3/4 of FY2027. The state aid for each municipality is an estimate provided by the Senate Fiscal Office.

Municipality	FY2026 Direct Aid							Change from FY2026
	FY2026 Enacted	Payment in Lieu of Taxes	Distressed Communities Relief Fund*	Library Aid	Motor Vehicle Excise Tax	Tangible Property	FY2026 Revised	
Barrington	\$6,478,976	\$18,467	-	\$363,559	\$6,013,312	\$83,638	\$6,478,976	-
Bristol	4,734,981	1,388,333	-	228,644	2,970,720	147,284	4,734,981	-
Burrillville	5,513,841	64,050	-	226,290	5,150,845	72,656	5,513,841	-
Central Falls	2,826,938	-	305,400	37,420	2,132,210	351,907	2,826,938	-
Charlestown	1,118,678	-	-	70,183	1,030,171	18,324	1,118,678	-
Coventry	7,430,108	-	804,459	270,579	5,989,355	365,715	7,430,108	-
Cranston	28,893,537	3,525,471	-	845,964	22,783,506	1,738,596	28,893,537	-
Cumberland	7,089,656	-	-	379,507	6,204,972	505,178	7,089,656	-
East Greenwich	4,126,790	961,042	-	151,498	2,467,614	546,636	4,126,790	-
East Providence	14,378,249	312,444	-	514,759	11,667,263	1,883,783	14,378,249	-
Exeter	2,398,565	-	-	69,192	2,275,955	53,418	2,398,565	-
Foster	1,822,668	-	-	44,961	1,677,019	100,687	1,822,667	-
Glocester	2,723,047	-	-	99,782	2,419,699	203,566	2,723,047	-
Hopkinton	1,888,497	-	-	45,698	1,653,062	189,737	1,888,497	-
Jamestown	792,228	-	-	121,905	646,850	23,473	792,228	-
Johnston	12,118,006	-	-	137,708	10,589,179	1,391,119	12,118,006	-
Lincoln	6,553,420	-	-	272,688	5,797,695	483,036	6,553,419	-
Little Compton	467,654	-	-	48,338	383,319	35,997	467,654	-
Middletown	2,493,347	-	-	180,903	2,012,423	300,020	2,493,346	-
Narragansett	2,159,665	-	-	213,764	1,868,679	77,223	2,159,665	-
Newport	4,579,511	1,483,160	-	516,192	2,275,955	304,205	4,579,511	-
New Shoreham	294,751	-	-	112,867	167,702	14,181	294,751	-
North Kingstown	6,182,144	51	-	365,865	5,486,249	329,980	6,182,144	-
North Providence	12,252,416	-	1,275,820	246,816	9,822,542	907,238	12,252,416	-
North Smithfield	5,027,719	-	-	98,311	4,480,037	449,370	5,027,719	-
Pawtucket	20,769,987	2,622	2,021,793	526,294	16,842,066	1,377,212	20,769,987	-
Portsmouth	2,780,837	-	-	144,364	2,467,614	168,858	2,780,837	-
Providence	90,430,003	39,807,256	8,185,589	1,501,739	34,834,087	6,101,330	90,430,003	-
Richmond	1,620,422	-	-	30,114	1,485,360	104,948	1,620,422	-
Scituate	2,305,263	-	-	145,945	2,012,423	146,895	2,305,263	-
Smithfield	10,247,065	1,298,117	-	382,758	7,235,141	1,331,050	10,247,065	-
South Kingstown	4,681,482	188,759	-	280,456	4,000,889	211,379	4,681,482	-
Tiverton	2,079,600	-	-	153,750	1,772,849	153,001	2,079,600	-
Warren	2,391,924	-	-	79,754	2,132,210	179,960	2,391,924	-
Warwick	31,533,887	1,746,777	-	927,993	25,778,183	3,080,934	31,533,887	-
Westerly	6,998,244	156,006	-	463,542	5,893,525	485,171	6,998,244	-
West Greenwich	1,603,466	-	-	74,315	1,365,573	163,578	1,603,466	-
West Warwick	8,155,008	-	1,295,536	231,839	5,797,695	829,938	8,155,008	-
Woonsocket	11,944,597	365,090	995,860	237,964	9,511,095	834,588	11,944,597	-
SRL ¹	1,169,541	-	-	1,169,541	-	-	1,169,541	-
ILG ²	81,264	-	-	81,264	-	-	81,264	-
LCA ³	2,115,628	-	-	2,115,628	-	-	2,115,628	-
Fire Districts	617,851	-	-	-	455,191	162,660	617,851	-
Total	\$345,871,460	\$51,317,647	\$14,884,458	\$14,210,650	\$239,550,236	\$25,908,469	\$345,871,460	-

¹SRL: Statewide Reference Library Resources Grant

²ILG: Grant-in-Aid to Institutional Libraries

³LCA: Library Construction Aid

FY2026 Indirect Aid

Municipality	FY2026 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees ¹	Change from	
						FY2026 Revised	FY2026 Enacted
Barrington	\$430,383	\$244,996	\$5,387	\$269,263	-	\$519,646	\$89,263
Bristol	1,201,108	319,498	128,673	767,603	-	1,215,774	14,666
Burrillville	514,262	232,541	417	282,469	-	515,427	1,165
Central Falls	617,116	321,846	925	307,068	-	629,839	12,723
Charlestown	526,481	114,774	167,601	248,146	-	530,521	4,040
Coventry	1,285,556	511,910	152,380	637,479	-	1,301,769	16,213
Cranston	4,184,768	1,182,989	47,821	3,068,495	-	4,299,305	114,537
Cumberland	1,279,526	520,972	1,273	746,455	-	1,268,701	(10,825)
East Greenwich	1,383,160	206,256	5,299	1,197,687	-	1,409,242	26,082
East Providence	2,270,623	672,439	100,748	1,608,541	-	2,381,729	111,106
Exeter	274,139	101,646	1,072	170,147	-	272,866	(1,273)
Foster	90,892	64,152	2,375	18,550	-	85,077	(5,815)
Glocester	282,293	144,123	4,043	146,403	-	294,570	12,277
Hopkinton	188,489	120,558	3,611	59,983	-	184,152	(4,337)
Jamestown	307,389	79,384	95,032	166,236	-	340,652	33,263
Johnston	1,568,353	423,177	21,645	1,150,701	-	1,595,523	27,170
Lincoln	1,729,578	323,135	314,208	1,064,131	25,034	1,726,507	(3,071)
Little Compton	168,025	51,553	65,292	53,884	-	170,729	2,704
Middletown	3,430,337	242,233	2,058,686	1,244,525	33,482	3,578,925	148,588
Narragansett	1,817,611	208,160	620,520	1,057,845	-	1,886,525	68,914
Newport	9,214,191	358,324	5,495,573	3,827,178	-	9,681,075	466,884
New Shoreham	1,947,477	11,868	1,269,354	597,648	44,684	1,923,555	(23,922)
North Kingstown	1,612,691	397,079	201,141	972,163	56,332	1,626,714	14,023
North Providence	1,228,862	485,897	4,603	805,398	-	1,295,897	67,035
North Smithfield	676,771	180,143	7,859	499,740	-	687,742	10,971
Pawtucket	2,589,203	1,077,736	140,555	1,414,667	-	2,632,958	43,755
Portsmouth	784,614	253,972	51,009	488,454	-	793,435	8,821
Providence	15,097,309	2,723,172	3,175,562	8,883,221	-	14,781,955	(315,354)
Richmond	400,790	116,063	75,702	256,317	-	448,082	47,292
Scituate	272,914	149,134	13,538	113,758	-	276,429	3,515
Smithfield	1,915,720	316,034	314,764	1,319,495	25,034	1,975,327	59,607
South Kingstown	2,224,279	458,195	500,443	1,297,687	-	2,256,325	32,046
Tiverton	718,649	232,784	12,010	481,166	-	725,960	7,311
Warren	752,157	159,456	4,913	611,238	-	775,607	23,450
Warwick	7,977,295	1,186,411	1,799,078	4,305,759	769,903	8,061,152	83,857
Westerly	3,412,062	333,829	1,816,466	1,464,208	55,567	3,670,069	258,007
West Greenwich	454,390	94,459	180,951	179,213	-	454,624	234
West Warwick	1,243,790	444,165	223,755	601,144	-	1,269,064	25,274
Woonsocket	1,531,942	616,663	84,156	856,325	-	1,557,144	25,202
Total	\$77,605,195	\$15,681,726	\$19,168,441	\$43,240,390	\$1,010,036	\$79,100,593	\$1,495,398

¹*FY2026 Airport Impact Aid is based on Calendar Year 2025 landing data that is made available in March 2026.

Final FY2027 distribution amounts will be made based upon data anticipated to be received in Q3/4 of FY2026. The state aid for each municipality is an estimate provided by the Senate Fiscal Office.

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