



Senate Finance Committee FY2021 Budget Update

12.17.20

“Skinny” Budget

- Budget is legal framework for current year spending
- Minimal policy choices- lame duck session
- Article 1- spending guidelines for agencies
- Bonds- Places 7 borrowing questions before voters
- Other budget provisions- budget submission date; leases; TANs; sunsets; rainy day fund

Fund Summary

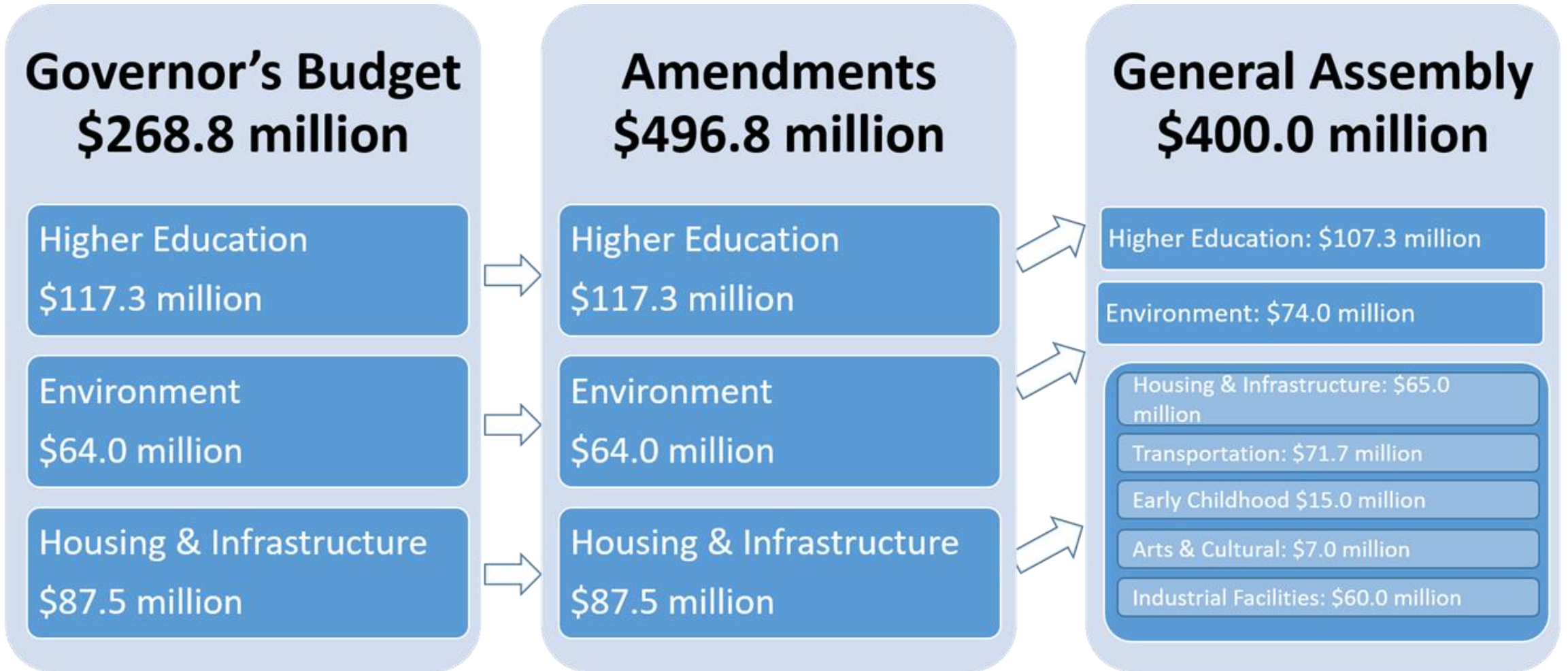
Expenditures by Source	FY2020 Enacted	FY2020 Revised	FY2021 Governor	FY2021 Budget	<i>Change to Enacted</i>	<i>Change to Governor</i>
General Revenue	\$4,077.6	\$3,958.7	\$4,247.8	\$4,153.3	\$75.7	(\$94.5)
Federal Funds	3,325.4	4,590.7	3,323.1	4,729.4	1,404.0	1406.3
COVID-19 Funds	-	249.6	-	1,083.5	1,083.5	1083.5
Other Funds	2,256.2	2,629.4	2,275.2	2,442.0	185.8	166.8
Restricted Receipts	311.4	365.1	348.9	322.2	10.8	-26.7
Total	\$9,970.6	\$11,793.5	\$10,195.0	\$12,730.4	\$2,759.8	\$2,535.4
FTE Authorization	15,074.7	15,074.7	15,074.7	15,124.7	50.0	50.0

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

General Revenue Surplus Statement

	FY2018 Audited	FY2019 Audited	FY2020 Preliminary	FY2021 Budget
Opening Surplus				
Free Surplus	\$61,660,230	\$52,525,379	\$30,502,912	\$175,058,948
Reappropriated Surplus	10,338,899	10,057,409	10,296,451	5,336,652
Subtotal	\$71,999,129	\$62,582,788	\$40,799,363	\$180,395,600
From Cash Stabilization Fund			120,000,000	
Total Revenues	3,908,384,435	\$4,024,579,618	\$4,183,948,065	\$4,108,425,001
To Cash Stabilization Fund	(119,101,340)	(122,313,150)	(126,433,529)	(128,504,518)
Total Available Resources	\$3,861,282,224	\$3,964,849,256	\$4,098,313,899	\$4,160,316,083
Total Expenditures	3,798,699,436	3,924,049,893	3,917,918,299	4,153,269,707
Total Surplus	62,582,788	40,799,363	180,395,600	7,046,376
Free Surplus	\$62,582,788	\$30,502,912	\$175,058,948	\$7,046,376
Rainy Day Fund	\$198,502,233	\$203,855,250	\$90,722,549	\$214,174,197

Bond Questions



Q1: Higher Education Facilities Bond

\$107.3M

Project	Gov \$	Final \$
URI Fine Arts Center	\$57.3M	\$57.3M
RIC Science Building	\$38.0M	\$38.0M
CCRI Renovations	\$12.0M	\$12.0M
Center for Ocean Innovation	\$10.0M	-

Q2: Beach and Clean Water Bond

\$74.0M

Project	Gov \$	Final \$
State Beaches/Parks	\$35.0M	\$33.0M
I-195 Park	\$4.0M	\$4.0M
Local Recreation Grants	\$4.0M	\$4.0M
Natural & Working Lands	\$3.0M	\$3.0M
Clean Water & Drinking Water	\$15.0M	\$15.0M
Municipal Resiliency	\$7.0M	\$7.0M
Providence River Dredging	\$-	\$6.0M
Woonasquatucket River	\$-	\$2.0M

Q3: Housing

\$65.0M

Project	Gov \$	Final \$
Housing & Community Infrastructure	\$25.0M	\$65.0M

Goals:

- Develop or preserve approximately 1,300 affordable units
- Develop a pipeline of shovel-ready projects
- Support critical health and safety repairs to existing homes
- Pilot new acquisition and financing strategies

Q4: Transportation

\$71.7M

Project	Gov \$	Final \$
Transportation Infrastructure	\$30.0M	\$71.7M

- Provides state match for federal transportation funding
- Increases borrowing to delay proposed gas tax and Division of Motor Vehicle fee increases in FY2022

Q5: Pre-K Infrastructure

\$15.0M

Project	Gov \$	Final \$
Pre-K Infrastructure	\$15.0M	\$15.0M

- The 2019 Early Learning Facilities Needs Assessment indicates more than half of buildings used for classrooms are in “poor” condition.
- In RI, there are 24 municipalities that have more than 3 infants and toddlers needing care for every 1 licensed slot available.

Q6: Arts and Preservation Bond

\$7.0M

Project	Gov \$	Final \$
Cultural- Trinity Rep	\$2.5M	\$2.5M
Cultural- RI Philharmonic	\$1.5M	\$1.5M
Cultural- Statewide Grants	\$1.0M	\$2.0M
Preservation- Statewide Grants	\$1.0M	\$1.0M

Q7: Industrial Facilities Infrastructure

\$60.0M

Project	Gov \$	Final \$
Industrial Reshoring and Site Development	\$56.5M	\$40.0M
Port of Davisville Infrastructure	\$31.0M	\$20.0M

Bonds- Special Election

- March 2nd special election date
- Predominately mail ballot
- Waives witness/notarization requirements for ballots- similar to most recent two elections

Municipal Aid

- Restores municipal aid to current service/law levels
 - Distressed Community Aid
 - Motor Vehicle Excise Tax
- Adds federal COVID funding for public safety costs
 - Net gain to municipalities: \$25M

Education

- Funds education funding formula at current law requirements
- Appropriates COVID relief for LEAs for K-12 reopening initiatives
- Does not include expansions of Pre-K and English Learners programs. Funds at current service level/law
- Provides net revenue for state higher education. Some GR costs are offset at URI, net gain at all 3 institutions

Hospitals and Nursing Homes

Hospitals	FY2021 Governor	FY2021 Current
Hospital License Fee	6.0%	5.0%
Freeze Hospital Rates	yes	no
Eliminate Outpatient UPL	yes	no
Add Federal Funds for GME	yes	yes
DSH Payment	\$142.3 million	\$142.3 million

Nursing Homes	FY2021 Governor	FY2021 Current
Cost of Living Adjustment	1.0%	3.0%

- The current budget also includes new federal CRF funds for COVID programs - \$125.0 million for the Hospital Assistance Partnership Program and approximately \$20.0 million for long-term care

Additional Budget Provisions

- Quasi-Public Transfers (Scoops)
 - Removes proposed transfers
- Rainy Day Fund
 - Delays required repayment of \$120M withdrawal until FY2022. Budget will include partial payback- \$90M in HFC bill
- FY2022 Budget Submission
 - Extends the date the Governor is required to submit budget from January 21 to March 11
- Sunset Extensions
 - Extends various Commerce program sunsets from December 31, 2020, to June 30, 2021
 - Extends the RI Promise Program

Additional Budget Provisions

- Lease Approvals
 - URI- several leases extensions to align lease terms
 - OPC- Northern RI Education Center
- Pawtucket Downtown Redevelopment
 - Outlines formal appropriation of economic activity taxes
- Board of Education Restricted Account
 - Nursing Ed Center revenues
- Tax Anticipation Notes (TANs)
 - Allows the State to borrow a maximum of \$300.0 million in anticipation of tax revenues during FY2021.
 - Rescinds authority provided by Disaster Emergency Funding Board