



SENATE FISCAL OFFICE
REPORT

FY2023 BUDGET: CHANGES TO THE GOVERNOR

**2022-H-7123 SUBSTITUTE A
AS PASSED BY THE HOUSE FINANCE COMMITTEE**

JUNE 14, 2022

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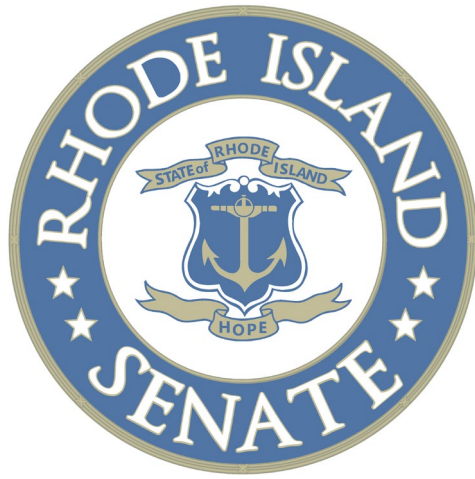
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EXECUTIVE SUMMARY

Executive Summary

The Budget represents the \$13.6 billion spending plan for the State for the fiscal year ending June 30, 2023 (FY2023). Also included is the revised spending plan for the current fiscal year ending June 30, 2022 (FY2022). The Budget Reserve and Cash Stabilization Account (Rainy Day Fund) would be fully-funded. The following document summarizes key budget initiatives and changes.

Expenditures by Source	FY2022 Enacted	FY2022 Governor	FY2022 Supp.	Change to Governor	FY2023 Governor	FY2023 Budget	Change to Governor
General Revenue	\$4,550.8	\$4,998.9	\$5,492.8	\$493.9	\$4,731.3	\$5,040.6	\$309.3
Federal Funds	5,862.7	6,051.1	5,704.3	(346.8)	5,311.0	5,706.2	395.2
Restricted Receipts	372.7	448.0	383.2	(64.7)	432.2	453.5	21.3
Other Funds	2,334.6	2,264.6	2,296.0	31.4	2,350.4	2,398.4	48.0
Total	\$13,120.8	\$13,762.6	\$13,876.3	\$113.7	\$12,825.0	\$13,598.7	\$773.7
Expenditures by Function							
General Government	\$2,755.7	\$3,237.4	\$3,422.9	\$185.5	\$2,566.3	\$2,803.1	\$236.8
Human Services	5,213.3	5,800.3	5,736.0	(64.3)	5,437.3	5,804.6	367.3
Education	3,627.3	3,061.0	3,066.2	5.2	3,214.0	3,344.8	130.8
Public Safety	643.3	704.1	691.7	(12.4)	692.0	720.0	28.0
Natural Resources	113.4	148.8	148.6	(0.1)	131.0	129.5	(1.5)
Transportation	767.9	811.1	810.8	(0.3)	784.4	796.7	12.3
Total	\$13,120.8	\$13,762.6	\$13,876.3	\$113.7	\$12,825.0	\$13,598.7	\$773.7
FTE Authorization	15,313.2	15,320.5	15,317.9	(2.6)	15,416.5	15,455.5	39.0

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

GENERAL REVENUE SURPLUS STATEMENT

	FY2020	FY2021	FY2022	FY2023
Opening Surplus				
Free Surplus	30,502,912	156,188,376	374,425,433	12,087,728
Adjustment to Opening Surplus		(13,159,126)		
Adjustment to Fund Balance		105,804,512	212,685,030	278,859,677
Reappropriated Surplus	10,296,451	5,336,652	8,446,365	-
Subtotal	40,799,363	254,170,414	595,556,828	290,947,405
Revenues				
Enacted/Actual/Estimated	4,183,713,406	4,431,578,564	4,684,300,000	4,583,200,000
Governor			5,963,000	167,163,927
Assembly			382,446,159	150,074,172
Total Revenues	4,183,713,406	4,431,578,564	5,072,709,159	4,900,438,099
To Cash Stabilization Fund	(126,426,490)	(137,238,234)	(163,414,038)	(147,375,775)
Expenditures				
Actual/Enacted/Current Svcs.	3,936,561,251	4,153,269,709	4,550,811,637	
Reappropriations			8,446,365	
Governor		(271,636,821)	439,626,554	4,731,312,148
Assembly		\$ 101,016,324	\$ 493,879,663	\$ 309,258,340
Total Expenditures	3,936,561,251	4,078,638,946	5,492,764,221	5,040,570,488
Total Surplus	161,525,028	469,871,798	12,087,728	3,439,241
Transfer to IT/HTC		(87,000,000)		
Reappropriations	(5,336,652)	(8,446,365)		
Free Surplus	\$ 156,188,376	\$ 374,425,433	\$ 12,087,728	\$ 3,439,241
Operating Surplus/(Deficit)	131,022,116	221,038,036	(575,022,735)	(287,508,164)
Rainy Day Fund	90,710,816	227,949,050	272,356,730	245,626,291

REVENUE CHANGES:

- **Military Service Pension Income:** Exempts the entire amount of a military pension from taxable income for purposes of state personal income tax.
- **Retirement Income Modification:** Increases the amount of a taxpayer's retirement income that is exempted from state personal income tax from the first \$15,000 to \$20,000.
- **Property Tax Circuit Breaker:** Increases the maximum amount of property tax circuit breaker credit to \$600, adjusts it by inflation going forward and expands the upper income range by \$5,000.
- **Child Tax Rebate:** Authorizes a \$250 per child personal income tax rebate program.
- **Sales Tax Exemptions:** Provides sales exemptions for funeral items and breast pumps.
- **License Plate Reissuance Fee Exemption.** Waives the license plate reissuance fee for this reissuance cycle only, effectively making the reissuance free for all registered vehicles.
- **Lottery Ticket Payout:** Increases the upper payout limit for lottery ticket games.
- **Penalty Interest Rate Reduction:** Reduces the penalty interest rate for the delinquent payment of non-trust fund taxes.

GENERAL GOVERNMENT:

- **HSRI Automatic Enrollment** – Includes \$949,631 in federal funding for HealthSource RI's Automatic Enrollment Program to ensure Medicaid beneficiaries remain covered for an additional 60 days after their eligibility expires.
- **ARPA SFRF – Electric Heat Pump Grant Program:** Includes a total of \$25.0 million in federal ARPA SFRF to funding to provide grants for low and moderate-income households and community organizations to purchase and install energy efficient electric heat pumps.
- **HealthSource RI:** Adds \$1.1 million in general revenue for general information technology and system support at HealthSource RI in anticipation of resuming redetermination activity.
- **ARPA – Health Care Facilities:** Includes \$77.5 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to support health care facilities in FY2023. Of the total, \$45.0 million is for hospitals, \$30.0 million is for nursing facilities, and \$2.5 million will be distributed to community health centers through the Rhode Island Health Center Association.
- **Nonprofit Assistance:** Provides an additional \$10.0 million (\$20.0 million total) in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) for distribution to nonprofit organizations through the Rhode Island Foundation.
- **Unemployment Insurance Trust Fund:** Deposits \$100.0 million into the Unemployment Insurance Trust Fund to prevent required employer contribution increases and likely decrease employer contributions by dropping one rate schedule when rates are determined in September. If the State drops one schedule, employers will save roughly \$10.0 million annually in payroll taxes.

ECONOMIC DEVELOPMENT:

- **Motion Picture Production Tax Credit Expansion:** Increases the cap on total tax credits to up to \$40.0 million for the next two tax years 2023 and 2024.
- **Wavemaker Fellowship Program Expansion:** Expands the Wavemaker Fellowship program to include healthcare practitioners and mental health professionals, including but not limited to clinical social workers and mental health counselors and provides \$3.2 million in funding.

- **Historic Preservation Tax Credit Trust Fund Reauthorization and Funding:** Reauthorizes the program for another year and includes \$28.0 million in new funding that will cover the next 10 projects in the program’s queue.
- **Blue Economy Investments Program:** Includes \$10.0 million in SFRF to support a program to invest in the State’s “blue economy” industries.
- **Bioscience Investments Program:** Includes \$5.0 million in SFRF funds to support investment in the State’s life science industries.
- **Main Streets Revitalization Program:** Includes \$5.0 million in SFRF funds to support investments in main street improvements.
- **Minority Business Accelerator Program:** Provides \$2.0 million support investment in additional resources that enhance growth of minority-owned businesses.
- **Port of Davisville Improvements:** Provides \$6.0 million in FY2023 to expand the development of port infrastructure and services at the Port of Davisville in Quonset.
- **South Quay Marine Terminal Program:** Includes \$12.0 million in SFRF funds in FY2023 to support development of an intermodal hub for shipping designed to support the offshore wind industry in East Providence.
- **Broadband:** Includes \$15.4 million in FY2023 to support investments in projects that provide high-speed, reliable internet to all Rhode Islanders.

HOUSING:

- **Development of Affordable Housing:** Includes \$30.0 million in SFRF funds for additional investments in the development of affordable housing units.
- **Down Payment Assistance:** Includes \$10.0 million in SFRF funds in to fund a program that provides down payment assistance to eligible first-time homebuyers.
- **Site Acquisition:** Includes \$3.0 million in SFRF funds to be used to acquire properties for redevelopment as affordable and supportive housing. Funds are to be administered by RIHousing.
- **Community Revitalization:** Includes \$15.0 million in SFRF funds to support the acquisition and redevelopment of blighted properties and also supports critical home repairs within the certain communities.
- **Housing Stability:** Includes \$7.0 million in SFRF funds to support stabilization services that address homelessness.
- **Workforce Housing:** Includes \$15.0 million in SFRF funds to support the increase the housing supply affordable to families earning up to 120 percent of area median income.
- **Affordable Housing Predevelopment Program:** Includes \$2.5 million in SFRF funds to support the predevelopment activity necessary to build a pipeline of affordability housing projects and improve the capacity of affordable housing developers to expand production.
- **Homelessness Infrastructure:** Includes \$15.0 million in SFRF funds in FY2023 to support programming that addresses homelessness, including the acquisition/construction of temporary or permanent shelter-based and/or housing-based solutions, wrap-around services and implementation costs.
- **Statewide Housing Plan:** Includes \$2.0 million in SFRF funds for the development of a statewide comprehensive housing plan.

EDUCATION:

- **Education Aid Data and Formula Change:** Provides education funding formula aid to districts based on the highest average daily membership in either FY2020, FY2021, or FY2022, with the student success factor calculated based on the greatest percentage of poverty of the three years, an increase of \$17.0 million.
- **Adult Ed Providers:** Includes an increase of \$540,000 in general revenue to address increased demand for adult education services and \$2.0 million in State Fiscal Recovery Funds to expand access to education programs and literacy services.
- **Education Aid - Regional Transportation:** Increases categorical aid for regional transportation by \$1.6 million (\$5.8 million total) to fully fund local costs associated with transporting students within regional school districts.
- **School Building Authority Capital Fund:** Provides \$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 addition to the \$250.0 million school building bond referendum in Article 5.
- **FY2022 Property Tax Data Adjustment (Funding Formula Audit Adjustment):** Shifts the education aid adjustment for the errors in property tax data from FY2023 to FY2022. Since RIGL 16-7-20(e)(1)-(2) provides that errors are to be corrected in the subsequent fiscal year; Article 10 provides language to allow for the payment of these funds in FY2022.
- **Dyslexia Educator Training:** Provides \$50,000 in general revenue to provide professional development for teachers concerning best practices in educating students with dyslexia.
- **CCRI - Healthcare Workforce:** Adds \$547,175 in general revenue to fund 4.0 FTE positions, within the College's current staffing authorization, to provide support services and stipends for nursing assistant students, as well as marketing and advertising to recruit and train certified nursing assistants, licensed practical nurses, and registered nurses.
- **Rhode Island Promise College Crusade Scholarships:** Pursuant to Article 10, grants received by students from the College Crusade will no longer be considered federal or financial aid for the purposes of the last dollar scholarship program.
- **Higher Education Opportunities for Teacher of Color:** Includes \$200,000 in general revenue to increase access to higher education opportunities for teachers of color through the Rhode Island School for Progressive Education (RISPE).
- **RIC - Bioscience Certificate:** Provides \$700,000 in general revenue to further the implementation of a Certificate of Applied Biology and Biotechnology at Rhode Island College.

LOCAL/MUNICIPAL ISSUES AND AID:

- **Motor Vehicle Excise Tax:** Advances the motor vehicle excise tax phase-out by one-year and provides \$63.9 million more in general revenue to pay for the increase in State aid.
- **PILOT at Full Amount:** Provides \$48.4 million to fully fund PILOT state aid.
- **Library Aid:** Provides \$11.0 million to fully fund the State's Grant-in-Aid for libraries
- **Tangible Tax Changes:** Enables municipalities to provide exemptions to tangible property taxes.

HEALTH AND HUMAN SERVICES:

- **Children’s Therapeutic & Respite Services Rates:** Provides \$9.0 million in general revenue and \$11.2 million in federal funds, within EOHHS, to support increased rates for Medicaid children’s service providers to ensure that direct care providers are paid at least \$15.00 per hour.
- **Personal Choice Program Rates:** Provides an additional \$5.5 million in general revenue and \$7.0 million in federal funding, within EOHHS, to increase reimbursements paid to home health agencies for personal care aids through the Personal Care Program by about 40.0 percent.
- **Labor and Delivery Rates:** Includes \$5.4 million in general revenue and \$6.8 million in federal funds, within EOHHS, to increase the Medicaid rates paid for labor and delivery services by 20.0 percent.
- **Long Term Care Rebalancing Support:** Adds \$5.0 million in general revenue to fully fund the statute commonly referred to “Perry Sullivan”, within EOHHS.
- **Hospital Rates:** Provides \$3.7 million in general revenue and \$8.8 million in federal funds, within EOHHS, to increase Medicaid rates to hospitals by 5.0 percent relative to the rates effective as of July 1, 2021.
- **Home Health Agency Rates:** Provides \$3.3 million in general revenue and \$4.1 million in federal funds, within EOHHS, to increase home care provider rates to ensure direct care workers, nursing assistants, and homemakers earn at least \$15.00 per hour.
- **Medical Assistance Program - Adult Dental Care:** Provides an addition \$2.7 million in general revenue and \$5.4 million in federal funds, within EOHHS, to increase fee-for-service rates for adult dental care.
- **Pediatric Provider Rates:** Adds \$2.5 million in general revenue and \$3.0 million in federal funds, within EOHHS, to increase pediatric primary care rates from 33.0 percent to 100.0 percent of Medicare rates for fee-for-service (FFS) and from 65.0 percent to 100.0 percent for managed care.
- **Early Intervention Service Rates:** Includes \$1.8 million in general revenue and \$2.2 million in federal funds, within EOHHS, to repair, stabilize, and improve equity with in the Early Intervention (EI) System.
- **Graduate Medical Education:** Provides an additional \$500,000 in general revenue through the Graduate Medical Education initiative for a new resident training program at Landmark Hospital.
- **Children’s Cabinet - Office of Early Childhood Development Planning:** Through Article 10, provides for the creation of an Early Childhood Governance Working Group tasked with submitting a report to the Governor and General Assembly, by October 1, 2023, with recommendations addressing the coordination and administration of an early childhood program.
- **ARPA SFRF: Butler Short Stay Unit (federal funds):** Includes \$8.0 million in ARPA SFRF to create a 25-bed, short-stay unit at Butler Hospital to provide behavioral healthcare services through mental and substance misuse treatment, crisis intervention, and other related services.
- **ARPA SFRF: 9-8-8 Hotline (federal funds):** Shifts \$1.9 million in federal ARPA funds to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission rules and regulations to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH).
- **ARPA SFRF: Certified Community Behavioral Health Clinics (federal funds):** Article 12 Authorizes EOHHS to submit a state plan amendment to establish Certified Community Behavioral Health Clinics. The Budget provides \$1.9 million from federal State Fiscal Recovery Funds for contract services and 1.0 FTE position to assist EOHHS in the transition to providing and expanding behavioral healthcare services.

- **Medicaid Home and Community Based Services (federal funds):** Provides a net increase of \$8.4 million in federal funds and \$11.0 million in restricted receipts, within EOHHS, to adjust for the spending plan submitted to the Centers for Medicare and Medicaid Services (CMS) in April 2022 to reflect the additional financial support provided in ARPA to expand home and community based support.
- **McKinsey Opioid Settlement-** Allocates \$740,000 from restricted receipts for naloxone distribution and harm reduction centers.
- **SNAP Pilot** – Reserves \$11.5 million in general revenue to implement a new SNAP initiative where beneficiaries receive fifty cents (\$.50) for every one dollar (\$1.00) they spend of fresh fruits and vegetables.
- **DHS Redetermination IT and Systems Support** – Adds \$11.9 million for personnel and operating costs and 20.0 FTE positions to begin Medicaid redetermination work.
- **Child Care Rate Increase** – Adds \$3.6 million in federal funds above the Governor to increase reimbursement rates to childcare centers.
- **Opioid Stewardship Fund.** Allocates \$635,872 for harm reduction infrastructure and administrative costs.
- **Psychiatric Residential Treatment Facility:** Includes a total of \$12.0 million to expand existing in-state capacity at private facilities for two approximately 12-bed psychiatric residential treatment facilities (PRTF) for female youth age 14 to 20, as well as to begin initial design of a new qualified residential treatment program facility.
- **Provider Rate Enhancements:** Adds \$8.5 million all funds for DCYF provider rate enhancements, allowing for 14.0 percent rate increases for all providers, including those that are both Medicaid and non-Medicaid eligible.
- **Provider Wage Stabilization Extension:** Includes an additional \$2.5 million from federal funds for DCYF to support continued wage stabilization payments for direct care staff which were initially intended to phase down over the course of FY2023.
- **Office of the Child Advocate:** Includes funding for two positions in the Office of the Child Advocate not originally recommended for funding in FY2023, as well as a general revenue increase for equitable salaries for Office personnel.

PUBLIC SAFETY:

- **RIBCO Contract Reserve:** Reserves \$9.3 million for RIBCO members for FY2023 costs based on contract terms for other state employees.
- **State Trooper Contract Reserve:** Reserves \$8.4 million (all funds) for the State Trooper collective bargaining contract in FY2023.
- **ARPA SFRF: Support for Survivors of Domestic Violence:** Provides \$3.5 million in SFRF funds to fund grants to programs that support the mental health and physical safety of victims of domestic violence and sexual assault.
- **Mental Health Court Pilot:** Shifts \$952,482 in federal ARPA SFRF to general revenue. This funding supports 7.0 FTE positions, within the Judiciary, to create a Mental Health Court pilot to better serve defendants struggling with mental illness.
- **Child Support Enforcement Expansion (6.0 FTE positions):** The Budget includes \$305,000 in general revenue and \$610,000 in federal funds to expand child support enforcement (CSE) across the State.

NATURAL RESOURCES:

- **World Ocean Race:** Provides \$850,000 in general revenue to funds expenses related to the 2023 Ocean Race stop at Fort Adams in Newport. As with the 2018 Volvo Ocean Race, increased expenses for safety and security, sanitation, grounds keeping, engineering, and other event costs are anticipated. Department of Environmental Management will be partnering with Sail Newport to manage this event.
- **Local Agriculture and Seafood (LASA) Grants:** An increase of \$450,000 in general revenue (\$700,000 total) to support the Local Agriculture and Seafood Act (LASA) grant program. This represent a commitment of \$200,000 in annual program funding and a one-time increase of \$500,000 in FY2023 to address the backlog of applications.
- **Green Economy Bond:** Places a \$50.0 million green economy bond on the November ballot. \$12.0 million was added to the bond for an education center at the Roger Williams Park Zoo.

TRANSPORTATION/TRANSIT:

- **RIPTA R Line Free-Fare Pilot:** Includes \$2.5 million from ARPA SFRF to fund a 12-month free-fare pilot program on the R line bus route.
- **RIPTA Paratransit Study:** Requires RIPTA to study services to seniors and passengers with disabilities.
- **RITBA Safety Barriers Study:** Funds a \$1.0 million suicide prevention study for the RI Turnpike and Bridge Authority to study the bridges under its purview.



FY2023 BUDGET

FY2023 Revenue Changes

FY2023

The FY2023 Budget includes \$4.9 billion in total general revenue, a \$150.1 million increase above the Governor's proposal. The following section highlights changes to the Governor's recommended revenue proposals:

May Revenue Estimating Conference

\$193.5 million

The May 2022 Revenue Estimating Conference (REC) increased its personal income tax revenue estimate from November by \$123.0 million. Business and sales taxes were revised upwards by \$25.6 million and \$44.0 million, respectively, from November. These adjustments, along with other offsets and increases in other revenue sources (lottery, excise taxes, etc.), net the overall \$193.5 million increase above the Governor's proposal.

Child Tax Rebate Program

(\$43.8 million)

The Budget assumes \$43.8 million less in personal income tax revenue in FY2023 as compared to the Governor's Budget to account for a new one-time child tax rebate program. Article 6 of the Budget authorizes a \$250 per child personal income tax rebate program. The qualifying taxpayers are limited to single-filer households and with federal adjusted income (AGI) for Tax Year 2021 (TY2021) of \$100,000, or less, and joint-filer households with an AGI for TY2021 of \$200,000, or less. The number of rebates per household is capped at three, or a total of \$750. Qualifying taxpayers must reside in Rhode Island and a child is considered an individual who has not reached 19 years of age as of December 31, 2021. The rebate amount shall be determined by the Division of Taxation (Taxation) based on the qualifying taxpayer's return filed for TY2021. Taxation will administer the program and rebates will be made directly to taxpayers via check. Taxpayers must file returns by August 31, 2022, to be eligible. It is expected that rebates will be made available in October, 2022.

Child Tax Rebate Program	
Rebate per Child	\$250
Max Rebate	\$750
Eligible Income - Single Filer:	up to \$100,000
Eligible Income - Joint Filer:	up to \$200,000
Applicable Tax Years	TY2021 only
If filed by 8/31/21/Rebate Received	Oct-22
Must be RI Resident	-

Hospital License Fee

\$8.9 million

The Budget assumes \$8.9 million more in departmental receipt collections than the Governor's Budget, reflecting changes to the fee that hospitals must pay to operate in Rhode Island. The fee must be reauthorized by the General Assembly each year and is determined by applying a statutorily-prescribed percentage to a hospital's income that is derived from patient services. The Governor's Budget assumed \$170.2 million in new revenues in FY2023, based on a 5.42 percent fee assessed on an estimated patient revenue base. The Budget assumes an increase in this patient base to account for actual hospital revenues that were made available at the May 2022 Caseload Estimating Conference. Article 6 of the Budget sets the rate for FY2023 at 5.42 percent. Although the rate is lower, the revenue base against which it is applied is higher than originally estimated, yielding the \$8.9 million increase in general revenue.

Property Tax Relief Credit

(\$3.8 million)

The Budget reduces personal income tax revenue in FY2023 by \$3.8 million relative to the Governor's Budget to account for changes to the State's Property Tax Relief Credit (PTRC) program. The program, also known as the Property Tax "Circuit Breaker", provides relief to elderly and disabled persons who own

or rent their homes, through a modification to their personal income tax. Currently, taxpayers with incomes up to 175.0 percent of the federal poverty level (FPL) are allowed a \$300 (maximum). A claimant is entitled to a credit against his or her tax liability equal to the amount by which the property taxes accrued, or rent constituting property taxes accrued, upon the claimant's homestead for the taxable year exceeds a certain percentage of the claimant's total household income for that taxable year. The allowable percentage is currently based upon income level and household size, computed in accordance with the following table:

Income Range	2 or More	
	1 Person	Persons
Less than \$6,000	3.0%	3.0%
\$6,000 - \$9,000	4.0%	4.0%
\$9,001 - \$12,000	5.0%	5.0%
\$12,001 - \$15,000	6.0%	5.0%
\$15,001 - \$30,000	6.0%	6.0%

Article 6 modifies the PTRC program by increasing the maximum amount of the credit to \$600 beginning July 2022, and adjusting it every subsequent July by the Consumer Price Index for Urban Consumers (CPI-U). Article 6 also expands the upper income range by \$5,000 as shown in the following table:

Income Range	2 or More	
	1 Person	Persons
Less than \$6,000	3.0%	3.0%
\$6,000 - \$9,000	4.0%	4.0%
\$9,001 - \$12,000	5.0%	5.0%
\$12,001 - \$15,000	6.0%	5.0%
\$15,001 - \$35,000	6.0%	6.0%

License Plate Reissuance Fee Exemption (\$2.9 million)

The Budget reflects a decrease in departmental receipt revenues of \$2.9 million as compared to the Governor’s proposal that is related to the waiving of the fee for reissued license plates. The Division of Motor Vehicles (DMV) is required to issue new reflective license plates for all registered vehicles every ten years in order to reduce fraud, improve public safety and law enforcement, and to generate revenue. The reissuance is statutorily-required to take place on July 1, 2022, with each set of plates requiring an \$8.00 fee. Article 6 of the Budget waives this fee for this reissuance cycle only, effectively making the reissuance free for all registered vehicles. The total cost over a two-year period is \$6.1 million.

Military Pension Income Modification (\$2.5 million)

The Budget reduces personal income tax revenue collection in FY2023 by \$2.5 million as compared to the Governor’s Budget based on an amendment to the Governor’s proposal to phase in the exemption of military pension income from state personal income taxation over a five-year period. Article 6 of the Budget exempts the entire amount of a military pension from taxable income immediately, beginning in Tax Year 2023. The Governor’s Budget had assumed a revenue loss of \$735,663 in the first year of a phase-out. The Budget now assumes a total revenue loss of \$3.3 million in FY2023. The revenue loss grows to \$6.5 million in FY2024 because FY2023 only accounts for one-half of the loss due to accounting accrual policies.

Retirement Income Modification (\$1.6 million)

The Budget assumes a \$1.6 million reduction in personal income tax revenue collections as compared to the Governor’s Budget related to a change to the retirement income modification to personal income taxation. Under current law, for individuals who have reached full social security retirement age and whose adjusted gross income (AGI) is \$80,000 or less, and for joint filers whose AGI is \$100,000 a year or less, the State personal income tax is not applied to the first \$15,000 of annual income derived from private pension plans; federal, state, and local government retirement plans; and military plans. Article 6 of the Budget increases the exemption to the first \$20,000 which results in an estimated \$1.6 million loss in FY2023. This increases to \$4.2 million in FY2024 when annualized.

Adult Use Cannabis Revenue**\$1.3 million**

The Budget assumes \$1.3 million more in sales and use tax revenue relative to the Governor's FY2023 Budget based on the new General Assembly authorized Adult Use Marijuana Program. The Governor initially proposed establishing an Adult Use Marijuana Program in the recommended FY2023 Budget which assumed \$1.2 million in general revenue derived from a new retail excise tax, a weight-based cultivator excise, fees, and sales tax revenue. The General Assembly made significant changes to the program design and revenue source structure when it enacted its own legislation establishing the program. The changes include additional sales tax revenue related to the timing of retailers coming online offset by revenue lost from the elimination of medical marijuana fees. The net revenue changes result in an increase in \$1.3 million.

Minimum Corporate Tax**\$812,138**

The Budget assumes \$812,138 more in revenue by eliminating a business corporation tax proposal included in the Governor's Budget. Under current law, corporations are required to remit taxes on 7.0 percent of net income or a \$400 minimum business corporation tax, whichever is greater. Article 8 of the Governor's Budget reduced the minimum tax by \$25, to a total of \$375. The proposal would have resulted in an \$812,138 revenue loss. The Budget does not include this proposal and revenue is adjusted accordingly.

Lottery Prizes**\$488,985**

The Budget includes an additional \$488,985 in net revenue from the lottery in FY2023 relative to the Governor's Budget that results from a change in the amount of lottery ticket prizes that may be awarded. Sales of lottery tickets are deposited into the State Lottery Fund and prizes for winning tickets are paid out of it. There are different payouts possibilities depending upon which lottery ticket game is played. The payouts, however, are limited to a range of 45.0 to 65.0 percent of the total revenue from ticket sales. Article 6 increases the upper limit of the range to 71.0 percent. According to the Lottery, games with higher payouts cost more to play but are more popular lower price games. Raising the upper limit allows for expansion of higher payout options. It is estimated that the associated increase in sales will offset the higher payouts. Based on this change, the net new revenue transferred to the general fund from the State Lottery is estimated to be \$488,985 in FY2023.

Court Cost Waiver**(\$305,652)**

The Budget includes a \$305,652 reduction in departmental receipts revenue relative to the Governor's Budget to account for changes to the fee structure within the Judiciary. In June 2022, the General Assembly enacted legislation that eliminates court costs for defendants sentenced to prison for 30 days or more and would require court costs to be remitted if a defendant serves 30 days or more on a violation of parole. It also creates a process for a court to determine that a defendant is indigent and waive court costs, assessments, and fees in such circumstances. These changes would reduce departmental revenue collection by \$305,652 in FY2023.

Sales Tax Changes**(\$34,598)**

The Budget assumes a net reduction of \$34,598 in general revenues related to sales tax changes as compared to the Governor's proposals. Article 8 of the Governor's proposed budget included a new exemption from State's 7.0 percent sales tax for the trade-in value of a motorcycle when purchasing a new vehicle. The Budget does not include this proposal, and related general revenues are increased by \$149,514 accordingly. The Budget also includes two new exemptions to the sales tax – funeral items (burial containers, urn liners, urn vaults, grave liners, grave vaults, burial tent setups, and prayer cards) (and breast pumps (pumps, breast pump collection, storage supplies, and replacement parts). These are estimated to reduce sales tax revenue in FY2023 by \$184,112. The new exemptions would take effect on October 1, 2022.

Sale Tax Changes

Initiative	Impact
Exemption on Funeral Items	(\$154,312)
No Exemption on Motorcycle Trade-in Value	149,514
Exemption on Breast Pumps	(29,800)
Total	(\$34,598)

Fund Balance Adjustments**[\$278.9 million]**

The Budget includes a \$278.9 million fund balance adjustment in FY2023 in accordance with federally-required accounting rules, to address the timing and accounting of Federal Emergency Management (FEMA) reimbursements for COVID-19 related emergency expenses. The FY2022 Revised Budget includes \$243.9 million in general revenue to cover such expenses until FEMA reviews and approves them. The Office of Management and Budget has refined the list of expected reimbursable expenses above the amount budgeted in FY2022. The \$278.9 million general revenue adjustment will be offset in FY2023 when the reimbursements are expected to be made.

FY2023 Expenditure Changes by Agency

DEPARTMENT OF ADMINISTRATION

Historic Tax Credits Fund Recapitalization **\$28.0 million**

The Budget extends the sunset provision for the Historic Tax Credits program by one year to June 30, 2023, and transfers \$28.0 million in general revenue to allow for additional participants.

RICAP Transfer **\$15.0 million**

The Budget transfers an additional \$225.0 million in general revenue to the Rhode Island Capital Plan (RICAP) fund in FY2022 and \$15.0 million in FY2023, to provide funding for several projects that the Governor had funded with federal State Fiscal Recovery Funds and to support increased costs in various higher education projects. Examples include \$46.0 million for the renovations and upgrade at the Port of Galilee, \$32.0 million for projects at the Convention Center Authority, and \$5.0 million for the Pawtucket/Central Falls Bus Hub Passenger Facility.

Library Aid to Full Funding **\$1.4 million**

The Budget provides an additional \$1.4 million in general revenue to fully fund Library Aid at \$11.0 million at the current law level of 25.0 percent of the second prior fiscal year's local expenditures for library services. The Governor had funded the program at 22.4 percent.

HealthSource RI **\$1.1 million**

The Governor's Budget Amendment dated May 20, 2022, adds \$1.1 million in general revenue for general information technology and system support at HealthSource RI in anticipation of resuming redetermination activity and to remain in compliance with federal regulations.

Eligibility Extension Compliance **\$125,618**

The Governor proposed to use \$217,794 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), \$92,176 in FY2022 and \$125,618 in FY2023, within HealthSource RI to make system changes to reflect the latest federal guidance within RIBridges. The Budget shifts the funding source from ARPA SFRF to general revenue.

Federal Fund Changes **\$76.1 million**

The Budget provides a net increase in federal funds, including the following adjustments:

- **ARPA SFRF – Health Care Facilities - \$77.5 million:** The Budget includes \$77.5 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to support health care facilities in FY2023. Of the total, \$45.0 million is for hospitals, \$30.0 million is for nursing facilities, and \$2.5 million will be distributed to community health centers through the Rhode Island Health Center Association.
- **Nonprofit Assistance - \$10.0 million:** The Budget provides an additional \$10.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) for distribution to nonprofit organizations through the Rhode Island Foundation. The additional appropriation bring total funding to \$20.0 million.
- **Dunkin' Donuts Center- (\$7.1 million):** The Budget shifts \$2.3 million in federal ARPA State Fiscal Recovery Funds to RI Capital Plan funds in FY2022 and \$7.1 million in FY2023 to provide for a portion of costs related to asset protection, upgrades and renovations at the Dunkin' Donuts Center.
- **Rhode Island Convention Center Authority (\$5.7 million):** The Budget shifts \$1.0 million in federal ARPA State Fiscal Recovery Funds to RI Capital Plan funds in FY2022 and \$5.7 million in FY2023 for continued asset protection, upgrades, and renovations to the Rhode Island Convention Center

(RICC). The RICC is owned and operated by the Rhode Island Convention Center Authority (RICCA), but leased to the State through a sublease agreement implemented in November 1991.

- **Pandemic Recovery Office Adjustment - \$2.5 million:** Pursuant to the Governor’s Budget Amendments dated May 20, 2022, the Budget shifts of restricted receipts for the Pandemic Recovery Office to federal funds to establish a better accounting structure for the reporting of administrative expenses associated with the federal awards. In addition, this action allocates Pandemic Recovery Office and Grants Management Office expenses to separate accounts and reflects the current staffing plan of the Pandemic Recovery Office. While the Budget increases federal funds by \$2.5 million, there is a corresponding decrease of \$3.4 million in restricted receipts resulting in a net all funds decrease of \$958,182.
- **ARPA SFRF – Enterprise Resource Planning (ERP) System (\$2.2 million):** The Budget shifts \$2.2 million in federal ARPA SFRF to Information Technology Investment Fund (ITIF) restricted receipts to continue financing implementation of a new Enterprise Resource Planning System (ERPS) for human resources, information systems, payroll, and financial management. This shift provides a total of \$19.9 million in ITIF funds in FY2023. The project will modernize the State’s decades-old legacy systems for human resources, payroll, grants management, and financial data systems. The current system is outdated, leaving decision makers unable to receive accurate information in a timely manner. The current systems are susceptible to various single points of failure and are at-risk for security breaches. The new system will have a total projected cost of \$68.7 million.
- **Central Management - Public Health Response Warehouse Support - \$2.0 million:** The Governor’s Budget Amendment of May 4, 2022, shifts \$2.0 million in federal funds in Central Management by reducing the Ongoing COVID-19 Response appropriation line \$2.0 million and inserting a separate appropriation line “Public Health Response Warehouse Support” with the \$2.0 million in federal funds. This amendment budgets for the ongoing needs of the State warehouses for the COVID public health response utilizing funds already included in the Budget for the ongoing COVID-19 response. This a net \$0 change.
- **HealthSource RI – Auto-Enrollment Program - \$949,631:** The Budget adds \$949,631 in federal funding for HealthSource RI’s Auto-Enrollment Program. The original program allocated a total of \$841,605 in FY2022 to ensure that those on Medicaid continue to receive healthcare after the Public health Emergency (PHE) expires. However, because the PHE was extended to July 2023, the funds for FY2022 were never expended. The funds increased by about \$100,000 due to the additional 30 days of coverage.
- **ARPA SFRF – Electric Heat Pump Grant Program - \$99,500:** The Budget includes a total of \$25.0 million in federal ARPA SFRF to funding to provide grants for low and moderate-income households and community organizations to purchase and install energy efficient electric heat pumps. Of the total, \$5.0 million is in FY2023, an increase of \$99,500 relative to the Governor’s recommendation. The Office of Energy Resources will report annually to the Speaker of the House and the President of the Senate on the impact of the program. This report will include the number of grants issued, the amount of each grant, the average grant award, and the estimated cumulative carbon emission reductions associated with the grant-funded heat pumps.

Restricted Receipt Adjustments

(\$4.9 million)

The Budget includes a net decrease in restricted receipt funding of \$4.9 million, including the following adjustments:

- **Executive Climate Change Coordinating Council – (\$5.4 million):** Article 7 of the Budget, as recommended by the Governor, established a dedicated funding source to allocate \$6.0 million in restricted receipts from the Energy Efficiency Fund to the Executive Climate Change Coordinating Council (EC4). The proposal was to appropriate \$5.1 million in restricted receipts to fund projects

including energy efficiency, renewables, clean transportation, clean heating, energy storage, and other climate change projects; and included \$270,000 to fund consultant fees and support services for the EC4. The recommendation also added 3.0 Programming Service Officer positions within the Office of Energy Resources to support the Executive Climate Change Coordinating Council. The Budget does not include this proposal and eliminates \$5.4 million in restricted receipts from the Budget in FY2023.

- **Rhode Island Children’s Information System – Fund Source Correction - \$460,000:** The Governor’s Budget Amendment dated May 20, 2022, provides a technical correction to add \$460,000 in restricted receipts to the Information Technology Investment Fund (ITIF) for the Rhode Island Children’s Information System project (RICHIST). The correction reflects the State’s share on spending rather than the federal share.

Rhode Island Capital Fund (RICAP) Changes (other funds) \$5.7 million

The Budget provides a net increase of \$5.7 million including the following adjustments:

- **Medical Examiner Building - \$4.5 million:** Due to project delays, the Budget shifts \$4.5 million in RICAP funds from FY2022 to FY2023. These will be used for the build-out of the new Medical Examiner’s Building located at 900 Highland Corporate Drive, Cumberland (Building # 3).
- **IT Enterprise Operations Center - \$1.0 million:** Due to project delays, the Budget shifts \$1.0 million in RICAP funding from FY2022 into FY2023. The project involves replacing the chiller and boiler, and improving HVAC systems for the Division of Information Technology Enterprise Operations Center.
- **State House Renovations - \$155,000:** The Governor’s Budget Amendment of March 3, 2022, adds \$155,000 in RICAP funds, based on current expenditures and projections, for the projected planning of the mechanical systems in the State House to plan and assist future work on the structure.

DEPARTMENT OF BUSINESS REGULATION

Human Service Programs Rates and Benefits Analysis (OHIC) \$1.5 million

The Budget includes an increase of \$1.5 million in general revenue for a new initiative where the Office of the Health Insurance Commissioner conducts a comprehensive view of social and human services programs throughout the state. The Office will analyze rates, utilizations, and eligibility standards.

Adult Use Cannabis \$1.4 million

The Budget adds \$1.4 million in general revenue for legalized adult-use of cannabis. The passage of 2022-S-2430 The Rhode Island Cannabis Act legalizes adult-use marijuana and creates a regulated and taxed market for adult-use cannabis sales. The Rhode Island Cannabis Act establishes the Cannabis Control Commission (CCC) – a new independent agency within the Office of Cannabis Regulation (OCR). While the OCR is usually funded through restricted receipts, the Budget funds the OCR through general revenue funds in FY2023 by removing \$1.1 million from restricted receipts and allocates \$1.4 million in general revenue. These funds will be used to pay for costs incurred by the Cannabis Control Commission prior to adult use sales and associated tax and fee collections begin.

Health Spending Accountability and Transparency Shift \$500,000

The Budget allocated \$500,000 in general revenue for contracted services for a new program that supports data analysis of healthcare claims. These funds were originally SFRF funds, however, the Budget reallocates this money to general revenue.

Bomb Squad Equipment Shift to FY2022 **(\$144,000)**

The Budget includes a decrease of \$144,000 in general revenue. These funds will be used to replace existing bomb squad equipment that have failed over time, become obsolete, and unserviceable. The Department purchased the equipment in the current year and spending is adjusted accordingly.

Blockchain Digital Identity (federal funds) **(\$1.5 million)**

The Budget includes a decrease of \$1.5 million in federal funds for the Blockchain Digital Identity Initiative. The Governor had proposed using State Fiscal Recovery Funds (SFRF) for the project, but the Budget shifts the project costs to the Information Technology Investment Fund (ITIF) located within the Department of Administration (DOA). ITIF is a restricted receipts account for the State's technology initiatives and improvement projects.

Restricted Receipt Changes **\$1.8 million**

The Budget adds \$1.8 million in restricted receipts for the following:

- **RI Reach - \$25,288:** The Budget adds \$25,288 in general revenue for the Rhode Island Insurance Resource, Education, and Assistance Consumer Helpline (RIREACH) which operates within the Rhode Island Parent Support Network (RIPIN). This level funds program activities and replaces reduced federal funding.
- **Cannabis Regulation - \$479,832:** Pursuant to the Governor's Budget Amendments dated April 22, 2022, the Budget adds \$479,832 in restricted receipts for additional funding of the Medical Marijuana Program Seed to Sale IT System. This amendment will allow the Office of Cannabis Regulation to obtain needed software for a licensing and tracking system. An additional \$465,926 in restricted receipts is also included as a budget amendment for the FY2022 Revised Budget.
- **Fire Engine Grant Shift - \$1.3 million:** Pursuant to the Governor's Budget Amendments dated March 3, 2022, the Budget removes \$750,000 in restricted receipts reflecting the purchase of a new ladder truck for the State Fire Academy. The FY2023 Budget included these funds for the vehicle purchase. However the fire academy had an opportunity to purchase the vehicle in the current fiscal year. This action shifts federal and restricted receipt funds budgeted for FY2023 to the FY2022 Revised Budget. There is a corresponding decrease of \$500,000 in federal funds for this item amounting to a total of \$1.3 million.

RI Fire Academy (Rhode Island Capital Plan funds) **\$525,000**

The Budget includes \$525,000 in Rhode Island Capital Plan (RICAP) funding to finance necessary improvements to the RI Fire Academy. The project will expend to \$8.2 million in total for upgrades such as a new auditorium, four additional classrooms, and an equipment storage building.

DEPARTMENT OF LABOR AND TRAINING**Real Jobs RI** **\$6.0 million**

Pursuant to a Governor's Budget Amendment dated May 20, 2022, the Budget increases general revenue by \$6.0 million in the Workforce Development Services program. The budget amendment appropriates additional funds to the Department to contract with the Real Jobs RI sector partnership administered by Skills for Rhode Island's Future (Skills RI). Skills RI will partner with Rhode Island healthcare systems to facilitate the outreach, recruitment, screening, placement, onboarding, supportive services, training curriculum assistance, and outcome reporting of medical personnel to address the heightened need for healthcare services in the state.

Police and Firefighters' Relief Fund **\$304,081**

Pursuant to a Governor's Budget Amendment dated April 22, 2022, the Budget includes a general revenue increase of \$304,081 for Police and Firefighters' annuity and tuition benefits, reflecting an increase in the need for services. This funding will support an additional two death benefit payments in FY2022.

Year-Up **\$200,000**

The Budget provides an additional \$200,000 in general revenue in FY2023 to support at-risk youth programming for internships, wrap-around support, academics, and workforce skill development. This work has previously been supported by Governor's contingency funds for the period of FY2018 through FY2020.

ARPA SFRF - Unemployment Insurance Trust Fund Contribution (federal funds) **\$70.0 million**

The Governor's Budget proposed to use \$30.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023, to be allocated into the Unemployment Insurance (UI) trust fund on an as needed basis to make up for any lost revenue or address tax schedule shifts. The Budget increases this by \$70.0 million, for a total of \$100.0 million. The additional deposit is anticipated to drop employers one schedule, saving employers around \$10.0 million annually.

DEPARTMENT OF REVENUE**Motor Vehicle Excise Tax Phase-out Acceleration** **\$63.9 million**

The Budget includes \$63.9 million more in general revenue expenditures in FY2023 as compared to the Governor's Budget to pay for the increase in State aid to municipalities necessary to advance the motor vehicle excise tax phase-out by one year in FY2023. All municipalities that began the phase-out in the first year would now have completed the phase-out and would not issue tax bills in FY2023. Article 6 of the Budget amends the schedule and policy to accelerate the phase-out.

License Plate Reissuance **\$3.5 million**

Under RIGL 31-3-33, the DMV is required to issue new reflective license plates for all registered vehicles every ten years in order to reduce fraud, improve public safety and law enforcement, and to generate revenue. The reissuance was first scheduled to take place in September 2011 but has been delayed numerous times. It is currently required to take place July 2022; however, the DMV has indicated that supply chain issues may delay implementation until after November 2022. The fee for reissued plates is \$8.00. Article 6 of the Budget waives the fee for this reissuance cycle and the Budget adds \$3.5 million in general revenue IN FY2023 to offset the corresponding revenue loss.

PILOT **\$2.3 million**

The Governor's Budget recommended \$46.1 million in general revenue for the State's Payment in Lieu of Taxes (PILOT) program in FY2023, level with the FY2022 Budget as Enacted. The program reimburses 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 institution 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. Current law requires reimbursement at 27.0 percent of forgone tax revenue, but allows for a ratable reduction if the appropriation is less than this amount. The Governor's recommended appropriation represents 25.7 percent. The Budget adds an additional \$2.3 million to bring the appropriation up to 27.0 percent.

DMV – Mobile Locations **\$750,000**

The Budget includes an additional \$750,000 in general revenue to support the mobile delivery of Division of Motor Vehicles (DMV) services in the municipalities of Warren and Westerly. State law requires that DMV services be available in Warren three times a week and once in Westerly. These services had been

provided at each communities' respective town halls. DMV suspended these services during the pandemic. In 2002 the State acquired the capacity to deliver mobile DMV services via the RI Emergency Management Agency Mobile Command Center. The Budget provides \$750,000 in general revenue to deploy this mobile capacity to meet the service delivery requirements under the law. Article 3 contains statutory changes needed to switch to the mobile service delivery.

Taxation Office Equipment

\$550,000

The Budget includes an additional \$550,000 in general revenue to purchase office equipment that will digitize documents in order to integrate with the Division of Taxation's data system. According to the Division of Taxation the vendor that currently provides this service is not going to renew the maintenance contract for the existing scanners and parts for the existing equipment are no longer available.

ARP SFRF - Tax Modernization/STAARS Cloud Migration and Other IT (federal funds) ***(\$750,000)***

The Governor's Budget proposes to use \$750,000 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 to support upgrades to the State Tax Administration and Revenue (STAARS) information technology system and invest in improved technology-supported business practices. An additional \$1.5 million in SFRF is proposed for FY2024, for total planned appropriations of \$2.3 million. The Budget does not include this proposal, but rather shifts the spending for this project to the Information Technology Investment Fund within the Department of Administration.

Adult Use Cannabis Program (restricted receipts)

\$50,000

The Budget includes an additional \$50,000 in restricted receipt funding as compared to the Governor's FY2023 Budget to support additional expenses in the Division of Taxation related to the State's Adult Use Cannabis program. The Governor initially proposed establishing an Adult Use Marijuana Program in the recommended FY2023 Budget and assumed \$1.2 million in general revenue derived from a new retail excise tax, a weight-based cultivator excise, fees, and sales tax revenue. The General Assembly made significant changes to the program design and revenue source structure when it enacted its own legislation establishing the program. The changes include additional sales tax revenue related to the timing of retailers coming online offset by revenue lost from the elimination of medical marijuana fees. The Budget provides Taxation with an additional \$50,000 in restricted Adult Use Marijuana Funds to support increased sales tax receipt processing related to program sales.

OFFICE OF THE SECRETARY OF STATE

Let RI Vote Act

\$140,000

The Budget includes \$140,000 in general revenue to meet the requirements of the Let RI Vote Act. These funds will be used to establish a multi-language voter helpline, shorten braille ballot requests periods, and expand access to mail ballots.

Capital - Elections Equipment (Rhode Island Capital Plan funds)

(\$170,000)

The Budget includes a reduction in RICAP funding of \$170,000. These funds were originally allocated for new election equipment, however, the general assembly views these expenditures as unnecessary.

OFFICE OF THE GENERAL TREASURER

Unclaimed Property Custodial Fund Rule (restricted receipts)

(\$26.5 million)

The Budget includes restricted receipt expenditures in the Unclaimed Property program that would be removed pursuant to the Governor's Budget Amendments dated March 3, 2022, in implementing the Government Accounting Standards Board (GASB 84) reporting requirements for custodial funds issued in January 2017. The effective date of the GASB 84 requirement was December 15, 2018, which was delayed by one-year to December 15, 2019. The impact of GASB 84 is that Unclaimed Property restricted receipt accounts will no longer be reported as a General Fund expenditure, but rather as a Custodial Fund and

therefore not listed in the annual state budget. Implementing the GASB 84 ruling will decrease restricted receipts by \$26.5 million in FY2023 and in FY2022.

The FY2023 Budget included the restricted receipts as reported by the Office of the General Treasurer, but the Budget only included the impact of GASB 84 in the FY2021 actual expenditures and left the restricted receipts in the FY2023 proposed budget.

The following table illustrates the expenditure change required implementing GASB 84 as compared to the Governor's proposed budgets.

Unclaimed Property	FY2021	FY2022	FY2022		FY2023	FY2023	
	Actual	Enacted	Governor (GBA 2)	GBA Change	Governor	Governor (GBA 3)	GBA Change
Rate Reimbursement Charge	\$0	\$14,200,000	\$0	(\$14,200,000)	\$14,200,000	\$0	(\$14,200,000)
Refunds/Bad Debt	-	13,000,000	-	(13,000,000)	13,000,000	-	(13,000,000)
Unclaimed Property Change in Liability	-	(730,464)	-	730,464	(730,464)	-	730,464
Total	\$0	\$26,469,536	\$0	(\$26,469,536)	\$26,469,536	\$0	(\$26,469,536)

Retirement System- New Staff (restricted receipts) (\$82,047)

The Governor added 1.0 FTE in the Office for a retirement system counselor position. The Budget does not include the position expansion and the funding is removed.

BOARD OF ELECTIONS

Let RI Vote Act \$122,602

The Budget includes \$122,602 in general revenue to meet the requirements of the Let RI Vote Act. These funds will be used to operate its high-speed ballot sorting equipment.

ETHICS COMMISSION

Rent \$6,000

The budget includes a \$6,000 increase in general revenue to pay for the rent of the Commissioner's office on 40 Fountain Street.

RHODE ISLAND COMMISSION FOR HUMAN RIGHTS

Compliance Officer \$111,430

The Budget includes \$11,430 increase in general revenue. These funds will be allocate to a new Compliance Officer to coordinate and hold education training regarding state and federal anti-discrimination law.

PUBLIC UTILITIES COMMISSION

Legal Funds Shift from FY2022 (restricted receipts) \$150,000

Pursuant to the Governor's Budget Amendment, the Budget includes a shift of \$150,000 in restricted funds from FY2022 to FY2023. These funds will be allocated to outside legal services related to pending litigation before Superior Court.

EXECUTIVE OFFICE OF COMMERCE

Main Streets Revitalization \$5.0 million

The Governor's Budget included \$5.0 million of federal SFRF funds in FY2023 to support State's Main Street RI Streetscape Program. The program provides loans, matching grants, and other forms of financing to municipalities and other organizations to upgrade streetscapes in local business districts. Projects include refurbishing facades, improved lighting, and signage. Recipients are required to provide a 30.0 percent match. According to the EOC, \$4.5 million of this appropriation will go towards direct grants for 18-36

projects. The \$500,000 balance would support technical assistance to municipalities to design and implement programming. The assistance would include \$250,000 to support 1.0 FTE position at the Commerce Corporation for 2.5 years, \$200,000 to support contract awards for technical assistance, and \$50,000 for other program implementation costs. The Budget shifts the funding for the program from SFRF funds to general revenue.

OSCAR

\$4.0 million

The Budget provides \$4.0 million in one-time general revenue to capitalize the Ocean State Climate Adaptation and Resilience (OSCAR) Fund. The OSCAR Fund was established as a funding resource for projects that restore and improve the climate resilience of vulnerable coastal habitats, river and stream floodplains, and to improve community resilience and public safety. The OSCAR was authorized by the General Assembly in 2021 as a restricted receipt account within the Rhode Island Infrastructure Bank (RIIB) but has yet to receive an appropriation or any other seed funding.

Municipal Infrastructure Grant Program

\$2.5 million

The Budget provides a one-time \$2.9 million general revenue appropriation to the Rhode Island Infrastructure Bank's (RIIB) Municipal Infrastructure Grant program (MIG) program. RIIB is a quasi-public corporation that provides low-interest loans and grants to municipalities for infrastructure projects. Through the MIG program, RIIB provides grants to municipalities to support infrastructure project costs including design, construction, building, land acquisition, rehabilitation, repair, and other improvements to publicly owned infrastructure.

Quonset Development Corporation Transfer

(\$1.2 million)

The Budget eliminate \$1.2 million in general revenue expenditures to offset an inadvertently proposed appropriation to Quonset Development Corporation (QDC) in FY2023. The FY2020 Budget as Enacted included a revenue initiative that required QDC to transfer \$1.2 million of its reserves to the general fund by June 30, 2020. The FY2022 Budget restored these funds back to the QDC and the Governor's Revised Budget reflects this as well. The Governor's FY2023 Budget unintentionally repeats the \$1.2 million appropriation. In March 2022, the Governor formally requested an amendment to the Budget that would remove the funds in FY2023.

Wavemaker Expansion

\$800,000

The Governor's Budget recommends \$800,000 more in general revenue than the FY2022 Budget as Enacted, for a total of \$2.4 million in FY2023. The additional money would support a proposed expansion of the RI Wavemaker Fellowship Program to include "high-demand" include healthcare professionals. The Wavemaker Fellowship is a competitive student loan reimbursement program for college and university graduates who take employment in science, technology, engineering, and mathematics (STEM) fields in Rhode Island. Article 9 of the Governor's Budget amends the program in a manner that makes the reimbursement available to approved healthcare professionals. A committee, to be established by the Commerce Corporation in consultation with the Executive Office of Health and Human Services, is charged with determined what type of professions will be eligible. A typical Wavemaker cohort of 100 fellows costs approximately \$800,000. The Budget includes the Governor's proposal and expands it further to include mental health care professionals, including, but not limited to, licensed clinical social workers and mental health counselors. An additional \$800,000 is provided in FY2023 to cover a cohort of these mental health professional. Total appropriations for the program in FY2023 is \$3.2 million.

OHCD Staff

(\$120,140)

The Budget includes a \$120,140 reduction in general revenue spending within the Office of Housing and Community Development (OHCD) by eliminating one the 5.0 FTEs proposed by the Governor for OHCD. The Executive Office of Commerce requested these positions in order to build up the capacity of the OHCD's staff, which currently consists of 12.0 FTE positions. It is argued that the buildup is necessary to effectively administer the major increase in programming, changes in policy, and significant investment of

public funds that has been earmarked for affordable housing and housing insecurity over the next several years. The General Assembly plans to elevate the Deputy Secretary of Commerce for Housing to a cabinet level position with a charge to develop a comprehensive plan for affordable housing, including what is needed administer a state-level governance structure, by the fall of 2022. It is expected that this plan will identify the amount and type of staffing that will be required. Bringing the number staff in the EOC focused on housing up to 16.0 FTEs rather than 17.0 better aligns with this interim scenario.

Polaris

\$100,000

The Governor’s Budget includes \$350,000 to fund Polaris, the State’s official Manufacturing Extension Partnership, level the FY2022 enacted level. This program supports Rhode Island manufacturers by providing them technical assistance, training, and advocacy. Polaris provides group and individual trainings in manufacturing and promotes manufacturing state-wide. Polaris is also a Real Jobs Partnership, officially designated by the Governor’s Workforce Board, a role that allows the organization to leverage multiple funding streams to address the workforce needs of manufacturers. The Budget augments the Polaris appropriation by an additional \$100,000 in general revenue in FY2023.

Federal Funds Changes

(\$37.2 million)

The Budget reduces federal funds expenditures within the Executive Office of Commerce by a net \$37.2 million in FY2023 as compared to the Governor’s Budget based on the following changes:

- **SFRF Changes:** Of the Governor’s 20 State Fiscal Relief Fund proposals within the EOC, the Budget eliminates three of the Governor’s State Fiscal Relief Fund proposals, reduces the amount in one, shifts one to general revenue, provides additional funds to three, and adds one new initiative. The Budget adds significant proviso language in Article 1 that directs, limits, or otherwise clarifies how all the EOC’s SFRF funds are to be used.

Initiative	Change to Governor
Small Business Access to Capital	(\$20.0)
Assistance to Impacted Industries	(\$15.5)
Small Business and Technical Assistance	(\$13.0)
Development of Affordable Housing	\$10.0
Homelessness Infrastructure	\$10.0
Down Payment Assistance	(\$5.0)
Main Streets Revitalization	(\$5.0)
Destination Marketing	\$1.5
Minority Business Accelerator	\$0.5
Total	(\$36.5)

\$ in millions

- **Small Business Access to Capital – (\$20.0 million):** The Governor’s Budget includes a proposal to use \$20.0 million in SFRF funding to provide small businesses low-cost capital financing and working capital in conjunction with the US Small Business Administration’s 7a program. The Budget does not include this initiative and expenditures are adjusted accordingly.
- **Assistance to Impacted Industries – (\$15.5 million):** The Governor’s Budget includes a proposal to provide \$15.5 million of federal SFRF funds for aid to tourism, hospitality, and event industries in FY2023. This is in addition to the \$13.0 million that the General Assembly appropriated in December 2021, for FY2022. The Budget does not include his appropriation and federal funds expenditures are adjusted accordingly.

- **Small Business and Technical Assistance – (\$13.0 million):** The Governor’s Budget includes a proposal to provide \$13.0 million of federal SFRF funds to FY2023 to assist small businesses recover from the pandemic. This is in addition to the \$32.0 million appropriated by the General Assembly in December 2021, for FY2022. The Budget does not include his appropriation and federal funds expenditures are adjusted accordingly.
- **Development of Affordable Housing - \$10.0 million:** The Governor’s Budget includes a proposal to provide \$20.0 million of federal SFRF in FY2023, and \$90.0 million in total through 2025, to provide direct gap-financing for the development of affordable housing in the State. The General Assembly appropriated \$15.0 million of the total in December 2021, as part of its FY2022 Supplemental Budget. The proposal supports a new program that augments existing programs providing money to developers that cover the difference between development costs and the projected income needed to bring more affordable units to the market. Funds would be appropriated to the Executive Office of Commerce (EOC) and be administered by RIHousing.

The Budget adds \$10.0 million more for these purposes; however, Article 1 of the Budget contains proviso language directing RIHousing to use these additional funds for a pilot program to support low income and public housing through project-based rental assistance vouchers and financing for predevelopment, improvement, and housing productions costs.

- **Homelessness Infrastructure - \$10.0 million:** The Governor’s Budget includes a proposal to provide \$5.0 million of SFRF funds in FY2023 to provide additional, flexible capacity to respond to changing homelessness needs, particularly during the winter. Funds would be used to support a program to respond to pandemic-related homelessness, including but not limited to, acquisition or construction of temporary or permanent shelter-based and/or housing-based solutions, wrap-around services and administrative costs of implementation. The Budget adds another \$10.0 million for these purposes.
- **Down Payment Assistance – (\$5.0 million):** The Governor’s Budget includes a proposal to invest \$50.0 million in SFRF funds through FY2025 to expand RIHousing’s down payment and closing cost assistance programs. The structure and rules of the program would align with existing programming, however the cap on individual down payment awards is \$17,500. The Budget reduces the total amount of SFRF to \$30.0 million, including \$5.0 million less in FY2023.
- **Main Street Revitalization – (\$5.0 million):** The Governor’s Budget includes \$5.0 million of federal SFRF funds in FY2023 to support State’s Main Street RI Streetscape Program. The program provides loans, matching grants, and other forms of financing to municipalities and other organizations to upgrade streetscapes in local business districts. The Budget shifts the funding for the program from SFRF funds to general revenue.
- **Destination Marketing - \$1.5 million:** The Budget includes \$1.5 million in federal SFRF funding to support the marketing of Rhode Island as a destination to out-of-state travelers. The ability of the Rhode Island Airport Corporation (RIAC) to market Rhode Island as a destination in out-of-state airports is limited by federal regulations. The Budget adds \$1.5 million in federal SFRF funds for this purpose and Article 1 contains proviso language directing the use of these funds in this manner.
- **Minority Business Accelerator - \$500,000:** The Governor’s Budget includes \$1.5 million of federal SFRF funds in FY2023, and \$10.0 million in total through FY2025 to advance minority businesses across the state. The initiative includes technical and grant assistance, funds to build out physical space for a minority business support center and the provision of other infrastructure for minority entrepreneurs, loan assistance, administration, and planning and capacity building. Programming is to be “aligned with the findings and recommendations of the joint EOC-RI Foundation’s Rhode Island Minority Business Eco-system Initiative”.

The Budget reduces overall funding relative to the Governor's recommendation by \$4.0 million, for a total of \$6.0 million through FY2024. However, the Budget increases the FY2023 appropriation by \$500,000, for a total of \$2.0 million. Article 1 appropriates the additional funds to the RI Black Business Association (RIBAA) and directs the Commerce Corporation to work RIBAA and other minority small business associations to advance the program.

- **Disaster Recovery Grants – (\$725,000):** The Budget reduces federal funds within the Office of Housing and Community Development by \$725,000 to reflect the complete expenditure of certain federal disaster recovery grants. The Governor's Budget includes federal Community Development Block Grant funding associated with Hurricane Sandy and the 2010 floods. According to the OHCD these funds have been completely expended. The Budget reduces federal funds accordingly.

Rhode Island Capital Fund (RICAP) Changes

(\$3.1 million)

The Governor's Budget recommends \$3.1 million in Rhode Island Capital Plan funds for capital improvements to the piers at the port at Quonset. The Port has two piers (Pier One and Pier Two) that are long past their expected useful lifespan. As part of the Quonset Development Corporation's (QDC) \$205.0 million Port of Davisville master plan, Pier 2 is planned to be rehabilitated by building an east extension and installing a sheet pile bulkhead. The Budget does not include this funding in FY2023.

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

Children's Therapeutic & Respite Services Rates

\$9.0 million

The Budget provides \$9.0 million in general revenue and \$11.2 million in federal funds to support increased rates for Medicaid children's service providers to ensure that direct care providers are paid at least \$15.00 per hour. The impacted services include Home-Based Therapeutic Services (HBTS), Applied Behavioral analysis (ABA), Personal Assistance Services and Supports (PASS), and Respite. This increase will impact service providers currently earning between \$11.00 and \$14.99 per hour. Rhode Island Medicaid children's services serves over 3,000 children annually. Eligible children have moderate to severe special health care needs often as a result of a diagnosed chronic developmental, cognitive, physical, medical, neurological, behavioral, and/or emotional conditions, often with long-term disabilities and complex medical needs. Early intervention with these children at key developmental stages assists the child in attaining essential skills needed to engage independently in society.

Medicaid Caseload – May Conference

(\$8.1 million)

The Budget includes a net general revenue decrease of \$8.1 million (an increase of \$183.7 million all funds) to reflect the results of the May 2022 Caseload Estimating Conference (CEC). The estimates project total Medicaid spending of \$3,173.4 million in FY2023, including \$1,123.6 million in general revenue. The decrease in general revenue is primarily due to the extension of the enhanced Medicaid reimbursement rate for the first quarter of FY2023, due to the extension of the federal public health emergency.

Personal Choice Program Rates**\$5.5 million**

The Budget provides an additional \$5.5 million in general revenue and \$7.0 million in federal funding to increase reimbursements paid to home health agencies for personal care aids through the Personal Care Program by about 40.0 percent. This increase was part of EOHHS' request for FY2023.

Labor and Delivery Rates**\$5.4 million**

The Budget includes \$5.4 million in general revenue and \$6.8 million in federal funds to increase the Medicaid rates paid for labor and delivery services by 20.0 percent. The low reimbursement rates have resulted in significant increases in uncompensated care costs for affected hospitals.

Long Term Care Rebalancing Support**\$5.0 million**

The Budget includes an additional \$5.0 million in general revenue to fully fund the statute commonly referred to "Perry Sullivan" that requires the State to include an additional appropriation for Medicaid Home and Community Based Services (HCBS) equivalent to any savings from a reduction in nursing home bed days, if any, over the prior two completed fiscal years. The statutory purpose is to ensure that savings resulting from a reduction in nursing home utilization is allocated for the express purpose of promoting and strengthening community-based alternatives. Funding may be used for staff recruitment and retention, reimbursement for education and certification expenses, and for licensing activities, among other uses.

Hospital Rates**\$3.7 million**

The Budget provides \$3.7 million in general revenue and \$8.8 million in federal funds to increase Medicaid rates to hospitals by 5.0 percent relative to the rates effective as of July 1, 2021. The rate increase applies to fee-for-service inpatient hospital services, as well as managed care inpatient and outpatient services. The budget includes \$10.0 million in general revenue (\$31.8 million total funding).

Home Health Agency Rates**\$3.3 million**

The Budget provides \$3.3 million in general revenue and \$4.1 million in federal funds to increase home care provider rates to ensure direct care workers, nursing assistants, and homemakers earn at least \$15.00 per hour. Direct care workforce shortages caused by low wages and difficult working conditions have significantly reduced the capacity of home health agencies to provide services to elderly and disabled residents wanting to remain or return home. According to the Bureau of Labor Statistics, the entry-level wage for a Nursing Assistant working in home care is \$13.08. At the 25th percentile, the wage is \$13.79 and the median hourly rate is \$14.98. Homemakers currently make \$11.00 per hour.

Medical Assistance Program - Adult Dental Care**\$2.7 million**

Pursuant to a Governor's Budget Amendment dated May 20, 2022, the Budget provides an addition \$2.7 million in general revenue and \$5.4 million in federal funds to increase fee-for-service rates for adult dental care. Through the Medicaid Program, Rhode Island provides dental services to adults over 21; however, Adult Dental FFS rates have not increased since 1992 and have not kept pace with the costs of providing dental care. As a result, provider participation in the Medicaid program has declined. Through this initiative, RI rates and coverage will be comparable to other New England states that provide Medicaid dental coverage to adults.

Pediatric Provider Rates**\$2.5 million**

The Budget provides \$2.5 million in general revenue and \$3.0 million in federal funds to increase pediatric primary care rates from 33.0 percent to 100.0 percent of Medicare rates for fee-for-service (FFS) and from 65.0 percent to 100.0 percent for managed care. According to the Kaiser Foundation, RI Medicaid has the lowest FFS pediatric rates relative to Medicare in the country. Massachusetts and Connecticut FFS rates are currently about 75.0 percent. Rates above those neighboring states will help retain and attract more providers, and help to compensate for past underinvestment. Since 55.0 percent of children in RI are

currently covered by Medicaid, it is critical that providers are available for services such as developmental screening and vaccines, as well as referring children to services such as early intervention, behavioral health, and lead remediation services.

Medicaid Redeterminations

\$2.1 million

Pursuant to a Governor’s Budget Amendment dated May 20, 2022, the Budget provides an increase of \$2.1 million in general revenue and \$5.8 million in federal funds to build IT, personnel, and operating support in anticipation of the resumption of Medicaid redetermination activity. As of May 2022, the public health emergency (PHE) is scheduled to expire on July 15, 2022, resulting in the commencement of determination activities as early as October 1, 2022. During the PHE, states were required to provide continuous coverage by pausing redetermination activity. The resumption will require state agencies to contact individual Medicaid enrollees to reconfirm their eligibility status.

Early Intervention Service Rates

\$1.8 million

The Budget includes \$1.8 million in general revenue and \$2.2 million in federal funds to repair, stabilize, and improve equity with in the Early Intervention (EI) System. Rhode Island’s EI programs, Part C of the Individuals with Disabilities Education Act (IDEA), annual serves over 4,000 infants and toddlers, representing 7.0 percent of the birth to age three population and one of the highest catchment rates in the country. Between 55.0 and 65.0 percent of the EI population are enrolled in Medicaid with 43.0 percent of that population residing in Providence, Pawtucket, Central Falls, and Woonsocket. These funds will be used to:

- Increase all Early Intervention rates by 45.0 percent, calculated based on adding cost-of-living-adjustments (COLA) since 2002
- Develop and implement a pay-for performance program to reward providers for improving, meeting, and sustaining outcome measures related to quality and equity
- Pay a per-member-per-month (PMPM) rate of \$50 for each enrolled child who received at least one service
- Ensure a COLA increase by tying rates to the consumer price index.

Graduate Medical Education

\$500,000

The Budget provides an additional \$500,000 in general revenue through the Graduate Medical Education initiative for a new resident training program at Landmark Hospital. This is in addition to the \$2.0 million previously included to provide \$1.0 million to Lifespan for the Trauma I Center and to Care New England for the Neonatal Intensive Care Unit.

Children’s Cabinet - Office of Early Childhood Development Planning

\$250,000

The Article 10 provides for the creation of an Early Childhood Governance Working Group tasked with submitting a report to the Governor and General Assembly, by October 1, 2023, with recommendations addressing the coordination and administration of an early childhood program. The FY2023 Budget provides \$250,000 to the Children’s Cabinet in general revenue to facilitate this planning.

Medicaid Enterprise System Third Party Liability Module Adjustment

(\$130,000)

Pursuant to a Governor’s Budget Amendment, dated March 3, 2022, the Budget reduces funding for the Medicaid Enterprise System (MES) Third-Party Liability (TPL) Module, by \$130,000 in general revenue and \$1.2 million in federal funds, to reflect updated cost projections.

Independent Provider Model Rates

\$118,499

The Budget provides \$118,499 in general revenue and \$147,075 in federal funds to increase Independent Provider (IP) program rates to support a \$15.00 per hour minimum wage. The IP program provides

Medicaid beneficiaries eligible for Long-Term Services and Supports (LTSS) with personal care and homemaker services. Eligible LTSS beneficiaries hire, schedule, and supervise a Personal Care Aide (PCA) of their choice to assist with daily living activities and household tasks. Participants may hire friends, neighbors, or family members to be their PCA. This initiative will increase the Medicaid rate for PCAs from \$13.82 per hour to \$15.00 per hour.

Eligibility Extension Compliance (EOHHS)

\$56,722

The Governor proposed to use \$66,816 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), \$10,094 in FY2022 and \$56,722 in FY2023, within EOHHS to make system changes to reflect the latest federal guidance within RIBridges. The Budget shifts the funding source from ARPA SFRF to general revenue.

Data Analysis Contractor to FTE Conversion (3.0 FTE positions)

\$51,672

Pursuant to a Governor's Budget Amendment dated May 20, 2022, the Budget includes an increase of \$51,672 in general revenue and a reduction of \$230,461 in federal funds to reflect the shift of positions currently held by contractors to state FTE positions. EOHHS requested the conversion of two Information Systems Group Coordinators and one Administrator of Management Information System, within the data unit, into an Interdepartmental Project Manager, a Health Program Administrator, and an Interdepartmental Project Manager, within the Managed Care program. The Budget reflects updated cost projections including a shift in the allocation of the positions from a 50.0 percent to a 90.0 percent federal match.

Medicaid Home and Community Based Services (federal funds)

\$8.4 million

Pursuant to a Governor's Budget Amendment dated May 20, 2022, the Budget provides a net increase of \$8.4 million in federal funds and \$11.0 million in restricted receipts to adjust for the spending plan submitted to the Centers for Medicare and Medicaid Services (CMS) in April 2022 to reflect the additional financial support provided in ARPA to expand home and community based support. The amendment bring total funding up to \$67.0 million for FY2023. The approved spending plan includes \$17.9 million for children's behavioral health programs, \$4.2 million for workforce development, \$2.5 million for housing programs, \$2.0 million to support the expansion of Certified Behavioral Health Clinics, \$1.1 million for First Connections, and \$0.5 million for an oral health pilot program. The spending of the remaining \$33.3 million is to be determined.

ARPA SFRF - Butler Short Stay Unit (federal funds)

\$8.0 million

The Budget includes \$8.0 million in ARPA SFRF to create a 25-bed, short-stay unit at Butler Hospital to provide behavioral healthcare services through mental and substance misuse treatment, crisis intervention, and other related services. This unit will help to alleviate overcrowding in emergency departments (EDs) around the State. In addition, patients in the short-stay unit will be able to receive treatment immediately, unlike those camping in the EDs. From this unit, some patients will step down to outpatient care, while others will be moved to inpatient care as beds become available.

ARPA SFRF - 9-8-8 Hotline (federal funds)

(\$1.9 million)

Pursuant to a Governor's Budget amendment, dated March 3, 2022, the Budget shifts \$1.9 million in federal ARPA funds to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission rules and regulations to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH). National Suicide Prevention Lifeline (NSPL) was established as a single national number. NSPL is made up of an expansive network of over 200 crisis centers located across the United States and receives millions of calls a year. The counselors at these local crisis centers answer calls and chats from people in distress. The Lifeline's crisis centers provide the specialized care of a local community with the support of a national network. Advocates have pushed for a three-digit suicide prevention number, as it would be easier to remember and would promote access and use of the hotline. The current hotline number is an 11 digit number that in times of distress could be difficult to access.

ARPA SFRF - Certified Community Behavioral Health Clinics (federal funds) \$1.9 million

Article 12 Authorizes EOHHS to submit a state plan amendment to establish Certified Community Behavioral Health Clinics. Subject to approval from the Centers for Medicare and Medicaid Services (CMS), the model shall be established by July 1, 2023. The Budget provides \$1.9 million from federal State Fiscal Recovery Funds for contract services and 1.0 FTE position to assist EOHHS in the transition to providing and expanding behavioral healthcare services through Certified Community Behavioral Health Clinics. No new FTE position is provided, as it is recommended that EOHHS repurpose and existing position for this purpose.

Opioid Settlement Agreement - Prevention and Treatment (restricted receipts) \$20.0 million

Pursuant to a Governor's Budget Amendment dated April 29, 2022, the Budget establishes the Opioid Abatement Account to place distributions from the State's share of various opioid settlement agreements, and appropriates \$9.9 million from the Teva and Allergan settlements, \$6.4 million from the Distributor Settlement Agreement, and \$3.7 million from the Janssen Settlement Agreement. The programming of the Opioid Abatement Account will be determined through formal recommendations from the Advisory Committee to the Secretary of EOHHS. The Distributors Settlement requires the establishment of an Advisory Committee to ensure that the State and participating municipalities have equal input into the distribution of the funds for approved purposes across the State. Distributions from the McKinsey Settlement Agreement will continue to be deposited into a separate account.

Opioid Stewardship Fund (restricted receipts) (\$2.0 million)

Pursuant to a Governor's Budget Amendment dated April 29, 2022, the Budget includes \$423,009 in restricted receipts from the Opioid Stewardship Fund within EOHHS, reflecting a decrease of \$2.0 million from the Governor's recommendation and an increase of \$288,009 over the FY2022 Budget as Enacted. This includes \$124,078 for 1.0 FTE, which is transferred from the Department of Health to administer the fund, \$135,000 for the Prescription Drug Monitoring Program (PDMP) within the Health Information Technology Project, and \$163,931 for 1.0 FTE Director of Overdose Prevention and Response. The funding in the PDMP will be used for integration work to facilitate access to prescribers and pharmacists.

The FY2020 Budget as Enacted established an annual restricted, \$5.0 million Opioid Stewardship Fund requiring all licensed manufacturers, distributors, and wholesalers to contribute towards the fund through a registration fee. The registration fee is intended to encourage the monitoring of prescription opioids produced and distributed in Rhode Island and to provide accountability for the role that pharmaceuticals have had in the opioid crisis. Licensed manufacturers, distributors, and wholesalers are required to report the details of all opioids sold or distributed in the State to calculate their liability. Registration payments are due annually on December 31. The first payment was due by December 31, 2019, based on 2018 data.

The Opioid Stewardship Fund is only to be used for opioid addiction treatment, recovery, prevention, education services, and other related programs. The article transfers the management of the Opioid Stewardship Fund and the assessment of the registration fee to the Executive Office of Health and Human Services (EOHHS) from the Department of Health. According to the Office of Management and Budget, as the health and human services umbrella agency, EOHHS can better lead and coordinate the Opioid Stewardship Fund efforts.

Adult Use Cannabis (restricted receipts) (\$1.4 million)

The Budget removes \$1.4 million in a new restricted receipt account in EOHHS related to the Governor's proposed legal Adult Use Marijuana program included in Article 11. Pursuant to current law (2022-S-2430 Sub Aaa /2022-H-7593 Sub Aaa), oversight and regulation of the program is centralized in the Office of Cannabis Regulation within the Department of Business Regulation, with multi-agency cooperation from law enforcement, health, and revenue agencies. The revenue and penalties from the 10.0 percent excise tax will be deposited into the Marijuana Trust Fund restricted receipt account which will be used of regulatory and public health expenditures. The sales tax revenue will be deposited as general revenue, and the local

tax collected by the Division of Taxation will be distributed to the municipalities. Licensing fee and penalty revenue is deposited into the Social Equity Assistance Fund to support programs for individuals disproportionately impacted the prohibition of marijuana.

McKinsey Opioid Settlement (restricted receipts) ***(\$380,000)***

Pursuant to a Governor’s Budget Amendment dated April 29, 2022, the Budget reduces funding from the McKinsey by \$380,000, from \$890,000 to \$510,000 in FY2023. Of the remaining funds, \$450,000 will be used for an interagency evidence-based communications campaign on polysubstance use, fentanyl risk, and harm reduction, and \$60,000 will be used for the West Elmwood Health Equity Zone.

A Health Equity Zone (HEZ) is designed to organized people in specific neighborhood to build healthy resilient communities. The West Elmwood (02907) HEZ is one of three HEZs in the State. It encompasses the West End, Elmwood, South Elmwood, and Reservoir neighborhoods in Providence, as well as the western portion of the Upper South Providence neighborhood.

Pay for Success Pilot (restricted receipts) ***\$141,465***

Pursuant to a Governor’s Budget Amendment dated April 22, 2022, the Budget adds \$141,465 in restricted receipts to correct an omission in the Governor’s budget. The FY2022 Budget as Enacted authorized a five-year, pay-for-success pilot program within EOHHS to provide supportive housing with additional wraparound services to a cohort of 125 individuals experiencing homelessness. The program is focused on individuals who are high users of the health care, judicial, and/or shelters systems in an effort to reduce statewide costs while improving the outcomes for individuals with complex needs.

Established though RIGL 42-160-5, the annual appropriation for the program cannot exceed \$1.5 million annually or \$6.0 million over the five years of the pilot program. The FY2022 Budget as Enacted placed the State’s \$6.0 million total, permitted general revenue investment into a restricted receipt account for use through the pilot period and appropriated \$1.5 million in restricted receipts to reflect program costs for the fiscal year. In addition, \$1.3 million in federal grant funds to the Rhode Island Coalition to End Homelessness (RICEH) from the U.S. Department of Housing and Urban Development (HUD) and the Department of Justice (DOJ) will be used to support initial planning and offset ongoing program costs to the State.

The FY2023 Governor’s recommendation reduces general revenues expenditures by \$6.0 million, since the total program investment was appropriated in FY2022, and decreases restricted receipt funding by \$141,465 restricted receipts; however, a Governor’s Budget Amendment (GBA), dated April 22, 2022, increases the restricted receipt appropriation by \$141,465 for a total of \$1.5 million, the annual cap on expenditures. The GBA also amends Article 1 to provide 1.0 new Chief Health Program Evaluator FTE position to serve as an operations manager addressing the staffing needs of EOHHS and Medicaid’s Housing Supports and Services Initiative, as well as supporting the implementation of the pilot program.

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

Provider Rate Enhancements ***\$6.3 million***

The Budget adds \$6.3 million in general revenue (\$8.5 million all funds) for DCYF provider rate enhancements in FY2023. The funding allows for 14.0 percent rate increases for all providers, including those that are both Medicaid and non-Medicaid eligible.

Mobile Response and Stabilization ***\$108,000***

The Budget adds \$108,000 in general revenue and \$612,000 in federal funds for a total of \$720,000 for Mobile Response and Stabilization Services (MRSS), a project that was unfunded in the original Governor’s FY2023 Budget proposal. MRSS provide an effective approach for reducing foster care disruptions, as well as congregate care and psychiatric hospitalization utilization among DCYF children and youth.

Vehicle Fleet Budget Adjustment**(\$173,369)**

Pursuant to the Governor's Budget Amendment dated March 3, 2022, the Budget decreases general revenue by \$173,369. This decrease returns the agency's vehicle fleet funding to its intended amount as budgeted within the Child Welfare Program.

Federal Funds Changes**\$10.0 million**

The Budget includes an additional \$10.0 million in federal funds including:

- **ARPA SFRF - Psychiatric Residential Treatment Facility - \$6.0 million:** The Budget adds \$6.0 million in American Rescue Plan Act State Fiscal Recovery Funds (SFRF) in addition to the \$6.0 million proposed in the Governor's FY2023 Budget Proposal, resulting in a total of \$12.0 million to expand existing in-state capacity at private facilities for two approximately 12-bed psychiatric residential treatment facilities (PRTF) for female youth age 14 to 20 as well as to begin initial design of a new qualified residential treatment program facility. This project is in response to the shortage of available, in-state, intensive residential treatment options for female youth, resulting in the Department sending many youth out of state. In addition to the \$6.0 million in SFRF funds, \$45.0 million from Rhode Island Capital Plan funds are recommended over FY2024 through FY2026 for the state to construct such a facility.
- **ARPA SFRF - Provider Wage Stabilization Extension - \$2.5 million:** The Budget adds \$2.5 million in SFRF to support continued wage stabilization payments which were initially intended to phase down over the course of FY2023. The FY2022 Budget includes \$12.5 million in SFRF to provide workforce stabilization payments to direct care staff in response to providers reporting a high number of vacancies and staff recruitment issues. The Governor requested an amendment to add \$1.9 million from general revenues to provide phased down payments in the third and fourth quarter of FY2023. The Budget instead includes an additional \$2.5 million from federal funds to continue the initiative through FY2023 at full value.
- **RICHIST Upgrade - \$920,000:** The Budget includes \$920,000 in federal funds for the federal share of the proposed replacement of the Department's child welfare system. This adjustment is in alignment with the Governor's FY2023 Budget proposal reducing current year funding and stretching the RICHIST replacement project to FY2025 to reflect delays.
- **Child Care Rate Increase - \$380,851:** The Budget adds \$380,851 in federal funds to increase payments to center-based child care providers across all age groups.
- **Realign DCYF Expenses - \$218,896:** The Budget adds \$218,896 in federal funds to reflect contracted costs for assistance with compliance with the Family First Prevention Services Act of 2018.

DEPARTMENT OF HEALTH**Adult-Use Cannabis****(\$141,673)**

The Office of Cannabis Regulation oversees and coordinates activities with assistance from public health and human services agencies. The Governor's budget included \$141,673 for two new support positions; however, due to the legalization of adult-use of cannabis in May 2022, and the establishment of the Cannabis Control Committee (CCC), these support positions are no longer needed in the Department of Health.

Aquatic Venue Licensing**\$119,558**

Pursuant of the Governor's Budget Amendment of April 22, 2022, the Budget increases general revenue by \$119,558 to hire an environmental scientist to serve as an additional engineer to review and license aquatic venues and address backlogs. Due to staffing constraints the Department of Health (DOH) had to

pause the review of aquatic venues licensing since the beginning of CY2021 resulting in the delays to open businesses and impairing the Department from fulfilling statutory and regulatory requirements.

Federal Fund Changes

(\$38.6 million)

The Budget includes a net decrease of \$38.6 million in federal funds for the following:

- **New Health Lab – (\$51.2 million):** The Budget adjusts the expenditures for the Department’s New Health Lab Based on the schedule in the Governor’s capital budget submission. After shifting the \$51.2 million to out-years, the FY2023 Budget includes \$30.0 million to begin the project.
- **COVID-19 Response - \$9.7 million:** The Budget includes a net increase of \$9.7 million for the following related to the Department’s COVID-19 response:
 - **Testing - \$15.8 million:** The Budget increases federal funds by \$15.8 million in federal funds, allocating a total of \$29.4 million for COVID testing, supplies, site equipment, and staffing.
 - **Contact Tracing – (\$11.1 million):** The Budget funds an amendment that includes an \$11.1 million increase in federal funds, allocating a total of \$19.2 million in federal funds for contact tracing, infection prevention, and case investigation.
 - **Public Health Workers Grant - \$6.5 million:** The Budget includes an increase of \$6.5 million in federal funds. In 2021, the Center for Disease Control and Prevention made available a Public Health Workers Grant, which awarded the State a total of \$10.0 million. Pursuant to the Governor’s Budget Amendment, the Budget decreases \$3.5 million in FY2022 and adds \$6.5 million in federal funding in FY2023, leaving a remainder of \$2.0 million for later years.
 - **Other Adjustments - \$4.8 million:** Pursuant to a Governor’s Budget Amendment, the Budget increases federal funds by \$4.8 million, reflecting anticipated expenses for mitigation, translation services, interpreters for press conferences, and communication campaigns.
 - **Vaccination Campaign – (\$4.2 million):** Pursuant to a Governor’s Budget Amendment, the Budget decreases federal funding by \$4.2 million, allocating a total of \$13.3 million for storage, supplies, and outreach.
 - **Individual Support – (\$2.1 million):** Pursuant to a Governor’s Budget Amendment, the Budget decreases federal funds by \$2.1 million for individual support associated with quarantining and isolation.
- **Public Health Clinics - \$4.0 million:** The Budget includes \$4.0 million from State Fiscal Recovery Funds (SFRF) to support two health clinics. \$2.0 million will be allocated to the RI Free Health Clinic and another \$2.0 million will be allocated to Open Door Health.
- **ARPA Direct Award for WIC Cash Value Vouchers – (\$1.2 million):** Pursuant to the Governor’s Budget Amendment of April 22, 2022, the budget decreases federal funds by \$1.2 million to correct a technical error where the budgeted funds exceeded the actual grant amount.
- **Federal Grant Adjustment - \$69,025:** Pursuant to a Governor’s Budget Amendment, the Budget increases federal funds by \$69,025 to align with the updated spending estimates from various federal grants.

Restricted Receipt Changes

\$16.7 million

The Budget adds \$16.7 million in restricted receipts for the following:

- **Indirect Costs Recovery Adjustments - \$15.4 million:** The Governor’s Budget Amendment of May 4, 2022, increases restricted receipts by \$15.4 million. The Department uses indirect cost recovery fees on federal COVID funding to fund activities related to the pandemic response.

- **McKinsey Opioid Settlement - \$740,000:** The Governor’s Budget Amendment of April 29, 2022, increases restricted receipts by \$740,000 to allow for expenditures from the McKinsey Opioid Settlement Fund. The amendment provides \$410,000 for drop-in harm reduction centers, \$300,000 to be used for naloxone supplies for the University of Rhode Island’s community first responder program that distributes kits to community partners for at risk populations, and \$30,000 for harm reduction infrastructure. The University’s program offers the general public live webinar/in-person seminar or an interactive learning module to become certified as a Community First Responder and receive free naloxone (Narcan) by mail.

Analyst Note: Harm reduction drop-in centers were funded with State Opioid Response (SOR) supplemental dollars and are part of a larger Community Overdose Engagement (CODE) initiative. Each site offers a variety of services including: medical services (Hepatitis C testing, wound care, etc.), COVID-19 vaccines, connection to treatment and recovery/peer support, housing referrals, harm reduction supplies, and basic needs. Each month over 200 individual’s access the resources provided at these locations.

- **Opioid Stewardship Fund - \$635,872:** The Governor’s Budget Amendment of April 29, 2022, increases restricted receipts by \$635,872 to allow for expenditures from the Opioid Stewardship Fund. The amendment provides \$500,000 for harm reduction infrastructure and \$135,872 for a 1.0 Quality Assurance Officer for rapid opioid overdose death detection to provide timely reports within 31 days of a reported fatal overdose as compared to the current 90-day reporting timeframe.

DEPARTMENT OF HUMAN SERVICES

Supplemental Nutrition Assistance Program (SNAP) Pilot **\$11.5 million**

The Budget includes \$11.5 million in general revenue to implement a new SNAP initiative where recipients receive a fifty cent (\$0.50) credit on their Electric Benefits Transfer (EBT) card for each one dollar (\$1.00) spent on eligible fruits and vegetables. This program will take effect on January 1, 2023 and operate until the appropriated funds are expended.

Redetermination IT and Systems Support **\$6.6 million**

Pursuant to the Governor’s Budget Amendment of May 20, 2022, the budget increases general revenue by \$6.6 million to fund the hiring of 20 additional state employees and other operational costs to begin the redetermination work. There is a corresponding increase of \$5.3 million in federal funds, for a total of \$11.9 million.

Field Office Occupancy **\$2.0 million**

The Budget allocated \$2.0 million in general revenue to provide resources to address challenges that arose during FY2022 in the Department field offices. There is a corresponding federal expenditure of \$1.1 million, for a total of \$3.1 million.

Community Action Fund **\$1.4 million**

The Budget includes a onetime contribution of \$1.4 million in general revenue to the community action fund.

Veterans’ Home Adjustments **\$835,116**

The Governor’s Budget Amendment of March 3, 2022 shifts the statewide adjustment which include but are not limited to labor negotiated personnel cost of living adjustments and extra payments to eligible union employees from the Support of Domiciled Veterans federal account to the Veterans’ Home general revenue account which can support these expenditures. There is also a reduction of \$672,566 in federal funds.

Veterans' Home Resident Fee Repayment **\$770,140**

The Governor's Budget Amendment of May 20, 2022, increases general revenue by \$770,140 to cover additional amounts to be paid to eligible Veterans or their estates dating further back than 2013 and to the Veteran's Home first receipt from the U.S. Department of Veteran's Affairs prevailing rates for eligible Veterans commencing October 1, 2010, through February 1, 2013. These additional payments would comply with a recently approved Corrective Action Plan as requested by the U.S. Department of Veteran's Affairs. The agency has and continues to comply with the reimbursements required for Veterans and their estates impacted as of 2013.

Boys and Girls Club **\$750,000**

The Budget adds a one-time contribution of \$750,000 in general revenue to the Boys and Girls Club of Rhode Island.

Critical Healthcare Staffing Shortage – Veterans Home **\$397,240**

The Governor's Budget Amendment of May 20, 2022, increases general revenue by \$397,240 in general revenue for incentives to address critical healthcare staffing shortages. Funding includes \$128,240 for Pathways training, \$130,500 for clothing allowances, \$18,500 for mentoring bonuses, and \$120,000 for recruiting bonuses.

May CEC – Cash Assistance **(\$289,122)**

The Budget decreases federal funding by \$11.1 million to align the level of financing for the Cash Assistance expenditure with the caseload estimate adopted at the May 2022 Caseload Estimating Conference. There is a corresponding decrease of \$289,122 in general revenue for a total of \$11.5 million.

Emergency Staffing RIVH **\$95,500**

The Budget includes \$95,500 in general revenue in lieu of State Fiscal Recovery Funds (SFRF) for emergency staffing needs related to the COVID-19 emergency at the RI Veterans' Home.

Hardship Payments **\$90,000**

The Governor's Budget Amendment of April 22, 2022 includes \$90,000 of hardship contingency payments. This was inadvertently excluded when preparing for reconciliation from the adopted November 2021 Caseload Estimating Conference totals to the final Governor Recommendation.

Eligibility Extension Compliance **\$36,182**

The Budget allocates \$36,182 in general revenue in FY2023 to fund system changes that reflect the latest federal guidance within RI Bridges. These funds were removed from ARPA SFRF funds and shift to general revenue

Streamline SNAP Benefits **\$5,000**

The Budget includes \$5,000 in general revenue to fund the Department's initiative to streamline SNAP applications for elderly and disabled individuals seeking benefits. There is a corresponding increase of \$260,000 in federal funds. General revenues will fund outreach and the federal funding is included for benefit payments.

Federal Fund Changes **(\$75,000)**

The Budget includes a net decrease of \$75,000 in federal funds for the following:

- **(CCAP) Child Care Rate Increase - \$3.6 million:** The Budget allocates \$3.6 million in federal funds to increase reimbursement rates that childcare centers receive. Rates for first tier providers increase to the 50th percentile while rates for top tier providers increase to the 80th percentile.
- **RI Bridges Mobile Access and Childcare Tracking Shift to ITIF – (\$2.4 million):** The Budget decreases federal funds by \$2.4 million for the RI Bridges Mobile Access and Childcare Tracking System. This

program will be funded by the Information Technology Investment Fund (ITIF) located within the Department of Administration (DOA). ITIF is a restricted receipt account for the State's technology initiatives and improvement projects.

- **Child Care Attendance Reimbursement Policy - (\$1.5 million):** The Budget decreases federal funding by \$1.5 million to maintain traditional policies that reimburse childcare centers on attendance rather than enrollment.
- **Child Care Licensing IT System - \$225,000:** The Governor's Budget Amendment of May 20, 2022, increases federal funds by \$225,000. These funds utilize Preschool Development Grant funding for the system design of a child care licensing IT system. The child care licensing functionality is currently incorporated into the Department of Children, Youth, and Families RICHIST system which is in the planning stages of being upgraded. Since child care Licensing is now a DHS responsibility and associated ACF Regulations need to be met regarding the Child Care Assistance Program it is a logical progression to separate this system from the DCYF system of record and transition it to DHS. Current plans for the new RICHIST does not include a new child care licensing system. DHS grant funding is available to support the implementation and ongoing needs of its own child care licensing system.

Paratransit Program- Gas Tax Yield Adjustment (other funds) \$207,502

The Budget includes an increase of \$207,502 in other funds to support the Department's Paratransit Program run through the Office of Healthy Aging. This increase an upward revision of the gas tax estimate from the Department of Revenue in May 2022.

Veterans Home (Rhode Island Capital Plan funds) \$100,000

The Budget includes \$100,000 in RICAP funding in FY2023 for asset protection projects at the RI Veterans' Home.

DEPARTMENT OF BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES, AND HOSPITALS

May Caseload Estimating Conference (\$11.4 million)

Pursuant to the Governor's Budget Amendment dated May 20, 2022, the Budget decreases general revenue by \$11.4 million and increases federal funds by \$1.8 million for a net decrease of \$9.6 million. These adjustments both align the level of financing in this category of BHDDH Developmental Disabilities expenditure with the caseloads as adopted by the May 2022 Caseload Estimating Conference.

ESH - Forensic Patients - State Only \$3.6 million

The Budget adds \$3.6 million in general revenues for patient expenses at Eleanor Slater Hospital. The Governor's recommendation includes Medicaid funds for 20 forensic patients; however, it has already been determined that the state cannot bill Medicaid for forensic patients regardless of where the patient resides. This \$3.6 million increase from general revenues in lieu of Medicaid funds corrects for this. There is a corresponding reduction of federal funds.

Turnover Savings (\$1.8 million)

The Budget reduces general revenue by \$1.8 million and federal funds by \$284,500 to reflect additional turnover savings at the department. A portion of the savings is used to fund capital improvements at the hospitals. Through May 21, the Department has averaged more than 240.0 vacant positions for the year; a vacancy rate in excess of 20.0 percent.

ESH – Forensic Patients – Out of State Provider \$1.5 million

Pursuant to the Governor's Budget Amendment dated May 20, 2022, this is a revenue neutral amendment reducing the recommended personnel budget due to anticipated higher turnover projections to finance a total of \$1.5 million for the Department's contract with an out-of-state provider to deliver services for up to five patients currently residing at the State forensic hospital.

Healthcare Recruitment & Incentives **\$1.5 million**

Pursuant to the Governor's Budget Amendment dated May 20, 2022, the Budget increases general revenue in the Healthcare Services program by \$1.5 million to provide four incentives that address critical healthcare staffing shortages. This amendment consists of: \$569,660 for Pathways training, \$385,000 for clothing allowances, \$55,500 for mentoring bonuses, and \$455,500 for recruiting bonuses.

Retention Bonuses **\$1.1 million**

Pursuant to the Governor's Budget Amendment dated March 3, 2022, the Budget increases all funds by \$1.4 million, including \$1.1 million in general revenue and \$357,290 in federal funds, to correct an error contained in the Governor's Recommended Budget with respect to underfunding retention payments.

Hospital Compliance Projects **\$1.1 million**

The Budget increases general revenue by \$1.1 million to reflect a Governor's budget amendment to shift funds saved from personnel turnover to use to fund capital cost overruns for hospital compliance projects. There is a corresponding decrease in funding for personnel.

Consent Decree - Workforce Development and Technical Assistance **\$492,100**

Pursuant to the Governor's Budget Amendment dated April 22, 2022, the Budget increases general revenue and federal funds each by \$492,100 for a total increase of \$984,200. The funds are for technical assistance to deliver technology to individuals with intellectual and developmental disabilities (I/DD) as well as for a contract to support I/DD individuals through recruiting, training, and retaining Direct Support Professionals (DSPs). Both of these items are added to support the State's efforts for the Consent Decree.

ESH Hospital License Fee **\$470,221**

The Budget adds \$470,221 in general revenue for Eleanor Slater Hospital's hospital license fee for FY2023. This fee is based on a lowered rate from 5.725 to 5.42 percent based on updated 2021 revenue.

Emergency Staffing **\$454,500**

The Budget increases general revenues by \$454,500 in lieu of federal State Fiscal Recovery Funds for emergency staffing needs related to COVID-19 at the Eleanor Slater Hospital and the new Rhode Island Psychiatric Facility.

CMS Compliance – Contractor **\$284,500**

Pursuant to the Governor's Budget Amendment dated May 20, 2022, the Budget increases general revenue and federal funds each by \$284,500 for a total of \$569,000 to support extending an existing contract to assist the Department with complying with Centers for Medicare and Medicare requirements at Eleanor Slater Hospital.

RI Psychiatric Hospital Position **\$65,811**

Pursuant to the Governor's Budget Amendment dated April 22, 2022, the Budget increases general revenue for the State of RI Psychiatric Hospital by \$65,811 to correct for the cost of a proposed new FTE position. The position, Director, Interagency Operations, will function as the new Hospital CEO, and was intended to be initially budgeted at a higher pay grade based on the new proposed management structure.

Federal Funds Changes **\$3.6 million**

The Budget includes an additional \$3.6 million in federal funds including:

- **ARPA SFRF - 9-8-8 Hotline Move from EOHHHS - \$1.9 million:** Pursuant to the Governor's Budget Amendment dated April 22, 2022, the Budget increases federal funds by \$1.9 million to represent a shift in American Rescue Plan Act State Fiscal Recovery Funds (SFRF) for the 988 Hotline from the Executive Office of Health and Human Services to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals. This is a budget-neutral shift that more appropriately aligns

the funding with the Department implementing the Hotline initiative to maintain compliance with the National Suicide Hotline Designation Act of 2020.

- **ESH - Medicaid Technical Adjustment - \$1.7 million:** Pursuant to the Governor’s Budget Amendment dated April 22, 2022, the Budget adds \$1.7 million in federal Medicaid funds for Hospital and Community Rehabilitative Services. This amendment restores a technical adjustment for personnel that were excessively reduced.

Restricted Receipts Changes

\$1.1 million

The Budget includes a net \$1.1 million increase from restricted receipts for the following:

- **Opioid Stewardship Fund - \$1.1 million:** Pursuant to the Governor’s Budget Amendment dated April 29, 2022, the Budget increases restricted receipts by \$1.1 million, adjusting the budget for the Opioid Stewardship account from \$2.0 million to \$3.1 million. This amendment accommodates changes in the planned use of the funds to allow for a total of \$500,000 to be dedicated to the continued support of the Regional Substance Abuse Prevention Task Force, a total of \$300,000 for the development of additional substance use disorder residential services, and an additional \$300,000 for a new investment in a Substance Use Disorder Workforce pilot program.
- **Opioid Settlement – McKinsey - \$250,000:** Pursuant to the Governor’s Budget Amendment dated April 29, 2022, the Budget increases restricted receipts by \$250,000 through an adjustment to the McKinsey Opioid Settlement account. This amendment accommodates changes in the planned use of the settlement account funds to allow for a total of \$250,000 to be dedicated to a new pilot program for investing in substance use disorder workforce.
- **Adult Use Cannabis – (\$248,673):** The Budget decreases restricted receipts by \$248,673, adjusting the total funds provided for one new position within the Office of Cannabis Regulation.

GOVERNOR’S COMMISSION ON DISABILITIES

Livable Home Modifications Program

\$500,000

The Governor’s Commission on Disabilities (GCD) has administered the Livable Home Modification grant program since January 2018. The grant program allocates funding for home modification projects to allow people to stay in their homes longer and decrease the length and frequency of nursing home stays. Improvements include bathroom modifications, wheelchair ramps, and stability rails, along with other home modifications. The Governor’s budget included \$485,743 in FY2023. The Budget adds \$500,000 in one-time funds for the program in FY2023.

ADA Coordinator Position (1.0 FTE)

\$111,112

The Budget adds 1.0 FTE Americans’ with Disabilities Act Coordinator position and associated funding for FY2023. The position will help review capital projects for ADA compliance and accessibility issues and help keep projects on schedule.

OFFICE OF THE CHILD ADVOCATE

Turnover Savings Elimination

\$196,535

The Budget increases general revenue by \$196,535 and decreases federal funds by \$7,538 for a net increase of \$188,997 to fully fund two positions not initially recommended for funding in FY2023.

Position Upgrades

\$144,600

The Budget increases general revenue by \$144,600 for equitable salaries for office personnel. The Office requested this general revenue increase in response to difficulty with recruitment and retention, as well as increases in roles and responsibilities in the office.

OFFICE OF THE MENTAL HEALTH ADVOCATE

ARPA SFRF - Mental Health Court Pilot Program (federal funds) \$234,447

The Budget shifts \$234,477 from the federal American Rescue Plan Act State Fiscal Recovery Fund to general revenue to fund 2.0 full-time equivalent positions to support the Mental Health Court Pilot Program.

ELEMENTARY AND SECONDARY EDUCATION

School Building Authority Capital Fund \$50.0 million

In addition to the \$250.0 million school building bond referendum in Article 5, the Budget provides \$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.

Education Aid Data and Formula Change \$17.0 million

The Budget provides education funding formula aid to districts based on the highest average daily membership in either FY2020, FY2021, or FY2022, with the student success factor calculated based on the greatest percentage of poverty of the three years. This calculation is intended to hold districts harmless from enrollment declines cause by COVID-19. The Budget further adjusts the density aid based on updated charter school enrollment.

Education Aid - Regional Transportation \$1.6 million

The Budget increases categorical aid for regional transportation by \$1.6 million (\$5.8 million total) to fully fund 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.

Regional Transportation Categorical Aid			
	FY2021 Regional District Costs	FY2023 Governor Budget	Difference
Bristol-Warren	\$1,638,537	\$1,183,774	\$454,763
Exeter-W. Greenwich	1,421,151	1,026,722	394,429
Chariho	2,127,908	1,537,324	590,584
Foster-Glocester	605,521	437,464	168,057
Total	\$5,793,117	\$4,185,284	\$1,607,833

FY2022 Property Tax Data Adjustment (Funding Formula Audit Adjustment) (\$842,500)

The Budget shifts the education aid adjustment for the errors in property tax data from FY2023 to FY2022. Since RIGL 16-7-20(e)(1)-(2) provides that errors are to be corrected in the subsequent fiscal year, Article 10 provides language to allow for the payment of these funds in FY2022.

The Education Adequacy Act distributes education aid funding based on local revenue generating capacity and overall poverty level through a state share ratio. The share ratio is based on the concentration of children living in poverty and the equalized weighted assessed valuation (EWAV) for each district. The EWAV is a wealth index based on each community’s total assessed property value and median family income per student, relative to districts across the State. The total community property value includes motor vehicles, personal property and State payments in lieu of taxes.

Davies- Statewide Cost of Living Adjustment (\$743,850)

The Governor and the Department of Administration announced a tentative agreement between the State and the state employee bargaining units for a proposed 4-year contract that provides cost-of-living (COLA) increases of 2.5 percent retroactive to June 2020, 2.5 percent retroactive to June 2021, 2.5 percent in July 2022, and 2.5 percent in July 2023. A Governor’s Budget Amendment, dated March 3, 2022, reduces the estimate by \$743,850, based on updated cost projections.

Adult Ed Providers **\$540,000**

The Budget includes an increase of \$540,000 in general revenue to address increased demand for adult education services.

Multilingual Learner Specialist (1.0 FTE position) **(\$135,311)**

The Budget removes 1.0 FTE position and funding for a position requested to coordinate and deliver professional development to ensure the expected outcome from the Blue Print for Multilingual Learner Success and the Department's Strategic Plan. The Department has launched the Blue Print for Multilingual Learner Success and a Strategic Plan for improving outcomes for Multilingual Learners.

Analyst Note: The FY2022 Budget as Enacted provided 1.0 new FTE position for a World Language Education Specialist and an English Language Learner/World Language position was added in FY2018. The Department is currently interviewing candidates for the World Language Specialist position.

Transformation Specialist (1.0 FTE position) **(\$135,311)**

The Budget eliminates 1.0 FTE and funding for a position requested to work across the Department to collaborate with other specialists in providing support to LEAs and meeting the requirements and responsibilities codified in the 2019 RI Education Accountability Act. According to the Department, the RI Education Accountability Act of 2019 imposed new statutory expectations of the Department such that the Department must implement and support LEAs with strategic planning and a wide variety of annual plans, as well as monitor and evaluate the process and outcomes for five LEAs on an annual basis. The Department explained that the 4.0 FTE Transformation Specialists currently in the Department focus on the federally mandated school improvement process for schools identified for comprehensive support and improvement (CSI), as delineated in the federal 2015 Every Student Succeeds Act (ESSA).

Dyslexia Educator Training **\$50,000**

The Budget provides \$50,000 in general revenue to provide professional development for teachers concerning best practices in educating students with dyslexia.

Federal Fund Changes **\$51.1 million**

The Budget includes a net increase of \$51.1 million in federal funds for the following:

- **ESSER Fund Shift from FY2022 to FY2023 - \$49.6 million:** The Coronavirus Response and Relief Supplemental Appropriations (CRRSA), passed in December 2020, provided \$184.8 million in Elementary and Secondary Education Relief (ESSER) II funds to Rhode Island. This was the second round of ESSER funds distributed. Of the total distribution \$166.3 million was for direct grants to local education agencies (LEAs). The American Rescue Plan Act (ARPA), passed in March 2021, provided \$415.0 million in Elementary and Secondary Education Relief (ESSER) III funds to Rhode Island. This was the third round of ESSER funds distributed. Of the total distribution \$373.5 million was for direct grants to local education agencies (LEAs).

The FY2022 Budget as Enacted appropriated the entire amount of ESSER II and III funds. While the Governor's recommended budget moves \$463.0 million from FY2022 into out years; however, based on updated expenditure projections, the Budget shifts an additional \$49.6 million from FY2022 to FY2023.

According to the United States Department of Education, LEAs may use these as allowed under ESSER I and ARP ESSER, including hiring new staff and avoiding layoffs. Additional uses include addressing learning loss; preparing schools for reopening; and, testing, repairing, and upgrading projects to improve air quality in school buildings. The funds may be used for expenses dating back to March 13,

2020, and the funds are available for obligation through September 30, 2022, excluding the 12-month Tydings Amendment period.

- **ARPA SFRF - Municipal Learning Centers – (\$5.0 million):** The Budget does not fund the Governor’s proposal to use \$5.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 (\$15.0 million through FY2025) to support the creation of centers, operated by municipalities, providing free or fee-for-service programs such as tutoring, art and music classes, early education opportunities, and nonprofit services.
- **School Nutrition Programs - \$4.5 million:** The Budget provides an increased appropriation in federal funds of \$20.0 million in FY2022 and \$4.5 million in FY2023 to support school breakfast and lunch programs based on updated cost projections. In response to the pandemic the United State Department of Agriculture extended the free lunch program to all students attending school that participate in the program, regardless of income
- **ARPA SFRF - Adult Education Investment - \$2.0 million:** The Budget provides \$2.0 million in State Fiscal Recovery Funds to expand access to education programs and literacy services.

Rhode Island Capital Plan (RICAP) Fund Changes

\$3.0 million

The Budget includes \$3.0 million in Rhode Island Capital Plan funds for the following:

- **Davies Healthcare Center - \$2.0 million:** The Budget includes \$2.0 million in RICAP funds for program enhancements at Davies for increased costs related to the Healthcare Center project due to project delays and increased construction expenses. The Healthcare Center project involves upgrades to the Health Careers technical program including the replacement of the detached modular classroom the currently houses the program, both classrooms and technical lab spaces. Health Careers is the highest enrolled program at about 200 students.
- **Davies HVAC Shift from FY2023 to FY2022 - \$1.0 million:** To replace and repair the HVAC system at Davies, the Governor’s recommendation included \$1.0 million in RICAP funds in FY2022 and \$150,000 in FY2023. Based on the updated project schedule, the Budget shifts the \$1.0 million in RICAP funding into FY2023. Davies recently developed a facility master plan to guide ongoing repairs and upgrades. The assessment evaluated the educational space for academic and technical programs, future enrollment patterns, energy efficiencies, building condition, traffic studies, and Americans with Disabilities Act compliance and provided an extensive list of deferred maintenance and renovation projects. However, due to the dire need in other schools around the State and the need for a substantial investment to address the major repairs at Davies, the master plan is being advanced in smaller projects. Consequently, the funding will be used to replace a chiller, and allow for replacement, as need in areas of the school where ventilation and circulation are an issue, particularly in the 1970’s portion of the school.

PUBLIC HIGHER EDUCATION

RIC - Bioscience Certificate

\$700,000

The Budget provides \$700,000 in general revenue to further the implementation of a Certificate of Applied Biology and Biotechnology at Rhode Island College. The funds will support 1.0 FTE position in applied biotechnology/biotechnology (\$125,000) and be used toward upgrading existing laboratory space. This funding is expected to leverage other support. The program is slated to open the fall of 2023.

CCRI - Healthcare Workforce

\$547,175

Pursuant to a Governor’s Budget Amendment, dated May 20, 2022, the Budget adds \$547,175 in general revenue to fund 4.0 FTE positions, within the College’s current staffing authorization, to provide support

services and stipends for nursing assistant students, as well as marketing and advertising to recruit and train certified nursing assistants, licensed practical nurses, and registered nurses.

RIC- Reversal of Statewide Personnel Adjustments ***\$404,967***

Pursuant to a Governor’s Budget Amendment, dated March 3, 2022, the Budget reverses statewide personnel adjustments mistakenly assessed on Rhode Island College.

Rhode Island Promise College Crusade Scholarships ***\$230,000***

Pursuant to Article 10, grants received by students from the College Crusade will no longer be considered federal or financial aid for the purposes of the last dollar scholarship program. The Budget includes \$230,000 to support this change. Exempting these scholarships will allow the College Crusade grants to be used for other expenses, such as transportation and materials.

Higher Education Opportunities for Teacher of Color ***\$200,000***

The Budget includes \$200,000 in general revenue to increase access to higher education opportunities for teachers of color through the Rhode Island School for Progressive Education (RISPE). RISPE is an educator preparation provider founded with the mission to diversify Rhode Island teacher workforce, and promote anti-racist education. The funds will be used to offset the cost of attendance, help support faculty and clinical staff stipends, increase recruitment effort, and purchase equipment.

CCRI- Reversal of Statewide Personnel Adjustments ***\$24,470***

Pursuant to a Governor’s Budget Amendment, dated March 3, 2022, the Budget reverses statewide personnel adjustments mistakenly assessed on the Community College of Rhode Island.

ARPA SFRF - Higher Education Academy (federal funds) ***(\$6.5 million)***

The Budget removes \$6.5 million in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 (\$22.5 million through FY2027) included by the Governor to create the Higher Education Academy. The COVID-19 pandemic highlighted the education gaps in our state and disproportionately impacted those with no postsecondary credentials. This proposal addresses those gaps to create a more resilient workforce so the next economic downturn will be less severe. The goal of this program is to facilitate participants in receiving postsecondary credentials, in workforce training, associates degrees, and bachelor’s degrees, through advising, support, and training. The proposal would create the Higher Education Academy, targeting individuals 16 and older without a postsecondary credential, to coordinate and leverage existing programs such as RI Reconnect, Back to Work/Real Jobs, Advanced Course Network, and Enroll RI, as well as aligning current work at the public institutions of higher education.

OPC- Guaranty Agency Administration (federal funds) ***(\$13,917)***

This is a technical amendment to correct an unintentional increase in expenditures from the Division of Higher Education Assistance (DHEA) reserves for the statewide COLA and other personnel adjustments. The FY2022 Budget as Enacted includes total administrative expenditures of \$400,000 from this fund, and actual expenditures in FY2023 are not expected to exceed this amount.

OPC- IGT Scholarship for STEM (restricted receipts) ***\$35,000***

Pursuant to a Governor’s Budget Amendment, dated April 22, 2022, the Budget provides \$35,000 in general revenue to address mandates in the lottery contract. Section 18 of 8th amendment to the lottery contract requires IGT to pay \$35,000 on or before June 30 of each year, beginning in 2022 and ending in 2042, to fund scholarships relating to the study of science, technology, engineering, or mathematics (STEM) at an accredited educational institution.

Rhode Island Capital Plan (RICAP) Fund Changes**\$13.0 million**

The Budget includes \$13.0 million in Rhode Island Capital Plan funds for the following:

- **CCRI Data, Cabling, and Power Infrastructure – (\$1.5 million):** The project will upgrade network wiring infrastructure and deliver more capacity to support additional classroom technology, wireless devices and security systems, including cameras, emergency alarm systems, and HVAC control systems. Due to project delays, the Budget shifts funding out one year through FY2026, eliminating funding in FY2022 and decreasing funding by \$1.5 million in FY2023 (\$1.8 million remaining).
- **CCRI Flanagan Campus Renewal (Lincoln) – (\$18,000):** The project includes the modernization and code compliance upgrades to all of the science labs at the Lincoln campus, as well as the refurbishment of the exterior including heat resistance paint, window replacement, and light abatement. Based on project delays, the Budget shifts \$18,000 in funding out one year through FY2026.
- **CCRI Knight Campus Renewal - \$1.5 million:** The project provides for the renovation of 280,000 square feet of the 385,000 square-foot Knight Campus Megastructure, including lighting, painting and replacement of carpeting/tile. Due to project delays, the Budget shifts \$2.9 million from FY2022 into FY2023 and FY2024.
- **OPC – Northern RI Education Center - \$2.9 million:** Due to project delays, the Budget shifts \$2.9 million from FY2022 into FY2023. The new Center was scheduled to open in May 2022 in Woonsocket, but is currently expected to open in late summer 2022.
- **RIC Asset Protection - \$4.1 million:** The Budget shifts \$4.1 million in asset protection project funding from FY2022 to FY2023. Projects have been delayed primarily due to the Capital Projects Project Manager position being vacant; however, since the position was recently filled, the College expects to utilize the funding in FY2023.
- **URI Bay Campus - \$6.0 million:** In addition to the \$100.0 million general obligation bond question for the November 2022 ballot, the Budget provides \$6.0 million in RICAP funding in FY2023 toward repairs and construction on the Narragansett Bay Campus in support of education and research for the marine disciplines.

RHODE ISLAND STATE COUNCIL ON THE ARTS**Personnel Reclassification Approved in FY2022****\$89,188**

Pursuant to a Governor's Budget Amendment, dated March 3, 2022, the Budget restores \$89,188 in general revenue and \$7,042 in federal funds to support the personnel reclassifications approved in the FY2022 Budget as Enacted but inadvertently omitted from the Governor's recommendation.

Governor's Portrait**(\$25,000)**

The Budget eliminates \$25,000 in general revenue from FY2023 and shifts \$20,000 from FY2022 for the commissioning of a governor's portrait to restricted receipts due to a larger private donation. The Budget also provides \$45,000 in restricted receipts for this project. Article 2 amends RIGL 42-75-13, creating the Governor's Portrait Donation Fund as a restricted receipt account for any revenue received by the Rhode Island Council on the Arts from contributions received to supplement the state appropriation for the purchase of a governor's portrait pursuant to RIGL 37-8-9.

Arts Place Grant Correction (restricted receipts)**(\$10,000)**

Rhode Island Council on the Arts (RISCA) indicated only \$10,000 in funding remains for the ArtPlace America grant for the Rhode Island Arts and Health Network (RIAHN). RISCA expects those funds to and

be expended in FY2022. RIAHN was developed through collaboration of the Rhode Island Department of Health (RIDOH) to create and support the Rhode Island State Arts and Health Plan (Plan). The Plan outlines a strategy for fully integrating arts and arts-based therapies into healthcare and community settings through innovative and sustainable policy, practice, and research recommendations.

RHODE ISLAND HISTORICAL PRESERVATION AND HERITAGE COMMISSION

Federal Fund Changes* **\$600,000*

The Budget provides a net increase of \$600,000 in federal funds including the following:

- **Old State House Renovations - \$500,000:** The Budget provides \$500,000 in federal funds to fund accessibility renovations at the Old State House. In addition, the Budget provides \$375,952 in RICAP funding within the Department of Administration's budget to serve as matching funds for the Save America's Treasures federal grant.
- **Artifact Relocation Grant - \$100,000:** The Budget includes \$100,000 in federal funds to catalogue and relocate historical artifacts from the basement of the Old State House to a central repository at the University of Rhode Island.

DEPARTMENT OF THE ATTORNEY GENERAL

Legal Staff Upgrades* **\$1.0 million*

The Budget includes \$1.0 million in additional general revenue funding for pay grade increases for attorney staff. The increases equate to an average annual increase of 3.0 percent, and will help with recruitment and retention.

Mental Health Court* **\$204,005*

The Budget shifts funding for the proposed Mental Health Court from federal American Rescue Plan Act funds to general revenues. Funds will pay for 2.0 FTE positions to support the Court.

DEPARTMENT OF CORRECTIONS

RIBCO Contract Reserve* **\$9.3 million*

The Budget includes \$9.3 million in general revenue funding for anticipated settlement of the Rhode Island Brotherhood of Correctional Officers (RIBCO) employee contract. The funding represents FY2023 base payroll costs assuming terms similar to those of other state employee unions that finalized contracts this year.

Radio System* **\$2.7 million*

The Budget shifts costs for a new radio/communication system throughout the ACI from American Rescue Plan Act, State Fiscal Recovery Funds to general revenue.

Correctional Industries Loan Revision* **(\$1.7 million)*

Pursuant to a Governor's Budget Amendment dated March 3, 2022, the Budget decreases general revenue in the Central Management Program by \$1.7 million. This Budget Amendment makes two corrections: it shifts \$1.1 million to FY2022, which was incorrectly budgeted in FY2023 to pay back a loan for the Correctional Industries Fund and will occur in the current fiscal year; and shifts \$532,609 to FY2022, which was incorrectly budgeted in FY2023 to cover a projected current year deficit in the Correctional Industries Fund.

Healthcare Recruitment and Incentive **\$665,340**

The Governor's Budget Amendment dated April 22, 2022, increases general revenue by \$665,340 to provide four incentives that address critical healthcare staffing shortages: \$487,340 for Pathways training, \$31,000 for equipment allowances, \$59,000 for mentoring bonuses, and \$88,000 for recruiting bonuses.

Correctional Officer Stipends **\$270,000**

The Governor's Budget Amendment dated April 22, 2022, increases general revenue by \$190,646 to increase the stipend granted during the Correctional Officer Training Academy from \$1,000 to \$1,300 to support improvement in the recruitment of Correctional Officers. The amendment inadvertently underfunds the class, so the budget includes \$270,000 to fully fund the intent of the initiative.

Temporary Services Correction **\$150,970**

The Budget includes \$150,970 to correct for underfunding of personnel in the Governor's budget submission. The Governor's Budget double-counted a reduction and these funds correct the error.

Information Technology Support **\$43,387**

The Governor's Budget Amendment dated April 22, 2022, increases support for information technology systems and database maintenance by \$43,387 to reflect the correct projected expenditures.

ARPA SFRF - WIFI at the ACI (federal funds) **(\$3.1 million)**

The Governor proposed to use \$3.1 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023, and \$50,000 each year from FY2024 through FY2027, to install WIFI and technology throughout the ACI. The Budget funds the initiative; however, it shifts from federal funds to restricted information Technology Investment Funds which are budgeted through the Department of Administration.

JUDICIARY**Mental Health Court Pilot** **\$952,482**

The Budget shifts \$952,482 in federal ARPA SFRF to general revenue. This funding supports 7.0 FTE positions, within the Judiciary, to create a Mental Health Court pilot program in collaboration with the Office of the Attorney General and the Office of the Mental Health Advocate to better serve defendants struggling with mental illness. Defendants suffering from mental illness will often recycle repeatedly through the criminal justice system without proper treatment. Of the total, \$107,900 and 1.0 Senior Monitoring and Evaluation Specialist are within the Supreme Court while \$844,582 and 6.0 FTE positions are within the District Court. Over decades, the community supports for this population have seen funding diminished to the point where few supports remain in place. Leaving individuals to spiral downward until they land in the court system.

Over the past three years, the Pretrial Services Unit has handled 1,593 referrals for mental health counseling with another 737 with co-occurring disorders. According to the Judiciary, these numbers do not reflect the actual number of court-involved defendants suffering from mental illness. While most of these defendants may not be initially sentenced to serve time at the ACI on a misdemeanor, many of them will be incarcerated as either bail violators or probation violators. This program is intended to address the defendant's mental illness and significantly reduce, if not eliminate, incarceration for all these violators.

Child Support Enforcement Expansion (6.0 FTE positions) **\$305,000**

The Budget includes \$305,000 in general revenue and \$610,000 in federal funds to expand child support enforcement (CSE) across the State. At current staffing levels, the Family court is unable to service a full calendar in all the counties. Since federal support is available for CSE calendars, the cases have to be

separated from other types of cases. This funding will allow for cases to be heard every day by using one courtroom and team of people dedicated to CSE.

Mental Health Treatment Court Grant (federal funds) ***\$213,575***

Pursuant to a Governor's Budget Amendment, dated April 22, 2022, the Budget adds funding from a new competitive, federal grant for Mental Health Treatment Court in the District Court. This grant is for the implementation of the Mental Health Clinic and will be used to create the evaluation processes that will be necessary for the new court to determine eligibility and track progress. The grant is available in FY2022 (\$14,600) and FY2023 (\$213,575).

MILITARY STAFF

Injured on Duty Adjustment ***\$252,460***

The Budget adds \$252,460 for general revenue personnel expenses involving the Injured on Duty (IOD) payment to a Quonset Airport Firefighter who remains on IOD status. Pursuant to the Governor's Budget Amendments dated March 3, 2022, the Budget reduces federally funded personnel costs \$252,460 and shifts the personnel cost to general revenue to cover the expenses of two Quonset Firefighters who are on IOD status. There is a corresponding decrease of \$252,460 in federal funds.

When a federally-funded firefighter is placed on IOD, the salary shifts to 100.0 general revenue funding and the IOD salary is tax exempt. Removing the firefighters from IOD status to return to duty or to retirement on disability eliminates the general revenue expense.

Airport Agreement Correction ***(\$32,082)***

The Budget corrects Quonset airport contract costs to reflect actual contract values for training and parking military aircraft on site. The \$32,082 general revenue reduction is based on actual costs.

Counterdrug Asset Forfeiture (federal funds) ***(\$5.3 million)***

The Budget removes \$5.3 million in federal funds for the construction of a counterdrug facility at Camp Fogarty. This is consistent with the Military Staff capital budget request for FY2023.

Maintenance Correction (federal funds) ***(\$397,049)***

The Governor's budget recommendation overfunded maintenance and repairs by \$397,049; the Budget corrects for this.

Rhode Island Capital Fund (RICAP) Changes (other funds) ***(\$633,500)***

The Budget amends the Rhode Island Capital Plan to reflect updated project timelines, including the following:

- **Aviation Readiness Center – (\$1.0 million):** The Budget decreases RICAP funding by \$1.0 million in FY2023 based on project delays. Only design work is expected to occur next year so construction funding is moved to FY2024 and FY2025. The Budget includes \$138,272 in RICAP funding in FY2023 for design work.
- **Armory of Mounted Commands - \$366,500:** The Budget shifts \$366,500 in RICAP funding from FY2022 to FY2023 and beyond for the Armory of Mounted Commands project to reflect project delays.

RHODE ISLAND EMERGENCY MANAGEMENT AGENCY

Emergency Response Positions (2.0 FTE) ***\$270,000***

The Budget includes funding for 2.0 new Emergency Response FTE positions at the Rhode Island Emergency Management Agency in FY2023. The agency had requested 6.0 FTE for various emergency response roles.

DEPARTMENT OF PUBLIC SAFETY**Body-Worn Camera Program****\$15.0 million**

The Budget shifts \$15.0 million in general revenue from FY2022 to FY2023 to reflect changes in the implementation schedule of the statewide body-worn camera program authorized by the General Assembly in 2021. The statewide program is designed to equip approximately 1,700 of Rhode Island's uniformed patrol officers - across every municipal police department and the Rhode Island State Police - with body-worn cameras. Implementation cannot take place however until the Attorney General's Office (AG) and the Department of Public, in consultation with the Rhode Island Police Chiefs Association, promulgate rules that reflect model policies addressing key areas like activation, officer review, records retention, etc. In turn these must be adopted by departments seeking state funding. This was originally to be done by December 2022, but according to the AG, the promulgation of these rules and polices is taking longer than initially expected and the procurement and distribution of equipment will now take place in FY2023. Funds are shifted accordingly.

State Trooper Contract**\$7.9 million**

The Budget includes an additional \$8.4 million (all funds), including \$7.9 million in general revenue to cover the increased costs of the new State Trooper collective bargaining contract in FY2023. The Governor's Budget did not include additional personnel spending because at the time it was introduced into the General Assembly, negotiations were ongoing. Subsequently, an agreement was reached in March 2022. The marginal impact across funding sources in FY2023 are shown below.

Source	Amount
General Revenue	\$7,925,609
Federal Funds	236,658
Restricted Receipts	46,069
Other Funds	224,630
Total	\$8,432,966

Federal Funds Changes**\$2.9 million**

The Budget includes \$2.9 million in federal funds for the following:

- **ARPA SFRF - Support for Survivors of Domestic Violence - \$2.5 million:** The Governor's Budget recommends using \$1.0 million in federal State Fiscal Recovery Funds in FY2023, and \$4.5 million in total through FY2024, to fund grants to programs that support the mental health and physical safety of victims of domestic violence and sexual assault. Rhode Island serves domestic violence and sexual assault survivors through a network of non-profit agencies that are largely supported with public funding. These organizations provide various types of assistance including safe housing, wraparound services, counseling, trauma-related mental health, and other supports to victims. Primary agencies include Day One, the Aubin Center at Rhode Island Hospital, Sojourner House, members of the Rhode Island Coalition Against Domestic Violence, and other community agencies. The Budget adds \$2.5 million more in SFRF funds for the program, bringing the total in FY2023 to \$3.5 million and \$7.0 million in total through FY2024.
- **Technical Correction - \$374,055:** The Governor's Budget inadvertently included a savings of \$374,055 in federal Coronavirus Emergency Supplemental Funding Program funds in FY2023. The Budget corrects this error by increasing federal funds accordingly.

Restricted Receipts Changes**(\$1.0 million)**

The Budget includes a net decrease of \$1.0 million in restricted receipts for the following:

- **Adult Use Cannabis Program – (\$1.1 million):** The Budget includes a \$1.1 million reduction in restricted Adult-Use Marijuana Funds for DPS relative to the Governor’s Budget recommendation. The Governor initially proposed establishing an Adult Use Marijuana Program in the recommended FY2023 Budget and included \$1.1 million in a new restricted receipt account to pay for program-related activities within the DPS. This includes \$500,000 in assistance and grants, \$184,133 in operating supplies and expenses, and \$395,931 in personnel expenses. The General Assembly, through separate legislation, has made significant changes to the program design and revenue source structure. Based on these changes, the Budget eliminates the Governor’s proposed funding for DPS.
- **E-911 Emergency Medical Dispatch Staff - \$55,470:** The Governor’s Budget includes \$542,187 in restricted E-911 funds FY2023 to support the personnel costs related to 6.0 new Telecommunicator FTE positions. The positions are recommended in order to meet new statutory requirements of the program. The new law requires a trained telecommunicator staff to gather information over the phone related to medical emergencies, provide assistance and instruction by voice prior to the arrival of on-site emergency medical services (EMS). Telecommunicators are now required to provide CPR instructions to non-EMS individuals over the phone. The increase in E-911 funds will also provide pay grade increases to the program’s 44 telecommunicators and managers. According to the Department, the new EMDS system is more complex, requires additional training, and places increased responsibility on all staff, thus warranting the upgrades. Subsequent to the introduction of the Governor’s Budget a new collective bargaining agreement was reached between the DPS and E-911 union members that included the upgrading of 3.0 Telecommunicator FTE positions to supervisor positions to meet the demands of the programs new requirements. The Budget includes an additional \$55,470 in E-911 funds to pay for the upgrades.

State Police Training Academy Upgrades (Rhode Island Capital Plan funds)**\$911,380**

The Budget provides \$5.1 million from RICAP funds from FY2023 through FY2027 for improvements at the State Police Training Academy in Foster, with \$1.4 million disbursed in FY2023. The \$5.6 million project began in 2018, with \$340,758 spent prior to FY2022. Improvements include the replacement of the antiquated firearms training simulator; environmental and safety renovations to the firing range, including a new firearms shelter and a sound dampening system; replacement of HVAC system, roof, windows, and electrical systems; repaving of roadways; and preparation of an emergency vehicle operators course feasibility study. Based on updated project schedules, the Budgets shifts \$911,380 in RICAP funds from FY2022 to FY2023.

OFFICE OF THE PUBLIC DEFENDER**Attorney (1.0 FTE)****\$140,322**

The Budget increases funding at the Office of the Public Defender in FY2023 to add 1.0 FTE attorney position.

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**World Ocean Race****\$850,000**

Pursuant to a Governor’s Budget Amendment, dated May 20, 2022, the budget provides \$850,000 in general revenue to funds expenses related to the 2023 Ocean Race stop at Fort Adams in Newport. As with the 2018 Volvo Ocean Race, increased expenses for safety and security, sanitation, groundskeeping, engineering,

and other event costs are anticipated. Department of Environmental Management will be partnering with Sail Newport to manage this event.

Local Agriculture and Seafood (LASA) Grants **\$450,000**

An increase of \$450,000 in general revenue (\$700,000 total) is included in the Budget to support the Local Agriculture and Seafood Act (LASA) grant program. This represents a commitment of \$200,000 in annual program funding and a one-time increase of \$500,000 in FY2023 to address the backlog of applications. The LASA grant program was established to support the growth, development, and marketing of local food and seafood within Rhode Island. The program was launched in FY2014 and is co-administered by the Division of Agriculture, within the Rhode Island Department of Environmental Management, and the Rhode Island Food Policy Council. Grants are awarded through a competitive process open to farmers, fishermen/women, non-profits, and producer groups based in Rhode Island.

In FY2021, DEM awarded \$250,000 to 20 grantees. The maximum award is \$20,000. In this round, \$800,000 was requested from applicants. A list of the grantees and the use of the funds can be found here: <https://www.ri.gov/press/view/42004>.

Grant Year	Number of Applications		Total Amount	
	Requests	Awards	Requested	Awarded
2014	92	16	\$1,474,822	\$190,030
2015	73	16	1,025,993	209,998
2016	71	17	1,414,596	229,998
2017	67	22	894,574	230,000
2018	44	21	696,339	213,097
2019	58	12	722,388	95,949
2020	-	-	-	-
2021	52	20	808,529	250,000

Source: Department of Environmental Management

Water Chestnut Eradication **\$100,000**

The Budget includes \$100,000 in general revenue to Central Falls for eradication of water chestnuts in Valley Falls Pond and other areas in the lower Blackstone Valley. This appropriation will fund a five-year process fully eradicate the invasive species.

ARPA SFRF - Permit and Licensing IT Investments (federal funds) **(\$2.8 million)**

The Budget shifts \$2.8 million in federal ARPA SFRF for permit and licensing IT investments to the Information and Technology Investment Fund within the Department of Administration. The Department worked with DoIT to design and develop an approach for permit system modernization and improvements to the e-permitting and workflow management system for the water quality programs in DEM. These programs are critically important to projects related to land development or redevelopment in Rhode Island and have the highest volume of permit applications. Efficient and timely response to these permit applications, particularly those related to septic systems and wetlands, facilitates economic recovery in the state.

Trust Fund Expense Corrections (restricted receipts) **(\$250,000)**

This is a technical amendment to correct an error in Governor's Budget. Expenditures of \$250,000 in expenditures from environmental trust and water and air protection restricted receipts was mistakenly requested by the Department and included in budget recommended for FY2022 and FY2023.

Galilee Piers/Bulkhead/Facilities (Rhode Island Capital Plan funds) **(\$6.0 million)**

The Budget shifts \$6.0 million in federal ARPA SFRF for upgrades at the Galilee Piers to Rhode Island Capital Plan (RICAP) funding in FY2023. The Port of Galilee is home to 170 commercial fishing vessels and provides affordable berthing spaces close to wholesale and retail seafood processing businesses. This project will secure the northern section of the bulkhead at the Port of Galilee, replace docks, update parking lot G, make infrastructure upgrades to the Coastal Resources Maintenance Building, update the electrical infrastructure, and install security cameras. The Port supports 176 permanent berth holders and 131

temporary vessels. There are 27 land leases at the port. Each business represents a percentage of the total landings noted above. There are more than 500 employees that work at the Port at different businesses during different points of the year. This proposal will support the Division's capability to provide berthing and business space for commercial fishing and related businesses. This proposal seeks to extend the life of the Port whereas the current infrastructure is on the brink of a catastrophic failure. Deferred maintenance and lack of funding over the years has presented a precarious situation where fishing businesses are at risk.

COASTAL RESOURCES MANAGEMENT COUNCIL

Hearing Officer (1.0 FTE position)

\$150,000

The Budget includes \$150,000 and 1.0 FTE position to allow CRMC to hire a full-time hearing officer instead of relying on pro bono attorneys, as had occurred in the past but is no longer viable.

DEPARTMENT OF TRANSPORTATION

Pawtucket Bus Hub Passenger Facility (federal funds)

(\$4.0 million)

The Governor proposed to use \$4.0 million in FY2023 and \$1.0 million in FY2024 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to support the continued construction of the Pawtucket Bus Hub passenger facility for the Rhode Island Public Transit Authority (RIPTA).

The Pawtucket Bus Hub passenger facility is currently under construction and is being built by the Department of Transportation on behalf of RIPTA. The Bus Hub will be co-located with the new Pawtucket/Central Falls Commuter Rail Station and will connect RIPTA and MBTA services as well as connecting 10 bus routes servicing the Blackstone Valley area. The Budget funds the initiative, but shifts the fund source to the Rhode Island Capital Plan Fund.

Public Railroad Corporation Insurance (federal funds)

\$3.3 million

The Governor's Budget Amendment dated March 3, 2022, increases federal funds by \$3.3 million in the Infrastructure Engineering program to reflect ongoing insurance costs for the Rhode Island Public Railroad Corporation paid for by federal funds through the Congestion Mitigation and Air Quality Improvement (CMAQ) Program.

ARPA SFRF - RIPTA R Line Free-Fare Pilot (federal funds)

\$2.5 million

The Budget includes \$2.5 million from federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to fund a 12-month free-fare pilot program on the R line bus route. The Rhode Island Public Transit Authority will track ridership data and submit a report General Assembly leadership and the Governor by March 1, 2024.

ARPA SFRF - RITBA Safety Barriers Study (federal funds)

\$1.0 million

The Budget includes \$1.0 million for the Rhode Island Turnpike and Bridge Authority (RITBA) to conduct a suicide prevention study for bridges under its purview. RITBA must undertake a request for proposals (RFP) process to select a vendor for the study.

Rhode Island Capital Fund (RICAP) Changes (other funds)

\$2.9 million

The Governor's Budget Amendment of April 22, 2022, includes a net increase of \$2.9 million in RICAP funds based on current expenditures and projections on the following project:

- **Highway Improvement Program - \$2.9 million:** The Budget increases Rhode Island Capital Plan Funds in the Highway Improvement Program project of the Infrastructure Engineering program by \$2.9 million. This increase is comprised of a \$3.0 million increase for the 20.0 percent state match for additional bridge rehabilitation and replacement funds for qualifying states with 5.0 percent or more of bridges classified in poor condition included in the recent Federal FY2022 Omnibus bill and a decrease

of \$50,000 to reflect the variance from a placeholder value to the actual amount of congressionally-directed spending included in the recent Federal FY2022 Omnibus bill.

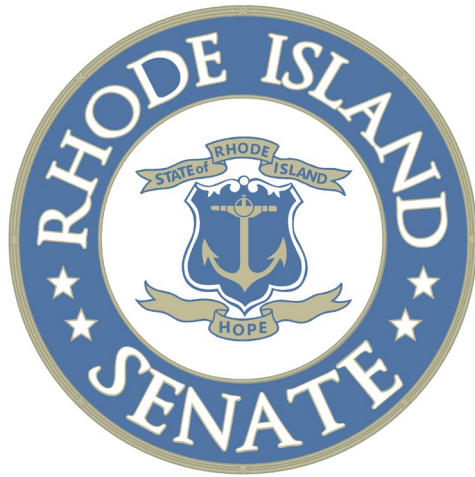
- **Infrastructure Engineering – (\$50,000):** The Budget removes \$50,000 reflecting a decrease of \$750,000 that was set aside for the 265 Melrose Ave pending bus and bus facilities grant that was not accepted in March 2022, offset by an increase of \$700,000 for a 20.0 percent state match for congressionally-directed spending for the electrification of the Newport Garage included in the recent Federal FY2022 Omnibus bill.

Gas Tax Transfers (other funds)

\$2.6 million

The Budget includes an additional \$2.6 million in gas tax funding within the Department, including \$1.8 million for the Department; \$509,889 to be transferred to the Rhode Island Public Transit Authority (RIPTA); and \$165,732 to be transferred to the Rhode Island Turnpike and Bridge Authority (RITBA); and, \$94,704 for payment of GARVEE bonds. The Budget increases these transfers based on Office of Revenue Analysis estimates of the gas tax that were done in May 2022.

The Budget requires that RIPTA use \$75,000 of this additional gas tax money to conduct a study of paratransit bus service in the state and report to the General Assembly by January 1, 2023.



FY2022 SUPPLEMENTAL BUDGET

FY2022 Supplemental Revenue Changes

The Governor proposed \$4.7 billion in general revenues for FY2022, a \$6.0 million increase above the November 2021 revenue estimate. The Budget increases general revenue collections by \$382.4 million in FY2022 based on the following adjustments:

May Revenue Estimating Conference ***\$380.7 million***

The May 2022 Revenue Estimating Conference (REC) increased its personal income tax revenue estimate from November by \$284.2 million. Business and sales taxes were revised upwards by \$58.4 and \$43.0 million, respectively, from November. These adjustments, along with other offsets and increases in other revenue sources (lottery, excise taxes, etc.), net the overall \$488.3 million increase above the Governor's proposal.

Hospital License Fee ***\$1.7 million***

The Budget assumes \$1.7 million more in departmental receipts collections than the Governor's Budget, reflecting changes to the fee that hospitals must pay to operate in Rhode Island. The fee must be reauthorized by the General Assembly each year and is determined by applying a statutorily-prescribed percentage to a hospital's income that is derived from patient services. The Governor's Budget assumed \$170.2 million in revenue in FY2022, based on a 5.725 percent fee assessed on an estimated patient revenue base. The Budget assumes an increase in this patient base to account for actual hospital revenues that were made available at the May 2022 Caseload Estimating Conference. Article 6 of the Budget reduces the rate for FY2022 at 5.656 percent. Although the rate is lower, the revenue base against which it is applied is higher than originally estimated, yielding the \$1.7 million increase in general revenue.

FY2022 Supplemental Expenditure Changes by Agency

DEPARTMENT OF ADMINISTRATION

RICAP Transfer **\$225.0 million**

The Budget transfers an additional \$225.0 million in general revenue to the Rhode Island Capital Plan (RICAP) fund, to provide funding for several projects that the Governor had funded with federal State Fiscal Recovery Funds and to support increased costs in various higher education projects. Examples include \$46.0 million for the renovations and upgrade at the Port of Galilee, \$32.0 million for projects at the Convention Center Authority, and \$5.0 million for the Pawtucket/Central Falls Bus Hub Passenger Facility.

Information Technology Investment Funds **\$25.0 million**

The Budget transfers an additional \$25.0 million in general revenue to the Information Technology (ITIF) Investment Funds to support projects the Governor had proposed to fund with federal State Fiscal Recovery Funds.

FEMA Claiming Delay to FY2023 **\$12.2 million**

The Budget includes a \$278.9 million fund balance adjustment in FY2023 in accordance with federally-required accounting rules, to address the timing and accounting of Federal Emergency Management (FEMA) reimbursements for COVID-19 related emergency expenses. The FY2022 Governor's Revised Budget includes \$243.9 million in general revenue to cover such expenses until FEMA reviews and approves them. The Office of Management and Budget has refined the list of expected reimbursable expenses above the amount budgeted in FY2022. The \$278.9 million general revenue adjustment will be offset in FY2023 when the reimbursements are expected to be made. The adjustment for the Department of Administration increases general revenue by \$12.2 million and decreases federal funding by \$9.5 million.

Tort Awards **\$914,711**

Pursuant to the Governor's Budget Amendments dated March 3, 2022, (\$889,711) and May 20, 2022, (\$25,000), the Budget provides an increase of \$914,711 in general revenue for tort awards. Funding in the tort account is used to pay for tort/court award judgments against the State of Rhode Island. The FY2022 Budget as Enacted included \$650,000 in general revenue tort judgments. The Governor proposed revising the appropriation for tort awards to \$980,000, reflecting a \$330,000 increase.

As of May 24, 2022, tort award expenditures total \$1.1 million. Based on the cost of settlements expected by the Office of the Attorney General, the budget amendment raises the appropriation to \$1.9 million, an increase of \$1.2 million from the FY2022 Budget as Enacted.

Analyst Note: The amount stated under the March 3, 2022, budget amendment is already included in the State's accounting system and being expended as of May 24, 2022.

Third Quarter Adjustments **(\$500,000)**

The Budget realizes additional turnover savings of \$500,000 in general revenue from the Office of Legal Services, the Officer of Management and Budget, and the Office of Diversity, Equity, and Opportunity.

Personnel Adjustments **(\$115,060)**

The Budget decreases general revenue support for personnel costs to correct multiple errors in staffing costs.

HealthSource RI – Redetermination **\$96,234**

Pursuant to a Governor's Budget Amendment dated May 20, 2022, the Budget provides an additional \$96,234 in general revenue to build IT, personnel, and operating support in anticipation of the resumption

of determination activity. As of May 2022, the public health emergency (PHE) is scheduled to expire on July 15, 2022, resulting in the commencement of determination activities as early as October 1, 2022. During the PHE, states were required to provide continuous coverage by pausing redetermination activity. The resumption will require state agencies to contact individual Medicaid enrollees to reconfirm their eligibility status.

Eligibility Extension Compliance

\$92,176

The Governor proposed to use \$217,794 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), \$92,176 in FY2022 and \$125,618 in FY2023, within HealthSource RI to make system changes to reflect the latest federal guidance within RIBridges. The Budget shifts the funding source from ARPA SFRF to general revenue.

Federal Fund Adjustments

(\$46.3 million)

The Budget provides a net decrease of \$46.3 million in federal funds including the following:

- **ARPA SFRF - COVID-19 Ongoing Response Delay – (\$50.0 million):** The Governor recommended \$50.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2022 and \$75.0 million in FY2023 to continue COVID-19 mitigation activities and to address public health impacts until all COVID-19 efforts become fully integrated into the Department of Health. The funds are categorized as miscellaneous expenditures and are not identified to a particular expense issue, but are designated for Covid-19 testing, vaccine campaign, case investigation, contact tracing efforts; and, for public health emergency response supports such as data and reporting; and communications. Based on updated expenditure projections the Budget does not include these expenditures in FY2022.
- **Pandemic Recovery Office Adjustment - \$7.0 million:** Pursuant to the Governor’s Budget Amendments dated May 20, 2022, the Budget shifts of restricted receipts for the Pandemic Recovery Office to federal funds to establish a better accounting structure for the reporting of administrative expenses associated with the federal awards. In addition, this action allocates Pandemic Recovery Office and Grants Management Office expenses to separate accounts and reflects the current staffing plan of the Pandemic Recovery Office. While the Budget increases federal funds by \$7.0 million, there is a corresponding decrease of \$6.4 million in restricted receipts resulting in a net all fund increase of \$634,247.
- **Dunkin’ Donuts Center – (\$2.3 million):** The Budget shifts \$2.3 million in federal ARPA State Fiscal Recovery Funds to RI Capital Plan funds in FY2022 and \$7.1 million in FY2023 to provide for a portion of costs related to asset protection, upgrades and renovations at the Dunkin’ Donuts Center.
- **Rhode Island Convention Center Authority – (\$1.0 million):** The Budget shifts \$1.0 million in federal ARPA State Fiscal Recovery Funds to RI Capital Plan funds in FY2022 and \$5.7 million in FY2023 for continued asset protection, upgrades, and renovations to the Rhode Island Convention Center (RICC). The RICC is owned and operated by the Rhode Island Convention Center Authority (RICCA), but leased to the State through a sublease agreement implemented in November 1991.
- **ARPA SFRF – Automatic-Enrollment Program Delayed to FY2023 – (\$502,526):** The Governor included \$502,526 in federal ARPA SFRF in FY2022 to automatically enroll eligible individuals into qualified public health plans as they transfer off Medicaid at the end of the COVID-19 emergency. During the PHE, states were required to provide continuous coverage by pausing redetermination activity. The Budget shifts funding into FY2023, since the PHE was extended through July 15, 2022.
- **Veterans Memorial Auditorium – (\$70,000):** The Budget shifts \$70,000 in federal ARPA State Fiscal Recovery Funds to RI Capital Plan funds for HVAC system replacement, stage lighting upgrades, and auditorium seating replacement.

Information Technology Investment Fund (restricted receipts) \$200,000

The Governor's Budget Amendment dated May 20, 2022, provides a technical correction to add \$200,000 in restricted receipts to the Information Technology Investment Fund (ITIF) for the Rhode Island Children's Information System project (RICHIST). The correction reflects the State's share on spending rather than the federal share.

Rhode Island Capital Fund (RICAP) Changes (other funds) (\$4.9 million)

The Budget includes a net decrease of \$4.9 million in RICAP funds based on current expenditures and projections on the following various projects:

- **Medical Examiner Building – (\$4.5 million):** Due to project delays, the Budget shifts \$4.5 million in RICAP funds from FY2022 to FY2023. These will be used for the build-out of the new Medical Examiner's Building located at 900 Highland Corporate Drive, Cumberland (Building # 3).
- **IT Enterprise Operations Center – (\$1.0 million):** Due to project delays, the Budget shifts \$1.0 million in RICAP funding from FY2022 into FY2023. The project involves replacing the chiller and boiler, and improving HVAC systems for the Division of Information Technology Enterprise Operations Center.
- **Old State House Renovations - \$375,952:** Pursuant to the Governor's Budget Amendments dated April 22, 2022, the Budget adds \$375,952 to serve as a match for the Save America's Treasures federal grant to provide accessibility Improvements on this structure.
- **State House Renovations - \$228,000:** Pursuant to the Governor's Budget Amendments dated March 3, 2022, the Budget adds \$228,000 to reflect projected planning and water infiltration remediation expenses.

DEPARTMENT OF BUSINESS REGULATION**Firefighting Foam \$592,780**

The Governor's Budget Amendment dated April 22, 2022 recommends adding \$431,106 in general revenue, for the replacement of all firefighting foam with Per- and polyfluoroalkyl substances (PFAS) held by fire departments with a more environmentally acceptable foam. The Budget increases \$592,780 in general revenue for the replacement of firefighter foam.

FEMA Reimbursement Error (\$178,258)

The Budget decreases \$178,258 in FY22 due to an incorrect allocation of funds in the Governors revised budget recommendation.

Bomb Squad Equipment Shift to FY22 \$144,000

The Budget includes an increase of \$144,000. These funds will be used to replace existing bomb squad equipment that have failed over time, become obsolete, and unserviceable.

State Fire Academy (federal funds) \$500,000

Pursuant to the Governor's Budget Amendments dated March 3, 2022, the Budget includes \$750,000 in federal funds reflecting the purchase of a new ladder truck for the State Fire Academy. The FY2022 Budget recommends allocating \$500,000 in federal funds and \$750,000 in restricted receipts for a total of \$1.3 million in funds for FY22.

Fire Engine Grant	FY22
Federal Funds	\$500,000
Restricted receipts	\$750,000
Total	\$1,250,000

Cannabis Regulation (restricted receipts)**\$465,926**

Pursuant to the Governor's Budget Amendments dated April 22, 2022, the Budget adds \$465,926 in restricted receipts for additional funding of the Medical Marijuana Program Seed to Sale IT System. This amendment will allow the Office of Cannabis Regulation to obtain needed software.

DEPARTMENT OF LABOR AND TRAINING***Federal Fund Changes*****\$7.2 million**

The Budget increases federal FY2022 expenditures within DLT as compared to the Governor's Revised Budget by \$7.2 million based on the following adjustments.

- **Third Quarter Adjustment - \$6.4 million:** The Budget increases federal funds by \$6.4 million based third quarter report spending projections. The increase is primarily related to newly identified pandemic-related resources for technology services.
- **Income Support - \$837,628:** Pursuant to the Governor's Budget Amendments dated April 22, 2022, the Budget increases federal funds by \$837,628 for the Income Support program. The budget amendment addresses the Department's accounting process to handle cost allocation transfers between accounts when transferring expenditures from Unemployment Insurance to Tardy/Interest/Core. This amendment is related to the way federal funds are received and budgeted by the Department as an annual budgetary rate is provided by United State Department of Labor (USDOL) and is set for federal grant application purposes. The Department only uses this rate when applying for federal grants to be able to include an indirect cost amount. Ultimately, the Department does not use a rate to charge indirect costs, but instead pools and then distributes them amongst all programs at the department based on direct personnel and programming budgets.

DEPARTMENT OF REVENUE***Motor Vehicle Excise Tax Phase-out Acceleration*****\$3.2 million**

The Budget includes \$3.2 million more in general revenue expenditures in FY2022 as compared to the Governor's Revised Budget to reflect the increase in State aid to municipalities necessary to advance the motor vehicle excise tax phase-out by one year in FY2023. All municipalities that began the phase-out in the first year would now have completed the phase-out and would not issue tax bills in FY2023. Article 6 of the Budget amends the schedule and policy to accelerate the phase-out.

Third Quarter Projected Surplus**(\$2.0 million)**

The Budget include a \$2.0 million savings in FY2022 as compared to the Governor's Revised FY2022 Budget related to third quarter spending projections. According to the DOR, it has experienced tremendous difficulty in filling needed positions through the agency, but most acutely in Taxation. This has led to high turnover amounts that has produced a very large surplus of unspent general revenue. The Budget reduces expenditures accordingly and shifts \$1.3 million to FY2023 to pay for one-time equipment purchases in Taxation and the DMV.

FEMA Reimbursement Delay**\$152,154**

The Budget includes a \$278.9 million fund balance adjustment in FY2023 in accordance with federally-required accounting rules, to address the timing and accounting of Federal Emergency Management (FEMA) reimbursements for COVID-19 related emergency expenses. The FY2022 Governor's Revised Budget includes \$243.9 million in general revenue to cover such expenses until FEMA reviews and approves them. The Office of Management and Budget has refined the list of expected reimbursable expenses above the amount budgeted in FY2022. The \$278.9 million general revenue adjustment will be offset in FY2023 when the reimbursements are expected to be made. The adjustment for the Department of Revenue is \$152,154.

Technical Corrections**(\$330)**

The Budget includes a \$330 general revenue savings (\$71,373 all funds) savings in FY2022 as compared to the Governor's Revised Budget to account for a number of technical corrections. The Governor included certain retroactive statewide personnel adjustments to DOR's budget by mistake. The Lottery erroneously received \$330 in general revenue and the Department received \$71,043 all funds for the Employer Tax Unit which has been transferred to the Department of Labor and Training. The technical corrections by source of funds is shown below.

Source	Employer		Total
	Lottery	Tax Unit	
General Revenue	(\$330)	-	(\$330)
Federal Funds	-	(48,484)	(48,484)
Restricted Receipts	-	(8,338)	(8,338)
Other Funds	-	(14,221)	(14,221)
Total	(\$330)	(\$71,043)	(\$71,373)

OFFICE OF THE GENERAL TREASURER**Unclaimed Property Custodial Fund Rule (restricted receipts)****(\$26.5 million)**

The Budget includes restricted receipt expenditures in the Unclaimed Property program that would be removed pursuant to the Governor's Budget Amendments dated March 3, 2022, in implementing the Government Accounting Standards Board (GASB 84) reporting requirements for custodial funds issued in January 2017. The effective date of the GASB 84 requirement was December 15, 2018, which was delayed by one-year to December 15, 2019. The impact of GASB 84 is that Unclaimed Property restricted receipt accounts will no longer be reported as a General Fund expenditure, but rather as a Custodial Fund and therefore not listed in the annual state budget. Implementing the GASB 84 ruling will decrease restricted receipts by \$26.5 million in FY2022 and in FY2023.

The FY2022 Budget as Enacted included the restricted receipts as reported by the Office of the General Treasurer, but the Budget only included the impact of GASB 84 in the FY2021 actual expenditures and left the restricted receipts in the FY2022 budget.

The following table illustrates the expenditure change required implementing GASB 84 as compared to the Governor's proposed budgets.

Unclaimed Property	FY2021	FY2022	FY2022	GBA Change
	Actual	Enacted	Governor (GBA 2)	
Rate Reimbursement Charge	\$0	\$14,200,000	\$0	(\$14,200,000)
Refunds/Bad Debt	-	13,000,000	-	(13,000,000)
Unclaimed Property Change in Liability	-	(730,464)	-	730,464
Total	\$0	\$26,469,536	\$0	(\$26,469,536)

PUBLIC UTILITIES COMMISSION**Legal Funds Shift to FY2023 (restricted receipts)****(\$150,000)**

Pursuant to the Governor's Budget Amendment, the Budget decreases restricted receipts by \$150,000 to reflect a more updated estimate of contracted legal services related to pending litigation before Superior Court.

EXECUTIVE OFFICE OF COMMERCE***FEMA Reimbursement Delay******\$13.2 million***

The Budget includes a \$278.9 million fund balance adjustment in FY2023 in accordance with federally-required accounting rules, to address the timing and accounting of Federal Emergency Management (FEMA) reimbursements for COVID-19 related emergency expenses. The FY2022 Governor's Revised Budget includes \$243.9 million in general revenue to cover such expenses until FEMA reviews and approves them. The Office of Management and Budget has refined the list of expected reimbursable expenses above the amount budgeted in FY2022. The \$278.9 million general revenue adjustment will be offset in FY2023 when the reimbursements are expected to be made. The adjustment for the Executive Office of Commerce is \$13.2 million.

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES***Uncompensated Care Payment Realignment******\$56.5 million***

The Budget includes \$56.5 million in general revenue and \$88.6 million in federal funds to provide a second uncompensated care payment in FY2022. The State did not make a payment in 2007 which put the state and federal payments out of alignment. This payment allows the State to realign the payment into the same year as the federal payment.

May Caseload Estimating Conference – Medical Assistance***(\$52.9 million)***

The Budget includes a net general revenue decrease of \$52.9 million (\$106.4 million all funds) to reflect the results of the May 2022 Caseload Estimating Conference (CEC). The estimates project total Medicaid spending of \$2,875.6 million in FY2022, including \$926.0 million from general revenues. The favorable variance is due to a full year of the enhanced Medicaid reimbursement rate due to the extension of the federal public health emergency.

Resumption of Redeterminations***\$138,702***

Pursuant to a Governor's Budget Amendment dated May 20, 2022, the Budget provides an additional \$138,702 in general revenue (\$549,522 all funds) to build IT, personnel, and operating support in anticipation of the resumption of determination activity. As of May 2022, the public health emergency (PHE) is scheduled to expire on July 15, 2022, resulting in the commencement of determination activities as early as October 1, 2022. During the PHE, states were required to provide continuous coverage by pausing redetermination activity. The resumption will require state agencies to contact individual Medicaid enrollees to reconfirm their eligibility status.

Eligibility Extension Compliance***\$10,094***

The Governor proposed to use \$66,816 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), \$10,094 in FY2022 and \$56,722 in FY2023, within EOHHS to make system changes to reflect the latest federal guidance within RIBridges. The Budget shifts the funding source from ARPA SFRF to general revenue.

Medicaid Home and Community-Based Services (federal funds)***(\$24.9 million)***

Pursuant to a Governor's Budget Amendment, dated May 30, 2022, the Budget reduces federal funds by \$24.9 million and \$20.7 million in restricted receipts (\$44.9 million all funds) to utilize funds from the extension of the enhanced federal match for the spending plan submitted to the Centers for Medicaid

Services in April 2022, which includes initiatives such as No Wrong Door, stabilization of the direct care workforce, improving equity, and building infrastructure.

McKinsey Opioid Settlement (restricted receipts) (\$1.7 million)

Pursuant to a Governor's Budget Amendment, dated April 29, 2022, the FY2022 Budget eliminates \$1.7 million in restricted receipts from the McKinsey Opioid Settlement agreement, leaving a balance of \$0, and shifts \$800,000 to the Department of Health for the purchase of naloxone for the University of Rhode Island's Community First Responder Program (CFRP). CFRP distributes kits to community partners for populations that are at risk of overdose. In February 2021, the Attorney General's office reached a settlement with McKinsey and Company, consultant to several opioid manufacturers including Purdue Pharma. Rhode Island has received \$2.6 million as part of the settlement for McKinsey's role in the opioid epidemic. The funds must be used to address the impact of the opioid epidemic in the State through treatment, rescue, recovery, and prevention programs.

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

FEMA Claiming Delay to FY2023 \$285,977

The Budget adds \$285,977 in general revenue for the Department's adjustment for COVID-19 related expenses expected to be reimbursed through the Federal Emergency Management Agency in FY2023. The enacted budget assumed the reimbursement would occur in the current year, but because of delays, general revenues will be used in FY2022 with the expectation that a reimbursement will occur in FY2023.

Children's Mobile Crisis Response Shift from RIDE \$186,511

Pursuant to the Governor's Budget Amendment dated April 22, 2022, the Budget increases general revenue in the department by \$186,511 for existing contracts with Tides Family Services of Rhode Island to support Children's Mobile Crisis Response (CMCR) efforts in Providence. This amendment is budget neutral; all funding is being shifted from RIDE's School Support and Family Engagement budget with a corresponding amendment.

Vehicle Fleet Budget Adjustment (\$173,369)

Pursuant to the Governor's Budget Amendment dated March 3, 2022, the Budget decreases general revenue by \$173,369. This decrease returns the agency's vehicle fleet funding to its intended amount as budgeted within the Child Welfare Program.

Provider Rate Retroactive Payments Informational

The Budget shifts almost \$10.0 million in DCYF surplus funds to provide supplemental payments to DCYF providers who suffered significant losses during the COVID-19 pandemic. These payments are meant to help stabilize the community provider system. The 10.0 percent retroactive payment will help fill operating losses and ensure future community provider capacity.

Federal Funds Changes \$618,896

The Budget includes an additional \$618,896 in federal funds for the following:

- **Third Quarter Adjustments - \$218,896:** The Budget adds \$218,896 in federal funds based on the Department's third quarter report to reflect contracted costs for assistance with compliance with the Family First Prevention Services Act of 2018.
- **RICHIST Upgrade - \$400,000:** The FY2022 Budget as Enacted excluded some required federal funding for the Child Welfare case management system replacement project, RICHIST. The Budget adds \$400,000 in federal funds to adjust accordingly.

DEPARTMENT OF HEALTH**FEMA Claiming Delay****\$245.5 million**

The Budget increased \$245.5 million in general revenue for expenses subject to federal reimbursement through The Stafford Act. This aligns the reimbursement with the Budget office's estimates and makes it consistent with applicable accounting standards. There is a corresponding decrease in federal funds for this budget item.

Third Quarter Adjustment**(\$1.1 million)**

The Budget decreases general revenue by \$1.1 million based on anticipated savings as stated in the third quarter report.

Home Visiting Programs – Implementation Delay**(\$701,293)**

The Budget decreases \$701,293 in general revenue to reflect the implementation delay of the DOH Home visiting program. There is a corresponding decrease of \$959,752 in federal funds reflecting a total of \$1.6 million.

COVID-19 Response (federal funds)**(\$26.8 million)**

The Budget includes a net decrease of \$26.8 million in federal funds for the following related to the Department's response to COVID-19:

- **FEMA Extension Savings:** Pursuant to the Governor's Budget Amendment of May 4, 2022, decreases general revenue by \$451,089. The decrease effecting eight agency programs, reflects current forecasted spending across the Department of Health (DOH) COVID budget (DOH direct grants and FEMA) and where appropriate, assumes unspent funds from DOH direct grants would roll forward to FY2023. There are corresponding Governor's Budget Amendments for FY2023 for similar adjustments. The following table lists the general revenue adjustment by Departmental program.

Program	Adjustment
Central Management	(\$8,653)
Community Health and Equity	(17,703)
Environmental Health	(48,250)
Health Laboratories and Medical Examiner	(85,011)
Customer Service	(55,812)
Policy, Information and Communications	(105,971)
Preparedness, Response, Infectious Disease, and Emergency Services	(16,065)
COVID-19 Program	(113,624)
Total	(\$451,089)

- **Vaccination Campaign – (\$11.6 million):** Pursuant to the Governor's Budget Amendment, the Budget decreases \$11.6 million in federal funding, allocating a total of \$44.4 million for storage, supplies, and outreach.
- **Other Adjustments – (\$11.1 million):** Pursuant to the Governor's Budget Amendment, the Budget decreases federal funds by \$11.1 million reflecting anticipated expenses for mitigation, translation services, interpreters for press conferences, and communication campaigns.
- **Contract Tracing – (\$4.7 million):** Pursuant to the Governor requested amendment, the Budget includes a \$4.7 million decrease in federal funds, allocating \$56.8 million in federal funds for contact tracing, infection prevention, and case investigation.
- **Public Health Workers Grant – (\$3.5 million):** In 2021, the Center for Disease Control and Prevention made available a Public Health Workers Grant, which awarded the State \$5 million and was included

in the Governors Revised Budget. Pursuant to the Governor's Budget Amendment, the Budget decreases \$3.5 million in federal funding and includes \$1.5 million in the current Budget.

- **Surge Hospital Operations - \$2.4 million:** Pursuant to the Governor's Budget Amendment, the Budget includes an increase of \$2.4 million in federal funding. Accumulating a total of \$7.4 million in federal funding to reflect anticipated expenses for alternative hospital site operations.
- **Individual Support - \$1.2 million:** Pursuant to the Governor's Budget Amendment, the Budget includes \$1.2 million in federal funds for individual support associated with quarantining and isolation.
- **Testing - \$885,696:** The Budget increases \$885,696 in federal funds, allocating a total of \$168.1 million in federal funds for COVID testing, supplies, site equipment, and staffing.

Indirect Costs Recovery Adjustment (restricted receipts) (\$12.0 million)

The Governor's Budget Amendment of May 4, 2022, decreases restricted receipts by \$12.0 million. The decrease reflects current forecasted spending across the Department of Health (DOH) COVID budget (DOH direct grants and FEMA) and where appropriate, assumes unspent funds from DOH direct grants would roll forward to FY2023. There are corresponding Governor's Budget Amendments for FY2023 for similar adjustments.

McKinsey Opioid Settlement (restricted receipts) \$800,000

The Governor's Budget Amendment of April 29, 2022, increases restricted receipts by \$800,000 to allow for \$800,000 to be used for naloxone supplies for the University of Rhode Island's Community First Responder Program that distributes kits to community partners for at risk populations. The University's program offers the general public live webinar/in-person seminar or an interactive learning module to become certified as a Community First Responder and receive free naloxone (Narcan) by mail.

ARPA Direct Award for WIC Cash Value Vouchers (restricted receipts) (\$250,000)

The Governor's Budget Amendment of April 22, 2022, decreases federal funds by \$250,000 to correct a technical error where the budgeted funds exceeded the actual grant amount.

DEPARTMENT OF HUMAN SERVICES

FEMA Claiming Delay \$1.2 million

The Budget increased \$1.2 million in general revenue for expenses subject to federal reimbursement through The Stafford Act. This aligns the reimbursement with the Budget office's estimates and makes it consistent with applicable accounting standards. There is a corresponding decrease in federal funds of \$703,993 for this budget item.

Third Quarter Adjustment (\$950,000)

The Budget decreases general revenue by \$950,000 based on anticipated savings as stated in the third quarter report.

May CEC – Cash Assistance (\$855,871)

Pursuant to the Governor's Budget Amendment of May 20, 2022, decreases \$855,871 in general revenue to align with the level of financing for the Cash Assistance expenditure with the caseload estimate adopted at the May 2022 Caseload Estimating Conference. There is a corresponding decrease of \$12.8 million in federal funds amounting a total of \$13.7 million in decreased funding.

Office of Veterans Services – Third Quarter Adjustments (\$830,000)

The Budget decreases general revenue by \$830,000 based on anticipated savings as stated in the Office of Veterans Service's third quarter report.

Office of Veterans Services **\$615,654**

Pursuant to the Governor's Budget Amendment dated March 3rd, 2022, the Budget shifts statewide adjustments to general revenue. These adjustments include but are not limited to labor negotiated personnel cost of living adjustments and extra payments to eligible union employees from the Support of Domiciled Veterans federal account to the Veterans' Home general revenue account which can support these expenditures.

Eligibility Extension Compliance **\$527,915**

The Budget allocates \$527,915 in FY22 and \$36,182 in FY23 to fund system changes that reflect the latest federal guidance within RIBridges. These funds were removed from ARPA SFRF funds to general revenue.

Unwinding the Public Health Emergency **\$451,370**

The Budget increases \$451,370 in general revenue. These funds will be used to mainly hire additional state employees and other operational costs to begin the redetermination work. There is a corresponding increase of \$206,010 in federal funds.

Other Programs – Hardship Funds **\$90,000**

Pursuant to the Governor's Budget Amendment of April 22nd, 2022, the Budget increases general revenue by \$90,000 to be used for hardship contingency payments and was inadvertently excluded when preparing the reconciliation from the adopted November 2021 Caseload Estimating Conference totals.

Health Care Eligibility Program **\$81,853**

Pursuant to the Governor's Budget Amendment of May 20, 2022, increases \$81,853 in general revenue. These funds will be used to mainly hire additional state employees and other operational costs to begin the redetermination work. There is a corresponding increase of \$109,661 in federal funds.

Federal Funds Changes **(\$5.5 million)**

The Budget includes a net decrease of \$5.5 million in federal funds for the following:

- **Rhode Island Works Program – CCAP Budget Adjustment - (\$6.5 million):** Pursuant to the Governor's budget Amendment of April 22nd, 2022, the Budget decreases \$6.5 million in federal funds to correct for various errors and to align with the November 2021 Caseload Estimating Conference.
- **Rhode Island Works Program – TANF Transfer Correction- \$737,621:** Pursuant to the Governor's Budget Amendment of April 22nd, 2022, The Budget increases \$737,621 in federal funds. This adjustment returns the TANF account to the level adopted at the November 2021 Caseload Estimating Conference.
- **Unwinding the Public Health Emergency - \$315,671:** The Budget increases \$315,671 in federal revenue. These funds will be used to mainly hire additional state employees and other operational costs to begin the redetermination work. There is a corresponding increase of \$451,370 in general revenue amounting to a total of \$767,041 in additional funding.
- **Capitol Police Officer Funding Reduction – (\$50,324):** The Governor's Budget Amendment of March 3rd, 2022, decreases \$50,324, in federal funds due to the agency vacating certain field offices and relocating to an office with an assigned officer. The Department will no longer need to fund two Capitol Police Officers by paying into the DPS rotary fund. There is a corresponding decrease of \$34,153 in general revenue.

DEPARTMENT OF BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES, AND HOSPITALS***Third Quarter Adjustments- Eleanor Slater Hospital* (\$13.7 million)**

The Budget decreases general revenue by \$13.7 million and federal funds by \$1.3 million for a total decrease of \$15.0 million in all funds based on third quarter reported savings for Eleanor Slater Hospital, resulting largely from continued position vacancies.

***May Caseload Estimating Conference* (\$12.7 million)**

Pursuant to the Governor's Budget Amendment dated May 20, 2022, the Budget decreases all funds by \$18.6 million, including \$12.7 million from general revenue and \$5.9 million from federal funds. This adjustment aligns the level of financing within this category of BHDDH Developmental Disabilities expenditure with caseloads as adopted by the May 2022 Caseload Estimating Conference.

***Administrative Programs – Third Quarter Savings* (\$3.2 million)**

The Budget decreases general revenue for the Central Management and Hospital Community Support Programs by \$3.2 million based on third quarter reported savings due to a high level of vacancies as well as updated expenses through the cost allocation plan.

***Retention Bonuses* \$1.1 million**

Pursuant to the Governor's Budget Amendment dated March 3, 2022, the Budget increases all funds by \$1.4 million, including \$1.1 million in general revenues and \$360,521 in federal funds, to correct an error contained in the Governor's Recommended Budget with respect to an inadvertent underfunding of retention payments.

***Consent Decree Rate Review* \$843,257**

Pursuant to the Governor's Budget Amendment of March 3, 2022, the Budget increases both federal funds and general revenue in the Services for the Developmentally Disabled Program by \$843,257 for a total of \$1.7 million to restore funds that were inadvertently omitted for the rate review contract for the private developmental disabilities system, which was included in the FY2022 Enacted Budget for the Consent Decree Action Plan.

***FEMA Claiming Delay to FY2023* \$623,856**

The Budget adds \$558,869 in all funds, consisting of a \$623,856 general revenue increase and a \$64,987 federal fund decrease, for the Department's adjustment for COVID-19 related expenses expected to be reimbursed through the Federal Emergency Management Agency in FY2023. The enacted budget assumed the reimbursement would occur in the current year, but because of delays, general revenues will be used in FY2022 with the expectation that a reimbursement will occur in FY2023.

***Hospital Compliance Projects* \$581,679**

Pursuant to a Governor's Budget Amendment, the Budget increases general revenues by \$581,679 for additional capital projects performed through the Department of Administration that exceeded available resources.

***Eleanor Slater Hospital – Hospital License Fee* \$530,130**

The Budget adds \$530,130 in general revenue for Eleanor Slater Hospital's FY2022 hospital license fee based on updated 2020 revenue data and a downward revision to the enacted fee rate from 5.725 to 5.656 percent.

COMMISSION ON THE DEAF AND HARD OF HEARING***Third Quarter Adjustments* \$40,000**

The Budget include an increase in general revenue by \$40,000. These expenditures include \$5,000 for overtime, \$5,000 for centralized information technology services, and \$30,000 for interpreter services.

ELEMENTARY AND SECONDARY EDUCATION***Education Aid - Shifts Data Error Correction from FY2023 to FY2022* **\$842,580****

Subsequent to the passage of the FY2022 Budget, the Division of Municipal Finance became aware of errors in the property tax data used to calculate education aid. While RIGL 16-7-20(e)(1)-(2) provides that errors are to be corrected in the subsequent fiscal year, Through a Governor's budget amendment, dated April 22, 2022, proposed amending the statute to specify that this specific repayment be made in FY2022, instead of FY2023. The Budget shifts \$842,580 in general revenue from FY2023 into FY2022 to realign the aid payments to the LEAs experiencing an increase in aid due to the correction.

Davies - Statewide Cost of Living Adjustment* **(\$732,210)*

The Governor and the Department of Administration announced a tentative agreement between the State and the state employee bargaining units for a proposed 4-year contract that provides cost-of-living (COLA) increases of 2.5 percent retroactive to June 2020, 2.5 percent retroactive to June 2021, 2.5 percent in July 2022, and 2.5 percent in July 2023. Pursuant to a Governor's Budget Amendment, dated March 3, 2022, The Budget reduces the estimated cost of the COLA by \$732,210 in general revenue and \$2,294 in other funds, which was inadvertently omitted from the amendment request.

Textbook Aid* **(\$214,429)*

The State reimburses districts for the cost of providing free English/language arts and history/social studies textbooks to students in kindergarten through 12th grade who reside in the community. The FY2022 Budget as Enacted provided \$240,000 in state funding for the reimbursement of costs for textbooks. The Budget reduces funding for this program by \$214,429 to reflect actual costs in FY2022.

School for the Deaf - Statewide Cost of Living Adjustment* **(\$190,908)*

The Governor and the Department of Administration announced a tentative agreement between the State and the state employee bargaining units for a proposed 4-year contract that provides cost-of-living (COLA) increases of 2.5 percent retroactive to June 2020, 2.5 percent retroactive to June 2021, 2.5 percent in July 2022, and 2.5 percent in July 2023. Pursuant to a Governor's Budget Amendment, dated March 3, 2022, the Governor recommended reducing the estimated cost of the COLA by \$229,121 in FY2022; however, the Budget reduces funding by \$190,908 based on updated information concerning the effective date

ACES - Transfers Funding to DCYF to Support CMCR* **(\$186,511)*

Pursuant to a Governor's budget Amendment, dated April 4, 2022, the Budget shifts \$186,511 in general revenue from the Department's School Support and Family Engagement account to DCYF to reflect the cost in the agency incurring the expense. The funds will provide additional support for the contracts with the Tides Family Services of Rhode Island to support Children's Mobile Crisis Response (CMCR) services in Providence. CMCR provides short-term intervention to stabilize acute crisis situations through assessment and referrals to intensive treatments to address the problems contributing to the crisis.

Federal Funds Changes* **(\$29.6 million)*

The Budget includes a net decrease in federal funds of \$29.6 million, based on the following adjustments:

- ***ESSER Fund Shift from FY2022 to FY2023 – (\$49.6 million):*** The Coronavirus Response and Relief Supplemental Appropriations (CRRSA), passed in December 2020, provided \$184.8 million in in Elementary and Secondary Education Relief (ESSER) II funds to Rhode Island. This was the second round of ESSER funds distributed. Of the total distribution \$166.3 million was for direct grants to local education agencies (LEAs). The American Rescue Plan Act (ARPA), passed in March 2021, provided \$415.0 million in Elementary and Secondary Education Relief (ESSER) III funds to Rhode Island. This

was the third round of ESSER funds distributed. Of the total distribution \$373.5 million was for direct grants to local education agencies (LEAs).

The FY2022 Budget as Enacted appropriated the entire amount of ESSER II and III funds. While the Governor's recommended budget moves \$463.0 million from FY2022 into out years; however, based on updated expenditure projections, the Budget shifts an additional \$49.6 million from FY2022 to FY2023.

According to the United States Department of Education, LEAs may use these as allowed under ESSER I and ARP ESSER, including hiring new staff and avoiding layoffs. Additional uses include addressing learning loss; preparing schools for reopening; and, testing, repairing, and upgrading projects to improve air quality in school buildings. The funds may be used for expenses dating back to March 13, 2020, and the funds are available for obligation through September 30, 2022, excluding the 12-month Tydings Amendment period.

- **School Nutrition Programs - \$20.0 million:** The Budget provides an increased appropriation in federal funds of \$20.0 million in FY2022 and \$4.5 million in FY2023 to support school breakfast and lunch programs based on updated cost projections. In response to the pandemic, the United State Department of Agriculture extended the free lunch program to all students attending school that participate in the program, regardless of income.

PUBLIC HIGHER EDUCATION

RIC - Corrects Statewide Personnel Adjustment* **\$194,350*

Pursuant to a Governor's budget Amendment, dated March 3, 2022, the Budget replaces statewide personnel adjustments mistakenly removed from the Governor's budget recommendation.

Rhode Island Promise* **\$102,146*

Based on the May updated from the Community College of Rhode Island, the Budget increases funding for the Rhode Island Promise program by \$102,146 in general revenue based on updated expenditure projections. This increase provides a total of \$6.1 million to fund two classes in FY2022. Article 3 of the FY2018 Budget as Enacted established the program to provide students with two years of tuition and mandatory fees at the Community College of Rhode Island, less federal and all other financial aid available to the recipient. In the first year of the program, CCRI realized a 43.0 percent increase (477 students) in first-time, full-time students.

CCRI - Corrects Statewide Personnel Adjustment* **\$910*

Pursuant to a Governor's Budget Amendment, dated March 3, 2022, the Budget replaces statewide personnel adjustments mistakenly removed from the Governor's budget recommendation.

OPC – Guaranty Agency Administration (federal funds)* **(\$14,571)*

This is a technical amendment, provided in a Governor's Budget Amendment, dated March 3, 2022, to correct an unintentional increase in expenditures from the Division of Higher Education Assistance (DHEA) reserves for the statewide COLA adjustment.

OPC - IGT Scholarship for STEM (restricted receipts)* **\$35,000*

Pursuant to a Governor's Budget Amendment, dated April 22, 2022, the Budget provides \$35,000 in general revenue to address mandates in the lottery contract. Section 18 of 8th amendment to the lottery contract requires IGT to pay \$35,000 on or before June 30 of each year, beginning in 2022 and ending in 2042, to fund scholarships relating to the study of science, technology, engineering, or mathematics (STEM) at an accredited educational institution.

URI - HEER funds (other funds)**\$50.0 million**

Through a Governor's Budget Amendment, dated March 3, 2022, the Budget restores \$50.0 million in federal Higher Education Emergency Relief (HEER) funds that were omitted from the Governor's recommendation. This restoration includes \$31.1 million for the University of Rhode Island and \$18.9 million for Rhode Island College.

Rhode Island Capital Plan (RICAP) Fund Changes (other funds)**(\$13.7 million)**

The Budget includes a net decrease of \$13.7 million in Rhode Island Capital Plan (RICAP) funding, including the following:

- **CCRI Data, Cabling, and Power Infrastructure:** The project will upgrade network wiring infrastructure and deliver more capacity to support additional classroom technology, wireless devices and security systems, including cameras, emergency alarm systems, and HVAC control systems. Due to project delays, the Budget shifts funding out one year through FY2026, eliminating funding in FY2022, a decrease of \$1.8 million, and decreasing funding by \$1.5 million in FY2023 (\$1.8 million remaining).
- **CCRI Flanagan Campus Renewal (Lincoln):** The project includes the modernization and code compliance upgrades to all of the science labs at the Lincoln campus, as well as the refurbishment of the exterior including heat resistance paint, window replacement, and light abatement. Based on project delays, the Budget shifts \$2.0 million in funding out one year through FY2026.
- **CCRI Knight Campus Renewal:** The project provides for the renovation of 280,000 square feet of the 385,000 square-foot Knight Campus Megastructure, including lighting, painting and replacement of carpeting/tile. Due to project delays, the Budget shifts \$2.9 million from FY2022 into FY2023 and FY2024.
- **OPC – Northern RI Education Center:** Due to project delays, the Budget shifts \$2.9 million from FY2022 into FY2023. The new Center was scheduled to open in May 2022 in Woonsocket, but is currently expected to open in late summer 2022.
- **RIC Asset Protection:** The Budget shifts \$4.1 million in asset projection project funding from FY2022 to FY2023. Projects have been delayed primarily due to the Capital Projects Project Manager position being vacant; however, since the position was recently filled, the College expects to utilize the funding in FY2023.

RHODE ISLAND STATE COUNCIL ON THE ARTS**Governor's Portrait****(\$20,000)**

The Budget eliminates \$25,000 in general revenue from FY2023 and shifts \$20,000 from FY2022 for the commissioning of a Governor's portrait to restricted receipts due to a larger private donation. The Budget also provides \$45,000 in restricted receipts for this project. Article 2 amends RIGL 42-75-13, creating the Governor's Portrait Donation Fund as a restricted receipt account for any revenue received by the Rhode Island Council on the Arts from contributions received to supplement the state appropriation for the purchase of a governor's portrait pursuant to RIGL 37-8-9.

Personnel Reclassification Approved in FY2022 (federal funds)**\$2,065**

The Budget restores \$2,065 in federal funds to support the personnel reclassifications approved in the FY2022 Budget as Enacted but inadvertently omitted from the Governor's recommendation.

RHODE ISLAND HISTORICAL PRESERVATION AND HERITAGE COMMISSION***Third Quarter Turnover* (\$175,000)**

The Budget realizes \$175,000 in additional general revenue turnover savings due to unanticipated vacancies.

DEPARTMENT OF CORRECTIONS***Correctional Industries Fund* \$1.9 million**

Pursuant to the Governor's Budget Amendment dated March 3, 2022, the Budget adds \$1.9 million in general revenue to make three corrections: shifts to FY2022 a total of \$1.1 million that was incorrectly budgeted in FY2023 to pay back a loan for the Correctional Industries Fund, which will occur in the current fiscal year; adds \$270,000 to correct the loan payback amount from \$1.1 million to the correct amount of \$1.4 million; and shifts a total of \$532,609 to FY2022 that was incorrectly budgeted in FY2023 to cover a projected current year deficit in the Correctional Industries fund.

***FEMA Claiming Delay to FY2023* \$581,204**

The Budget includes a \$278.9 million fund balance adjustment in FY2023 in accordance with federally-required accounting rules, to address the timing and accounting of Federal Emergency Management (FEMA) reimbursements for COVID-19 related emergency expenses. The FY2022 Governor's Revised Budget includes \$243.9 million in general revenue to cover such expenses until FEMA reviews and approves them. The Office of Management and Budget has refined the list of expected reimbursable expenses above the amount budgeted in FY2022. The \$278.9 million general revenue adjustment will be offset in FY2023 when the reimbursements are expected to be made. The adjustment for the Department of Corrections is \$581,204.

***Third Quarter Adjustment* (\$454,740)**

The Budget decreases general revenue by \$454,740 based on anticipated savings identified through the third fiscal quarter of the year. Based on average inmate populations through April, the Department has averaged 66 fewer inmates that budgeted in the Governor's FY2022 revised recommendation.

***Rhode Island Capital Fund (RICAP) Changes (other funds)* (\$300,000)**

Pursuant to the Governor's Budget Amendment dated March 3, 2022, the Budget includes a decrease of \$300,000 in RICAP funds to reflect the correct remaining funding for the Minimum Security Facility renovation.

JUDICIARY***Federal Fund Adjustments* \$39,600**

The Budget provides total federal funds adjustments of \$39,600, including the following:

- ***NCHIP Grant - \$25,000:*** Pursuant to a Governor's budget Amendment, dated April 4, 2022, the Budget provides \$25,000 in additional grant funding. This is a sub-award from Public Safety Grant Administration Office (PSGAO) that is received annually to support over-time sessions in District Court and Superior Court related to the timely entry of criminal dispositions. This is not a new award. The Judiciary received more funding than expected.
- ***Mental Health Treatment Court Grant - \$14,600:*** Pursuant to a Governor's Budget Amendment, dated April 4, 2022, the Budget adds funding from a new competitive, federal grant for Mental Health Treatment Court in the District Court. This grant is for the implementation of the Mental Health Clinic

and will be used to create the evaluation processes that will be necessary for the new court to determine eligibility and track progress. The grant is available in FY2022 (\$14,600) and FY2023 (\$213,575).

MILITARY STAFF

Third Quarter Adjustments

\$91,290

The Budget increases general revenues by \$91,290 and decreases federal funding by \$1.4 million to reflect changes based on the agency's third quarter report and to correct for known data errors that were included in the submission and carried through into the Governor's recommended budget.

Rhode Island Capital Fund (RICAP) Changes (other funds)

(\$811,749)

The Budget amends the Rhode Island Capital Plan to reflect updated project timelines, including the following:

- **Joint Force Headquarters – (\$445,249):** The Budget decreases RICAP funding by \$445,249 for the Joint Force Headquarters at Camp Fogarty. The project is complete and the funding is not necessary.
- **Armory of Mounted Commands – (\$366,500):** The Budget shifts \$366,500 in RICAP funding to FY2023 and beyond for the Armory of Mounted Commands project to reflect project delays.

RHODE ISLAND EMERGENCY MANAGEMENT AGENCY

FEMA Claiming Delay to FY2023

\$5.1 million

The Budget includes a \$278.9 million fund balance adjustment in FY2023 in accordance with federally-required accounting rules, to address the timing and accounting of Federal Emergency Management (FEMA) reimbursements for COVID-19 related emergency expenses. The FY2022 Governor's Revised Budget includes \$243.9 million in general revenue to cover such expenses until FEMA reviews and approves them. The Office of Management and Budget has refined the list of expected reimbursable expenses above the amount budgeted in FY2022. The \$278.9 million general revenue adjustment will be offset in FY2023 when the reimbursements are expected to be made. The adjustment for the Emergency Management Agency is \$5.1 million.

Federal Funds Changes

\$2.2 million

The Budget amends federal grant funding at the Rhode Island Emergency Management Agency as follows:

- **FEMA- COVID-Related Expenses - \$4.1 million:** The Governor's Budget Amendment dated May 20, 2022, increases \$4.1 million in federal funds to reflect the Rhode Island Emergency Management's actual FEMA authorized spending on personal protective equipment (PPE) masks and other COVID-19 supplies in anticipation of a potential pandemic surge in the Fall of 2022.
- **Other Federal Grants – (\$1.9 million):** The Budget reduces other federal grant funding by \$1.9 million to reflect updated balances.

DEPARTMENT OF PUBLIC SAFETY

Body-Worn Camera Program

(\$15.0 million)

The Budget shifts \$15.0 million in general revenue from FY2022 to FY2023 to reflect changes in the implementation schedule of the statewide body-worn camera program authorized by the General Assembly in 2021. The statewide program is designed to equip approximately 1,700 of Rhode Island's uniformed patrol officers - across every municipal police department and the Rhode Island State Police - with body-worn cameras. Implementation cannot take place however until the Attorney General's Office (AG) and the Department of Public, in consultation with the Rhode Island Police Chiefs Association, promulgate rules that reflect model policies addressing key areas like activation, officer review, records retention, etc. In turn these must be adopted by departments seeking state funding. This was originally to be done by

December 2022, but according to the AG, the promulgation of these rules and polices is taking longer than initially expected and the procurement and distribution of equipment will now take place in FY2023. Funds are shifted accordingly.

State Trooper Contract

\$3.2 million

The Budget includes an additional \$3.4 million (all funds), including \$3.2 million in general revenue to cover the increased costs of the new State Trooper collective bargaining contract in FY2022. The Governor's Revised Budget did not include additional personnel spending because at the time it was introduced into the General Assembly, negotiations were ongoing. Subsequently, an agreement was reached in March 2022. The marginal impact across funding sources in FY2022 are shown below.

Source	Amount
General Revenue	\$3,161,221
Federal Funds	112,439
Restricted Receipts	18,993
Other Funds	107,347
Total	\$3,400,000

Sheriff Turnover

(\$1.5 million)

The Budget includes a \$1.5 million savings in FY2022 as compared to the Governor's Revised Budget recommendation related to actual and projected personnel costs within the Sheriffs in FY2022. The savings is equal to 14.4 FTE positions. According to payroll records as of the first week in May 2022, the unit had 40.0 vacancies.

Body-Worn Camera Program Staff

(\$183,070)

The Budget reduces FY2022 personnel expenditures within the DPS to reflect the delayed implementation of the statewide Body-Worn camera program. The program is designed to equip Rhode Island's uniformed patrol officers - across every municipal police department and the Rhode Island State Police - with body-worn cameras. Implementation cannot take place however until the Attorney General's Office (AG) and the Department of Public, in consultation with the Rhode Island Police Chiefs Association, promulgate rules that reflect model policies addressing key areas like activation, officer review, records retention, etc. In turn these must be adopted by departments seeking state funding. This was originally to be done by December 2022, but according to the AG, the promulgation of these rules and polices is taking longer than initially expected and the procurement and distribution of equipment will now take place in FY2023.

The Governor originally recommended additional staff resources within the DPS to support the implementation of the program. Because of the implementation delay results expected personnel costs are no longer going to take place in FY2022. The Budget reflect a reduction in personnel expenses in FY2022 accordingly.

Capitol Police

(\$84,477)

The Governor's Revised Budget charged certain Capitol police personnel costs in FY2022 to be paid for by other agencies through inter-agency billing based on services provided by DPS. The total amount included in the Governor's Budget was for a full year. The Governor requested an amendment to the Budget to reflect the actual planned start date of December 1, 2021, and reduce the Revised Budget accordingly by \$84,477.

E-911 Emergency Call System Adjustment

(\$51,801)

The Governor's Revised Budget for FY2022 inadvertently included \$51,801 in general revenue funding for required statewide cost of living adjustments (COLAs) for E-911 staff. The E-911

program is not funded through general revenue funds, but rather the restricted receipt E-911 Funds. The Budget reverses this error by shifting the general revenue funding to the appropriate E-911 Funds.

Rhode Island Capital Fund (RICAP) Changes (other funds) **(\$611,380)**

RICAP funds are reduced in FY2022 by a net \$611,380 based on the following adjustments.

- **State Police Training Academy Upgrades - ~~\$(911,380)~~**: The Budget provides \$5.1 million from RICAP funds from FY2023 through FY2027 for improvements at the State Police Training Academy in Foster, with \$1.4 million disbursed in FY2023. The \$5.6 million project began in 2018, with \$340,758 spent prior to FY2022. Improvements include the replacement of the antiquated firearms training simulator; environmental and safety renovations to the firing range, including a new firearms shelter and a sound dampening system; replacement of HVAC system, roof, windows, and electrical systems; repaving of roadways; and preparation of an emergency vehicle operators course feasibility study. Based on updated project schedules, the Budgets shifts \$911,380 in RICAP funds from FY2022 to FY2023.
- **Asset Protection – (\$300,000)**: The Budget reduces RICAP funding for asset protection by \$300,000. This adjustment is based on updated spending plans for asset protection projects within the DPS.

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

Disposal of Firefighting Foam **\$132,486**

Pursuant to a Governor’s budget Amendment, dated April 4, 2022, the Budget provides \$132,486 in general revenue to fund the disposal of the remaining firefighting foam with PFAS currently known to be held by fire departments in the State.

Trust Fund Expense Corrections (restricted receipts) **(\$250,000)**

This is a technical amendment to correct an error in Governor’s Budget. Expenditures of \$250,000 from environmental trust and water and air protection restricted receipts were mistakenly requested by the Department and included in budget recommended for FY2022 and FY2023.

DEPARTMENT OF TRANSPORTATION

Turnover Savings **(\$3.5 million)**

The Budget assumes \$3.0 million in vacancy savings at the Department for FY2022. Through April, the Department has averaged 81.6 vacant FTE positions for the fiscal year.

Public Railroad Corporation Insurance (federal funds) **\$3.3 million**

The Governor’s Budget Amendment dated March 3, 2022, increases federal funds by \$3.3 million in the Infrastructure Engineering program to reflect ongoing insurance costs for the Rhode Island Public Railroad Corporation paid for by federal funds through the Congestion Mitigation and Air Quality Improvement (CMAQ) Program.

Gas Tax Transfers (other funds) **\$1.4 million**

The Budget includes an additional \$1.4 million in gas tax funding within the Department in FY2022, including \$845,920 for the Department; \$338,254 to be transferred to the Rhode Island Public Transit Authority (RIPTA); and \$117,505 to be transferred to the Rhode Island Turnpike and Bridge Authority (RITBA); and, \$67,146 for payment of GARVEE bonds. The Budget increases these transfers based on Office of Revenue Analysis estimates of the gas tax that were done in May 2022.



SPECIAL REPORTS

Municipal Aid

The Budget increases direct state aid for municipalities by \$94.4 million. For FY2023, the Distressed Community Relief Aid program is level funded at \$12.4 million. The Payment in Lieu of Taxes program reimburses municipalities at a rate of 27.0 percent and increase of \$2.3 million over the enacted level. Meal and Beverage Tax revenue is projected to increase by a total of \$6.3 million for FY2023 and the Hotel Tax is projected to increase by 56.6 percent. Tables showing impacts by community are included at the end of this analysis.

Program	FY2022		Change from		Change from		
	Enacted	FY2022 Final	Enacted	FY2023 HFC	Enacted		
Payment in Lieu of Taxes	\$46.1	\$46.1	-	-	\$48.4	2.3	0.1
Distressed Communities	12.4	12.4	-	-	12.4	-	-
Motor Vehicle Excise Tax	139.7	129.6	(10.1)	-7.2%	230.5	90.8	65.0%
State Aid to Libraries							
Grant-in-Aid	9.6	9.6	0.0	0.4%	11.0	1.4	0.2
Library Construction	2.1	2.1	-	0.0%	1.9	(0.2)	-9.5%
Total Direct Aid	\$209.8	\$199.8	(\$10.0)	-4.8%	\$304.2	\$94.4	45.0%
Public Service Corporations Tax	\$12.6	\$12.6	-	-	\$12.6	-	-
Meals & Beverage Tax	27.2	31.8	4.6	16.8%	33.5	6.3	23.0%
Hotel Tax	7.6	11.3	3.7	48.7%	11.9	4.3	56.6%
Airport Impact Aid	1.0	1.0	-	0.0%	1.0	-	0.0%
Total Indirect Aid*	\$48.5	\$56.8	\$8.3	17.0%	\$59.1	\$10.6	21.8%
Total Aid	\$258.3	\$256.6	(\$1.7)	-0.7%	\$363.3	\$105.0	40.6%

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

*Values are based on estimates made at the time of the Governor's Budget submission and 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 institution 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.

Current law requires reimbursement at 27.0 percent of forgone tax revenue, but allows for a ratable reduction if the appropriation is less than this amount. The Budget provides \$48.4 million (\$2.3 million more than the Governor's recommended), which meets the 27.0 percent statutory requirement.

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

Fiscal Year	PILOT Funding Trends		
	Total Funding	% Change	% Reimbursed
2008	\$27.8	0.0%	27.0%
2009	27.6	-0.7%	25.2%
2010	27.6	-	23.9%
2011	27.6	-	21.1%
2012	33.1	20.0%	23.4%
2013	35.1	6.0%	22.7%
2014	35.1	-	22.0%
2015	40.1	14.2%	25.4%
2016	40.1	-	23.7%
2017	42.0	4.7%	27.0%
2018	45.2	7.7%	27.0%
2019	46.1	2.0%	27.0%
2020	46.1	0.0%	26.7%
2021*	50.7	0.0%	28.8%
2022	46.1	-9.1%	26.0%
2023	48.4	5.0%	27.0%

\$ in millions.

* includes additional federal pandemic relief funds

of taxpayers. The Budget includes \$12.4 million in general revenue for the Distressed Community Relief Fund in FY2023, level with the FY2022 enacted level.

Seven communities are eligible to receive funds under the program in FY2023. Distribution is based upon annually updated data related to the local tax levy and is certified by the Division of Municipal Finance.

When a community is determined to no longer be eligible for the program, it is permitted to receive a transitional amount that is 50.0 percent of its proportional share.

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.

Municipality	FY2022 Enacted	FY2023 HFC	Change
Central Falls	\$220,713	\$235,462	\$14,749
Cranston	2,685,555	1,342,778	(1,342,777)
North Providence	987,908	1,075,446	87,538
Pawtucket	1,490,485	1,651,225	160,740
Providence	5,265,375	6,171,331	905,956
West Warwick	953,745	1,063,602	109,857
Woonsocket	780,677	844,614	63,937
Total	\$12,384,458	\$12,384,458	-

* includes additional federal pandemic relief funds

Motor Vehicle Excise Tax

The Motor Vehicle and Trailer Excise Tax Elimination Act of 1998 was enacted to offer broad-based property tax relief to the residents of Rhode Island. The FY2010 Budget as Enacted included \$135.4 million for Motor Vehicle Excise Tax reimbursement. The FY2010 Revised Budget reduced that amount to \$117.2 million. In FY2011, funding was reduced to \$10.0 million, funding for fire districts was eliminated, and the State-mandated motor vehicle tax exemption was reduced from \$6,000 to \$500. These provisions remained in effect through FY2017.

Article 11 of the FY2018 Budget as Enacted decreased the motor vehicle excise tax each year from FY2018 through FY2023, fully eliminating the tax in FY2024. The tax is reduced over a seven-year period by decreasing tax rate caps and assessment ratios, while raising exemption floors and exempting vehicles that are more than 15 years old. Additionally, to ensure taxpayer relief, the article removed the motor vehicle excise tax from the levy calculation related to the 4.0 percent cap on municipal property tax levy increases.

Additionally, the sales tax escalator calculation, which was in place from the 1998 motor vehicle excise tax phase-out language, was changed. The language previously rounded the changes so that it could significantly and negatively impact the levy reimbursements to cities and towns. Article 11 also changed the rounding of the sales tax received from the nearest tenth of one cent to the nearest thousandth of one cent, reducing the impact of the rounding. The authority to make this calculation shifted from the Director of Administration to the Director of Revenue.

The following table shows the updated phase-out schedule under **current law** (*budget advances one-year*), estimated aid amounts, and the changes in State aid under the program.

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
State Assessment Ratio	95.0%	90.0%	85.0%	80.0%	75.0%	70.0%	-
Rate Cap	\$60.0	\$50.0	\$35.0	\$35.0	\$30.0	\$20.0	-
Exemption Amount	1,000	2,000	3,000	4,000	5,000	6,000	-
FY2011 Base Phase-out	10,000,000	10,000,000	10,000,000	9,912,491	10,000,000	10,000,000	10,000,000
FY2018 Additional Phase-out	24,543,927	46,281,611	80,265,446	113,619,337	116,520,346	156,594,596	221,974,356
Total Statewide Aid	\$34,543,927	\$56,281,611	\$90,265,446	\$123,531,828	126,520,346	166,594,596	\$231,974,356
Additional Aid from Previous FY	24,543,927	21,737,684	33,983,835	\$33,266,382	2,988,518	40,074,250	65,379,760

The total statewide aid for FY2021 is comprised of \$37.7 million in general revenue, \$72.9 million in federal Coronavirus Relief Funds (CRF) for a statutorily-prescribed (formula) \$110.4 million. The total does not include the \$13.2 million in additional CRF funds, also distributed by the phase-out formula to municipalities as an enhancement. Note, FY 2021 Base account is less than \$10 million due to timing of general revenue payment distributions to East Providence. However, the variance of \$88K in the Base account is factored into the FY 2021 Additional Phase-out amount of \$113.6 million.

Source: ORA and Division of Municipal Finance

Analyst Note: The variance between the values provided by ORA and those included in the FY2022 Revised Budget is the result of updated estimates made by ORA subsequent to the submission of the Governor’s proposal.

Article 6 of the Budget advances the motor vehicle excise tax phase-out by one year in FY2023. All municipalities that began the phase-out in the first year would now have completed the phase-out and would not issue tax bills in FY2023. The Budget includes \$230.5 million in general revenue expenditures in FY2023 to pay for the increased reimbursements.

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 \$11.0 million in total direct library aid in FY2023. This includes a \$1.1 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 Budget fully funds the program at 25.0 percent.

Fiscal Year	Grant in Aid*	Library Aid		% Change
		Construction	Total Aid	
2008	\$8.7	\$2.7	\$11.4	-0.4%
2009	8.7	2.6	11.3	-1.0%
2010	8.8	2.7	11.5	1.9%
2011	8.7	2.5	11.2	-2.4%
2012	8.7	2.8	11.5	2.6%
2013	8.7	2.5	11.2	-3.0%
2014	8.7	2.5	11.2	0.3%
2015	8.7	2.3	11.0	-1.8%
2016	8.8	2.7	11.5	4.5%
2017	9.4	2.2	11.6	0.7%
2018	9.4	2.2	11.5	-0.5%
2019	9.3	2.2	11.5	-
2020	9.3	1.9	11.2	-2.4%
2021	9.6	2.7	12.3	9.8%
2022	9.6	2.1	11.7	-4.9%
2023	9.6	1.9	11.5	-1.7%

\$ 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 FY2023, the Budget includes \$1.9 million for Library Construction Aid, \$243,193 less than the FY2022 Enacted level. According to OLIS, the reduction reflects planned reimbursement costs.

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.

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.

Collections from this tax decreased from \$18.0 million in FY2003 to \$9.2 million in FY2009. In 2009, the General Assembly passed legislation freezing the tax rate on telecommunications tangible personal property at a rate equal to or greater than

Fiscal Year	Public Service Corporation	
	Total Funding	% Change
2008	\$10.3	0.0%
2009	9.2	-11.1%
2010	10.2	10.9%
2011	11.4	11.8%
2012	11.8	3.5%
2013	12.7	7.6%
2014	13.2	3.9%
2015	14.3	8.3%
2016	13.0	-9.0%
2017	13.6	4.2%
2018	13.2	-2.9%
2019	13.3	1.0%
2020	13.3	-
2021	13.2	-0.8%
2022	12.6	-4.5%
2023	12.6	-

\$ in millions.

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 FY2023 Budget provides \$12.6 million to be distributed to municipalities on July 31, 2021.

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.

For FY2022, the Office of Revenue Analysis anticipates \$31.8 million in collections, increasing to \$33.5 million in FY2023.

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 unlicensed lodging rentals (such as those listed on the Airbnb.com website).

The Budget includes \$11.3 million in hotel tax distribution in FY 2022 and \$11.9 million in FY2023. The significant decrease in hotel tax collections from FY2020 to FY2021 (69.6 percent) is related to the impact of pandemic restrictions on travel.

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 T.F. Green 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 \$950,807 in CSC payments to the City in FY2022 and \$967,786 in FY2023.

Fiscal Year	Total Funding	% Change
2015	\$23.9	7.0%
2016	25.7	7.5%
2017	26.3	2.5%
2018	28.9	9.7%
2019	28.3	-2.1%
2020	26.2	-7.6%
2021	24.2	-7.3%
2022	31.8	31.2%
2023	33.5	5.3%

\$ in millions.

Fiscal Year	Total Distribution	Change
2015	\$17.2	9.7%
2016	19.4	12.5%
2017	19.6	1.2%
2018	21.5	-0.7%
2019	21.7	0.7%
2020	17.7	-18.4%
2021	5.4	-69.6%
2022	11.3	-47.9%
2023	11.9	-32.8%

\$ in millions.

Airport Impact Aid

The Budget provides \$1.0 million in funding for the Airport Impact Aid program in FY2023. 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. T.F. Green 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 T.F. Green. Under current law, no community that hosts an airport can receive less than \$25,000.

The following table shows the distribution of Airport Impact Aid for FY2022:

Airport	FY2022	FY2023*	Change
Warwick T.F. Green	\$784,348	\$784,348	-
Block Island	35,706	35,706	-
Middletown - Newport Airport	47,094	47,094	-
North Central - Smithfield	25,003	25,003	-
North Central - Lincoln	25,003	25,003	-
North Kingstown - Quonset	47,442	47,442	-
Westerly	45,440	45,440	-
Total	\$1,010,036	\$1,010,036	-

* Airport Impact Aid is based on Senate Fiscal Office estimates and are based on May 2021 landing data. Final distribution amounts will be adjusted based upon updated data in May 2022.

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 Governor recommends \$414,947 in general revenue for the Property Revaluation program in FY2023, reflecting a savings of \$1.2 million relative to the FY2022 enacted level. The change is based on a reduction in anticipated reimbursements, which are required by law. The following communities will be reimbursed for statistical updates in FY2023: Exeter, Foster, Middletown, Narragansett, Newport, Pawtucket, Tiverton, and Woonsocket. Full revaluations will occur in Barrington, Cranston, and East Greenwich.

Property Revaluation Program

Fiscal Year	Amount	% Change
2015	\$0.6	20.0%
2016	1.4	133.3%
2017	0.6	-57.1%
2018	0.9	50.0%
2019	1.6	77.8%
2020	0.5	-68.8%
2021	1.1	120.0%
2022	1.5	36.4%
2023	0.4	-72.3%

\$ in millions

Municipal Road and Bridge Fund

The FY2014 Budget as Enacted transferred \$7.0 million of bond premium proceeds derived from the sale of 2013 general obligation bonds from Rhode Island Capital Plan (RICAP) funds to capitalize a Municipal Road and Bridge Revolving Fund. The FY2014 Revised Budget increased this amount by \$3.3 million, for a total of \$10.3 million. The FY2015 Budget included an additional \$5.0 million in funding made available from the sale of Tobacco Settlement Bonds, and the Clean Water Finance Agency (now the Rhode Island Infrastructure Bank) contributed \$3.5 million to the program from its board-designated administrative fund

in FY2015. The Budget does not include any additional funding for the Municipal Road and Bridge Fund in FY2023.

These funds are available for municipalities to borrow for road and bridge projects. Loans began in FY2014, and future capitalizations, combined with the revolved funds, allow State-sponsored financing on an ongoing basis. This fund is administered by the Rhode Island Infrastructure Bank (RIIB) Applications are submitted to the Rhode Island Department of Transportation (RIDOT), based on regulations developed by RIDOT. RIDOT developed a project priority list based on 6 criteria:

The extent to which the project generates economic benefits.

The extent to which the project would be able to proceed at an earlier date.

The likelihood the project will provide mobility benefits.

The cost effectiveness of the project.

The likelihood that the project will increase safety.

The readiness of the project to proceed during the next calendar year.

Municipal Road and Bridge Fund					
Borrower	Program Year	Amount Requested	Amount Borrowed	Loan Outstanding	Credit Limit Remaining
East Providence	2014	\$1,215,000	\$1,215,000	\$520,000	-
Newport	2014	4,000,000	1,500,000	627,000	-
Warwick	2014	1,600,000	1,600,000	1,065,541	131,459
Burrillville	2014	680,000	680,000	335,452	4,548
New Shoreham	2014	255,000	255,000	131,802	29,198
Westerly *	2014	625,000	225,000	-	-
Pawtucket	2014	7,000,000	3,500,000	2,638,000	-
Cumberland	2014	560,000	560,000	373,550	45,450
Coventry	2014	340,000	340,000	144,000	-
West Warwick	2015	150,515	150,515	69,515	-
Bristol	2015	500,000	500,000	364,000	-
Hopkinton	2015	253,000	253,000	48,104	-
Pawtucket	2015	5,000,000	5,000,000	3,912,000	-
East Greenwich	2015	2,000,000	2,000,000	925,000	-
Coventry	2015	900,000	900,000	607,000	-
Bristol	2016	1,175,000	1,175,000	927,000	-
Cranston	2016	1,755,000	1,755,000	1,436,000	-
New Shoreham	2016	296,000	296,000	241,000	-
Pawtucket	2016	3,000,000	3,000,000	2,467,000	-
East Greenwich	2017	5,000,000	5,000,000	4,111,407	214,593
Pawtucket	2017	3,000,000	3,000,000	2,603,000	-
New Shoreham	2018	449,000	449,000	392,000	-
Providence Public Building Authority	2018	10,000,000	10,000,000	8,767,000	-
Pawtucket	2018	2,000,000	2,000,000	1,830,000	-
Middletown	2018	5,000,000	5,000,000	3,957,307	609,693
Barrington	2019	3,500,000	3,500,000	1,247,452	1,902,548
Warren	2019	2,500,000	2,000,000	(11,000)	2,000,000
Westerly	2019	15,000,000	15,000,000	6,598,422	7,894,578
Central Falls	2019	1,500,000	1,500,000	1,100,025	335,975
Pawtucket	2019	2,000,000	2,000,000	1,835,000	-
Providence Public Building Authority	2020	20,000,000	20,000,000	1,441,658	18,558,342
Cumberland	2020	2,500,000	2,500,000	1,456,356	934,644
Warwick	2020	3,000,000	3,000,000	(246,000)	2,963,000
Warwick	2020	7,000,000	7,000,000	3,841,489	2,501,511
Total		\$113,753,515	\$106,853,515	\$55,756,080	\$38,125,539

*\$400,000 turned back by Westerly

OTHER MUNICIPAL ISSUES

Tax Stabilization Incentive

Article 19 of the FY2016 Budget as Enacted created the Tax Stabilization Incentive program whereby municipalities can apply to the Rhode Island Commerce Corporation for partial reimbursement of personal and/or real estate tax revenue forgone due to the granting of a tax stabilization agreement by that community for a qualified construction or rehabilitation project. The Corporation provides a partial reimbursement of no more than 10.0 percent of the property tax revenue that would have otherwise been collected.

Under this program, a community can grant a stabilization agreement for the rehabilitation of an existing structure where the total cost of the development budget exceeds 50.0 percent of the adjusted basis of the property (original cost of the property reduced by depreciation deductions and increased by capital expenditures), or for a new construction project that begins within twelve months of the approval of the tax stabilization agreement and is completed within 36 months. The qualifying property must be used or

intended to be used for offices, commercial enterprises, or residential purposes. The terms of the stabilization agreements must be for a minimum of twelve years and reimbursements cease upon termination of the underlying tax stabilization agreement or upon exhaustion of funds appropriated to the reimbursement fund.

Article 17 of the FY2017 Budget modified the Tax Stabilization Agreement incentive program to allow the Commerce Corporation to reimburse municipalities up to 50.0 percent of foregone revenue for up to five projects statewide in any given year. The current reimbursement rate is 10.0 percent. The city or town council of any qualifying community must pass a resolution designating a qualifying project as the most important project to the municipality's economic development for that fiscal year. Designated "Hope Communities" may select two projects for potential qualification annually. The total amount of funding to be awarded is subject to general revenue appropriation.

Since FY2016, the Commerce Corporation has provided \$606,426 in tax stabilization incentives in support of three projects:

Project	Municipality	Board Approval Date	Board Approval Amount
Residence Inn (Former Fogarty Building)	Providence	2/22/2016, 5/22/17	\$246,597
Immunex RI Corporation	West Greenwich	4/10/2018	179,829
Rubius Therapeutics	Smithfield	6/28/2018	180,000
Total			\$606,426

Source: Commerce Corporation

FY2023 Direct Municipal Aid to Cities and Towns

Municipality	FY2022 Enacted	Payment in Lieu of Taxes	Distressed			FY2023 HFC	Change from FY2022 Enacted
			Communities Relief Fund	Motor Vehicle Excise Tax ³	Library Grant- in-Aid		
Barrington	\$4,056,310	\$18,133	-	5,894,822	\$327,745	\$6,240,700	\$2,184,390
Bristol	3,285,114	1,408,285	-	2,905,818	220,836	4,534,938	1,249,824
Burrillville	3,721,316	105,242	-	5,053,933	202,102	5,361,277	1,639,961
Central Falls	1,785,089	-	235,462	2,077,974	36,645	2,350,082	564,993
Charlestown	570,399	-	-	1,020,877	64,396	1,085,273	514,874
Coventry	3,338,356	-	-	5,872,396	224,402	6,096,797	2,758,442
Cranston	22,869,637	5,004,163	1,342,778	22,312,247	781,617	29,440,805	6,571,168
Cumberland	3,412,338	-	-	6,073,469	337,599	6,411,068	2,998,729
East Greenwich	1,768,184	774,131	-	2,417,332	135,464	3,326,928	1,558,743
East Providence	6,361,355	282,016	-	6,755,542	513,132	7,550,690	1,189,335
Exeter	1,264,176	-	-	2,241,381	57,313	2,298,694	1,034,518
Foster	1,062,224	-	-	1,652,251	39,461	1,691,712	629,488
Glocester	1,287,169	-	-	2,381,941	95,338	2,477,279	1,190,111
Hopkinton	933,552	-	-	1,629,259	42,139	1,671,398	737,847
Jamestown	292,136	-	-	622,793	128,801	751,594	459,458
Johnston	6,628,400	-	-	10,382,785	131,840	10,514,625	3,886,225
Lincoln	2,612,923	-	-	5,683,015	234,360	5,917,375	3,304,452
Little Compton	142,504	-	-	366,775	43,716	410,492	267,988
Middletown	966,418	-	-	1,976,448	168,217	2,144,665	1,178,247
Narragansett	613,241	-	-	1,707,362	100,000	1,807,362	1,194,121
Newport	2,689,322	1,688,961	-	163,298	97,282	1,949,542	(739,780)
New Shoreham	249,714	-	-	2,223,671	486,280	2,709,951	2,460,236
North Kingstown	2,317,743	1,149	-	5,378,818	345,378	5,725,344	3,407,601
North Providence	7,887,025	-	1,075,446	9,619,286	240,904	10,935,636	3,048,611
North Smithfield	2,742,782	-	-	4,398,531	95,323	4,493,854	1,751,072
Pawtucket	14,187,255	3,060	1,651,225	16,495,506	385,419	18,535,211	4,347,956
Portsmouth	1,196,871	-	-	2,414,242	132,188	2,546,430	1,349,559
Providence	67,557,598	35,772,362	6,171,331	34,131,596	1,516,635	77,591,924	10,034,326
Richmond	783,056	-	-	1,448,455	31,429	1,479,884	696,828
Scituate	684,074	-	-	1,977,127	129,909	2,107,036	1,422,962
Smithfield	5,058,736	910,957	-	7,098,694	363,908	8,373,559	3,314,823
South Kingstown	2,110,827	217,065	-	3,930,455	262,022	4,409,542	2,298,715
Tiverton	953,945	-	-	1,710,494	146,250	1,856,745	902,800
Warren	1,171,806	-	-	2,090,911	76,680	2,167,590	995,784
Warwick	15,283,208	1,578,435	-	25,246,254	735,072	27,559,761	12,276,553
Westerly	3,699,248	197,328	-	1,331,725	56,285	1,585,338	(2,113,910)
West Greenwich	703,470	-	-	5,673,744	203,446	5,877,189	5,173,719
West Warwick	4,133,868	-	1,063,602	5,765,523	411,306	7,240,431	3,106,563
Woonsocket	8,479,087	472,304	844,614	9,324,776	226,504	10,868,198	2,389,111
SRL ¹	701,052	-	-	-	1,101,101	1,101,101	400,049
ILG ²	62,609	-	-	-	62,609	62,609	-
Adjustment ⁴	-	-	-	500,000	-	500,000	500,000
Fire Districts	171,125	-	-	556,628	-	556,628	385,503
Total	\$209,795,262	\$48,433,591	\$12,384,458	230,508,157	\$10,991,049	\$302,317,255	\$92,521,993

¹ SRL: Statewide Reference Library Resources Grant

² ILG: Grant-in-Aid to Institutional Libraries

Total Library Construction Aid FY2023 is \$1.9 million

³ Combines MVET Phase-Out Reimbursement and Original Base Reimbursement

⁴ Up to \$500,000 in total to be provided as a supplemental payment per proposed R.I. Gen. Laws § 44-34.1-5 for municipalities and fire districts that would have had a motor vehicle levy above their FY 2018 Baseline in FY 23 and that also budgeted for this additional revenue, subject to review and certification by the Department of Revenue.

FY2022 Direct Municipal Aid to Cities and Towns

Municipality	FY2022 Enacted	Payment in Lieu of Taxes	Distressed			Library Grant-in-Aid	FY2022 HFC	Change from FY2022 Enacted
			Communities Relief Fund	Motor Vehicle Excise Tax				
Barrington	\$4,056,310	\$17,094	-	\$3,277,446	\$365,527	\$3,660,067	(\$396,243)	
Bristol	3,285,114	1,327,172	-	1,315,414	190,810	2,833,396	(451,718)	
Burrillville	3,721,316	98,835	-	2,881,079	186,270	3,166,184	(555,133)	
Central Falls	1,785,089	-	220,713	1,419,847	31,902	1,672,462	(112,627)	
Charlestown	570,399	-	-	410,125	53,533	463,658	(106,741)	
Coventry	3,338,356	-	-	2,667,501	197,001	2,864,502	(473,853)	
Cranston	22,869,637	4,778,876	2,685,555	13,521,221	664,578	21,650,230	(1,219,407)	
Cumberland	3,412,338	-	-	5,938,024	308,514	6,246,538	2,834,200	
East Greenwich	1,768,184	729,131	-	574,015	123,871	1,427,017	(341,167)	
East Providence	6,361,355	260,127	-	4,616,780	447,125	5,324,032	(1,037,323)	
Exeter	1,264,176	-	-	1,031,171	60,044	1,091,215	(172,961)	
Foster	1,062,224	-	-	916,921	34,393	951,314	(110,910)	
Glocester	1,287,169	-	-	1,045,563	81,660	1,127,223	(159,946)	
Hopkinton	933,552	-	-	762,446	37,216	799,662	(133,889)	
Jamestown	292,136	-	-	121,883	109,968	231,851	(60,285)	
Johnston	6,628,400	-	-	5,962,368	126,270	6,088,638	(539,763)	
Lincoln	2,612,923	-	-	2,034,347	217,473	2,251,820	(361,103)	
Little Compton	142,504	-	-	81,995	37,355	119,350	(23,154)	
Middletown	966,418	-	-	698,657	126,831	825,488	(140,930)	
Narragansett	613,241	-	-	442,433	87,158	529,591	(83,650)	
Newport	2,689,322	1,601,050	-	82,699	415,522	2,099,271	(590,051)	
New Shoreham	249,714	-	-	477,195	91,679	568,874	319,159	
North Kingstown	2,317,743	1,080	-	1,908,057	301,066	2,210,203	(107,540)	
North Providence	7,887,025	-	987,908	6,344,825	201,533	7,534,266	(352,759)	
North Smithfield	2,742,782	-	-	2,387,438	80,421	2,467,859	(274,923)	
Pawtucket	14,187,255	3,501	1,490,485	11,446,434	421,641	13,362,061	(825,194)	
Portsmouth	1,196,871	-	-	903,110	117,111	1,020,221	(176,651)	
Providence	67,557,598	34,027,865	5,265,375	24,894,557	1,319,744	65,507,541	(2,050,057)	
Richmond	783,056	-	-	634,674	26,826	661,500	(121,556)	
Scituate	684,074	-	-	333,324	109,928	443,252	(240,822)	
Smithfield	5,058,736	860,981	-	3,559,726	317,166	4,737,873	(320,862)	
South Kingstown	2,110,827	209,069	-	1,369,885	242,750	1,821,704	(289,122)	
Tiverton	953,945	-	-	365,326	127,469	492,795	(461,149)	
Warren	1,171,806	-	-	954,817	64,909	1,019,726	(152,080)	
Warwick	15,283,208	1,528,261	-	11,886,329	736,708	14,151,298	(1,131,910)	
Westerly	3,699,248	185,126	-	533,647	316,166	1,034,939	(2,664,310)	
West Greenwich	703,470	-	-	2,599,058	48,116	2,647,174	1,943,704	
West Warwick	4,133,868	-	953,745	2,555,156	171,836	3,680,737	(453,131)	
Woonsocket	8,479,087	461,334	780,677	6,650,038	200,324	8,092,373	(386,714)	
SRL ¹	701,052	-	-	-	701,052	701,052	-	
ILG ²	62,609	-	-	-	62,609	62,609	-	
Fire Districts	171,125	-	-	91,134	-	91,134	(79,991)	
Total	\$209,795,262	\$46,089,504	\$12,384,458	\$129,696,664	\$9,562,076	\$197,732,699	(\$12,062,563)	

¹ SRL: Statewide Reference Library Resources Grant² ILG: Grant-in-Aid to Institutional Libraries

Total Library Construction Aid FY2022 is \$2.1 million

FY2023 - Indirect Municipal Aid to Cities and Towns*

Municipality	FY2022 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees ¹	FY2023 HFC	Change from Enacted
Barrington	\$373,105	\$192,114	\$3,177	\$209,372	-	404,663	\$31,558
Bristol	769,969	263,739	79,822	578,357	-	921,918	151,949
Burrillville	400,418	197,557	100	244,515	-	442,172	41,754
Central Falls	362,378	231,392	102	168,323	-	399,817	37,439
Charlestown	327,368	92,883	71,738	206,167	-	370,788	43,420
Coventry	922,728	412,395	95,369	552,207	-	1,059,971	137,243
Cranston	2,900,036	967,705	34,264	2,386,323	-	3,388,292	488,256
Cumberland	921,720	415,003	445	622,715	-	1,038,163	116,443
East Greenwich	863,149	155,790	2,468	862,738	-	1,020,996	157,847
East Providence	1,640,185	565,505	95,853	1,278,106	-	1,939,464	299,279
Exeter	189,761	79,366	318	137,118	-	216,802	27,041
Foster	75,942	56,130	6,154	23,488	-	85,772	9,830
Glocester	200,244	120,775	4,256	95,575	-	220,606	20,362
Hopkinton	150,601	96,432	2,983	62,572	-	161,987	11,386
Jamestown	184,035	65,431	47,270	98,739	-	211,440	27,405
Johnston	1,030,772	349,035	19,002	856,674	-	1,224,711	193,939
Lincoln	1,159,470	258,808	113,535	908,267	25,000	1,305,610	146,140
Little Compton	123,387	41,553	40,816	69,652	-	152,021	28,634
Middletown	1,763,128	190,768	1,323,366	938,204	42,340	2,494,678	731,550
Narragansett	1,088,761	184,599	378,077	812,296	-	1,374,972	286,211
Newport	4,581,254	293,727	3,699,760	2,871,529	-	6,865,016	2,283,762
New Shoreham	957,827	10,909	889,953	464,236	31,017	1,396,115	438,288
North Kingstown	1,047,532	312,449	148,126	732,265	64,987	1,257,827	210,295
North Providence	776,856	387,825	2,086	507,955	-	897,866	121,010
North Smithfield	462,236	147,834	5,108	388,589	-	541,531	79,295
Pawtucket	1,815,464	855,635	98,875	1,163,046	-	2,117,556	302,092
Portsmouth	488,570	206,787	23,587	333,700	-	564,074	75,504
Providence	9,312,032	2,137,706	1,295,018	6,767,163	-	10,199,887	887,855
Richmond	241,659	91,144	20,737	179,970	-	291,851	50,192
Scituate	195,342	126,647	11,618	79,384	-	217,649	22,307
Smithfield	1,217,151	258,355	186,303	999,381	25,000	1,469,039	251,888
South Kingstown	1,419,088	365,054	229,823	1,108,968	-	1,703,845	284,757
Tiverton	456,780	187,862	7,134	339,276	-	534,272	77,492
Warren	441,385	124,908	1,187	393,119	-	519,214	77,829
Warwick	5,590,211	964,596	1,000,497	3,610,776	780,829	6,356,698	766,487
Westerly	1,786,536	268,491	1,544,274	1,123,782	40,863	2,977,410	1,190,874
West Greenwich	292,017	74,125	145,729	152,616	-	372,470	80,453
West Warwick	832,471	344,712	158,257	487,336	-	990,305	157,834
Woonsocket	1,089,525	495,479	63,318	695,964	-	1,254,761	165,236
Total	\$48,451,093	\$12,591,223	\$11,850,506	\$33,510,462	\$1,010,036	\$58,962,229	\$10,511,136

¹ Airport Impact Aid distributions are Senate Fiscal Office Estimates and are based on May 2020 landing data. Final distribution levels will be adjusted based on updated CY2021 data.

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

FY2022 - Indirect Municipal Aid to Cities and Towns*

Municipality	FY2022 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees ¹	FY2022 HFC	Change from Enacted
Barrington	\$373,105	\$192,114	\$3,177	\$198,875	-	394,166	\$21,061
Bristol	769,969	263,739	76,177	549,362	-	889,278	119,309
Burrillville	400,418	197,557	100	232,257	-	429,914	29,496
Central Falls	362,378	231,392	102	159,884	-	391,378	29,000
Charlestown	327,368	92,883	71,047	195,831	-	359,761	32,393
Coventry	922,728	412,395	90,395	524,522	-	1,027,312	104,584
Cranston	2,900,036	967,705	32,666	2,266,687	-	3,267,058	367,022
Cumberland	921,720	415,003	445	591,496	-	1,006,944	85,224
East Greenwich	863,149	155,790	2,434	819,485	-	977,709	114,560
East Providence	1,640,185	565,505	90,998	1,214,030	-	1,870,533	230,348
Exeter	189,761	79,366	318	130,244	-	209,928	20,167
Foster	75,942	56,130	5,832	22,310	-	84,272	8,330
Glocester	200,244	120,775	4,037	90,783	-	215,595	15,351
Hopkinton	150,601	96,432	2,906	59,435	-	158,773	8,172
Jamestown	184,035	65,431	46,785	93,789	-	206,005	21,970
Johnston	1,030,772	349,035	18,036	813,726	-	1,180,797	150,025
Lincoln	1,159,470	258,808	107,549	862,732	25,000	1,254,089	94,619
Little Compton	123,387	41,553	39,723	66,160	-	147,436	24,049
Middletown	1,763,128	190,768	1,257,241	891,169	42,340	2,381,518	618,390
Narragansett	1,088,761	184,599	366,435	771,573	-	1,322,607	233,846
Newport	4,581,254	293,727	3,519,649	2,727,569	-	6,540,945	1,959,691
New Shoreham	957,827	10,909	854,821	440,962	31,017	1,337,709	379,882
North Kingstown	1,047,532	312,449	142,025	695,554	64,987	1,215,015	167,483
North Providence	776,856	387,825	2,086	482,490	-	872,401	95,545
North Smithfield	462,236	147,834	4,840	369,107	-	521,781	59,545
Pawtucket	1,815,464	855,635	93,748	1,104,738	-	2,054,121	238,657
Portsmouth	488,570	206,787	23,160	316,970	-	546,917	58,347
Providence	9,312,032	2,137,706	1,230,381	6,427,900	-	9,795,987	483,955
Richmond	241,659	91,144	20,056	170,948	-	282,148	40,489
Scituate	195,342	126,647	11,011	75,404	-	213,062	17,720
Smithfield	1,217,151	258,355	176,564	949,278	25,000	1,409,197	192,046
South Kingstown	1,419,088	365,054	220,387	1,053,371	-	1,638,812	219,724
Tiverton	456,780	187,862	7,119	322,267	-	517,248	60,468
Warren	441,385	124,908	1,187	373,410	-	499,505	58,120
Warwick	5,590,211	964,596	949,069	3,429,755	780,829	6,124,249	534,038
Westerly	1,786,536	268,491	1,468,177	1,067,443	40,863	2,844,974	1,058,438
West Greenwich	292,017	74,125	138,057	144,965	-	357,147	65,130
West Warwick	832,471	344,712	149,956	462,904	-	957,572	125,101
Woonsocket	1,089,525	495,476	60,031	661,073	-	1,216,580	127,055
Total	\$48,451,093	\$12,591,223	\$11,288,727	\$31,830,459	\$1,010,036	\$56,720,443	\$8,269,350

¹ Airport Impact Aid distributions are Senate Fiscal Office Estimates and are based on May 2020 landing data. Final distribution levels will be adjusted based on updated CY2021 data.

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

Education Aid

In an effort to hold local education agencies (LEAs) harmless from enrollment declines due to the COVID-19 pandemic, the Budget provides that, in FY2022, the enrollment used to calculate education aid will be the greater of March 2020, 2021, or 2022. The Student Success Factor (SSF), which provides a 40.0 percent weight for each student living in poverty, will be calculated based on the year with the greatest percentage of students enrolled in the district living in poverty. The Budget also adjusted density aid to account for updated public charter school enrollments. An additional \$36.9 million in education aid, relative to the FY2022 Budget as Enacted, and \$17.0 million, relative to the Governor's recommendation, is provided to fund these changes.

The Budget also shifts \$842,580 in education aid needed to correct for an error in the property tax data that impacted FY2022 aid, from FY2023 to FY2022.

EDUCATION AID

Education Aid Funding Formula: In FY2023, the enrollment used to calculate education aid will be the greater of March 2020, 2021, or 2022. The Student Success Factor (SSF), which provides a 40.0 percent weight for each student living in poverty, will be calculated based on the year with the greatest percentage of students enrolled in the district living in poverty. An additional \$17.5 million in education formula aid is added to the Governor's recommendation to fund this change, bringing the total change, relative to the FY2022 Budget as Enacted, to \$39.6 million and total funding formula aid to \$1,076.9 million.

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. The Density Fund support ended in FY2019; however, Article 10 of the FY2022 Budget as passed by the House Finance Committee reestablishes the Density aid category based on charter and state enrollments changes relative to FY2019. Article 9 of the FY2019 Budget as Enacted included a temporary aid category to support new Resource Officers at public middle and high schools, which expires after FY2021.

FY2023 Education Aid as passed by the HFC

Categorical	Change from	
	Enacted	Total Funding
Formula Formula	\$39.6	\$1,076.9
Central Falls Stabilization	1.0	10.1
Density Aid	(0.5)	0.5
Transportation	1.6	9.3
Early Childhood	-	14.9
High-Cost Special Education	-	4.5
Career & Tech. Schools	-	4.5
Davies Stabilization	(0.0)	5.8
English Learners	-	5.0
Met School Stabilization	-	1.1
Regionalization Bonus	-	-
School Resource Officer Support	-	-
Group Home Aid	(0.7)	2.3
Total	\$41.1	\$1,134.8

\$ in millions

- Central Falls Stabilization:** The Budget funds this category at \$10.1 million in FY2023, an increase of \$1.0 million over the FY2022 Budget as Enacted. Central Falls schools are currently 100.0 percent state funded, with the State providing both the local and state contributions calculated through the formula, as well as the local share that would be supported outside of the core amount. Generally, the costs outside the foundation aid formula, such as transportation, facility maintenance and retiree health benefits, are paid by the district. This program was created due to concerns regarding the city's capacity to meet the local share of education costs. Previously the statute required Central Falls to pay its share of the local contribution prior to receiving stabilization funds. However, the 2012 General Assembly amended the statute to provide for an annual review of the respective shares and to allow stabilization

funds to be provided without the district having to pay the entire local share as determined from the education funding formula.

Although Central Falls has been working with the Department to reduce expenditures over the last several years, the district has not been able to reduce costs enough to keep pace with the phase in of the funding formula. Also, charter school tuitions have been increasing resulting in a corresponding increase in district expenses. Consequently, the stabilization fund has been used to replace aid lost through the implementation of the funding formula and local payments to public schools of choice. To date, Central Falls has been unable or unwilling to absorb any educational costs.

- **Density Aid:** Article 10 of the FY2022 Budget as Enacted reestablished density aid for districts where 5.0 percent or more of the average daily membership (ADM) are enrolled in a charter or state school. The intent is to provide one \$500 payment for each new resident student enrolled in a charter or state school. For FY2023, the Budget provides \$520,500 for this category based on current charter school enrollment.
- **Transportation:** This fund provides funding for transporting students to out-of-district, non-public schools 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. The Budget funds this category at \$9.3 million in FY2023, an increase of \$1.6 million relative to the FY2022 Budget as Enacted. This increase fully funds the regional component of the category.
- **Early Childhood Education:** This fund is designed to increase access to voluntary, free, high-quality pre-kindergarten programs. The funds will be distributed through a request for proposals process targeting communities in three tiers, with the first tier having the highest concentration of children at risk for poor educational outcomes. The Budget funds this category at \$14.9 million in FY2023, level with the FY2022 Budget as Enacted.
- **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 five times the combined core instruction and student success factor funding (currently \$77,350 for FY2023). The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at \$4.5 million in FY2023, level with the FY2022 Budget as Enacted.
- **Career and Technical Schools:** This fund contributes toward the initial investment needed to transform existing programs or create new programs and the costs associate 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 FY2023, level with the previous year.
- **Davies Stabilization Fund:** Article 11 of the FY2017 Budget as Enacted established a stabilization fund to provide additional support to Davies for costs associated with a stand-alone high school offering both academic and career and technical coursework. The Budget provides an additional \$885,832 (\$5.8 million total) in FY2022. Based on the budget documents, the increase is due primarily to step increases for teachers.
- **English Learners:** Article 11 of the FY2017 Budget as Enacted established a categorical fund for English Learners (EL). The fund provides additional aid of 10.0 percent of the per-pupil core instruction amount for each qualified EL student. In FY2022, the per-pupil weight is \$1,064, to reflect 10.0 percent of the \$10,635 core instruction amount. This amount is then multiplied by the state share ratio. The formula is provided below.

(Per-pupil core instruction amount x number of EL students) x 10.0 percent x state share ratio = additional state support per EL student

This support is then ratably reduced based on the total amount appropriated.

The Article restricted the funds to provide new services to EL students and required that the funds be managed in accordance with requirements enumerated by the Commissioner. The Article also required the Department to collect performance reports and approve the use of funds prior to expenditure to ensure the funded activities align to innovative and expansive activities. Distribution is subject to a pro-rata reduction based on the funds available. The Budget provides \$5.0 million in FY2022, level with the previous fiscal year; however, an additional \$5.8 million would be needed to fully fund this category.

- **Met School Stabilization Fund:** Article 11 of the FY2017 Budget as Enacted established a stabilization fund to provide additional support to the Met School for costs associated with a stand-alone high school offering both academic and career and technical coursework. This category is level funded with FY2022. .
- **Regionalization Bonus:** This fund provides a bonus to regionalized districts and those that 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.
- **School Resource Officer Support:** Article 9 of the FY2019 Budget as Enacted established an aid category to support new Resource Officers at public middle and high schools. The program provides support for districts to add Resource Officers but does not mandate their use. For FY2019 through FY2021, the State will reimburse one half the cost of salaries and benefits for qualifying positions created after July 1, 2018; however, for schools with fewer than 1,200 students, only one resource officer position is eligible for reimbursement. Schools with 1,200 or more students may receive reimbursement for up to 2 positions. Each resource officer can only be assigned to one school. The Budget does not fund this category since the program expired in FY2021.
- **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. The Group Home aid category provides \$17,000 annually per bed, except for group home beds associated with Bradley Hospital Children’s Residential and Family Treatment (CRAFT) Program, which received \$26,000 per bed. The FY2023 Budget includes \$2.3 million to fund group home beds. This is \$662,927 less than the FY2022 Budget as Enacted. This adjustment represents the most recent update on the number of group home beds per district and the decrease required pursuant to RIGL 16-7-22(1)(ii) to reduce the average daily membership of a district by the number of group home beds used in the group home aid calculation.

District	FY2022 Enacted		Group Home Aid FY2023 Change from Enacted					FY2023
	Total Aid	Number of Beds	FY2023 Number of Beds	Change in Number of Beds	Aid change due to bed count	Aid change due to RIGL 16-7-22(1)(iii)	Total Change	Enacted Total Aid
Burrillville	\$75,207	8	-	(8)	(\$136,000)	\$60,793	(\$75,207)	\$0
Coventry	81,928	8	8	-	-	(2,299)	(2,299)	79,629
East Providence	497,179	39	34	(5)	(85,000)	51,150	(33,850)	463,329
Lincoln	85,147	8	8	-	-	797	797	85,944
Newport	129,961	14	14	-	-	3,747	3,747	133,708
North Providence	130,183	16	16	-	-	(2,370)	(2,370)	127,813
North Smithfield	96,893	8	-	(8)	(136,000)	39,107	(96,893)	-
Pawtucket	110,064	22	20	(2)	(34,000)	16,897	(17,103)	92,961
Portsmouth	609,672	40	30	(10)	(170,000)	33,901	(136,099)	473,573
Providence	371,569	91	57	(34)	(578,000)	424,094	(153,906)	217,663
Smithfield	105,752	8	-	(8)	(136,000)	30,248	(105,752)	-
South Kingstown	119,650	8	8	-	-	2,173	2,173	121,823
Warwick	272,738	24	24	-	-	(1,506)	(1,506)	271,232
Woonsocket	34,510	8	-	(8)	(136,000)	101,490	(34,510)	-
Bristol-Warren ¹	106,071	10	10	-	-	(43)	(43)	106,028
Exeter-West Greenwich	123,410	9	9	-	-	(10,106)	(10,106)	113,304
Total	\$2,949,934	321	238	(83)	(\$1,411,000)	\$748,073	(\$662,927)	\$2,287,007

¹ Based on final 12/31/2020 report from the Department of Children, Youth and Families. The FY2022 Revised Budget is consistent with the Budget as Enacted.

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

HFC FY2023 Education Aid¹

District	FY2022 Enacted (excludes group home and categoricals)	FY2023 Formula Change	Density Aid ⁴	Transportation	High-cost Special Education (>\$77,350)	Group Home Aid ²	English Learners	Stabilization Funding	FY2023 Aid
Barrington	\$7,924,118	\$323,593	\$0	\$184,032	\$90,554	\$0	\$4,139	\$0	\$8,526,437
Burrillville	13,780,456	421,959	-	37,784	169,227	-	691	-	14,410,118
Charlestown	1,291,300	50,389	-	-	-	-	0	-	1,341,689
Coventry	24,066,104	904,779	-	21,777	22,841	79,629	3,768	-	25,098,897
Cranston	68,482,484	2,417,500	-	809,197	286,687	-	159,080	-	72,154,949
Cumberland	20,401,578	1,709,781	6,000	116,775	13,174	-	16,261	-	22,263,569
East Greenwich	4,305,850	149,087	-	137,717	98,980	-	1,763	-	4,693,397
East Providence	36,103,488	1,371,299	-	2,911	166,380	463,329	41,977	-	38,149,384
Foster	1,057,919	57,045	-	-	22,387	-	-	-	1,137,350
Glocester	2,422,153	103,739	-	-	25,901	-	-	-	2,551,793
Hopkinton	5,590,417	235,614	-	-	-	-	603	-	5,826,634
Jamestown	291,969	11,410	-	-	88,284	-	-	-	391,663
Johnston	19,496,027	726,471	-	179,181	282,703	-	35,744	-	20,720,127
Lincoln	15,940,955	907,260	2,500	-	110,853	85,944	7,676	-	17,055,188
Little Compton	432,020	16,858	-	-	-	-	-	-	448,878
Middletown	8,132,606	304,412	-	-	26,284	-	13,085	-	8,476,388
Narragansett	2,178,394	85,006	-	-	7,829	-	49	-	2,271,278
Newport	14,752,903	732,479	-	-	14,019	133,708	65,843	-	15,698,952
New Shoreham	211,086	8,237	-	-	21,221	-	248	-	240,792
North Kingstown	11,216,037	272,041	-	-	53,679	-	6,076	-	11,547,833
North Providence	26,608,402	788,380	14,500	177,416	452,064	127,813	55,274	-	28,223,849
North Smithfield	6,204,807	195,285	-	19,790	80,429	-	3,038	-	6,503,350
Pawtucket	95,061,517	3,254,100	19,500	216,277	26,853	92,961	473,999	-	99,145,207
Portsmouth	3,062,524	119,506	-	17,886	98,526	473,573	229	-	3,772,245
Providence	272,489,702	986,851	413,500	465,403	665,207	217,663	2,685,036	-	277,923,361
Richmond	5,149,642	264,710	-	-	-	-	782	-	5,415,134
Scituate	2,358,211	89,053	-	51,356	105,256	-	-	-	2,603,876
Smithfield	6,817,709	310,724	-	63,775	11,593	-	2,259	-	7,206,060
South Kingstown	4,559,972	196,349	-	137,189	123,652	121,823	1,338	-	5,140,323
Tiverton	6,774,565	251,915	-	-	209,562	-	727	-	7,236,769
Warwick	39,218,717	1,655,873	-	31,668	676,070	271,232	19,717	-	41,873,277
Westerly	7,937,325	376,642	-	-	60,496	-	5,075	-	8,379,537
West Warwick	30,857,785	1,204,135	-	36,597	-	-	24,569	-	32,123,086
Woonsocket	69,995,691	2,123,300	23,500	37,083	91,913	-	257,329	-	72,528,817
Bristol-Warren ³	11,345,723	422,951	-	2,033,689	93,510	106,028	6,417	-	14,008,318
Exeter-West Greenwich ³	4,242,989	149,470	-	1,421,151	179,859	113,304	546	-	6,107,319
Chariho	-	-	-	2,397,533	8,094	-	-	-	2,405,627
Foster-Glocester ⁴	5,104,253	203,067	-	605,521	47,977	-	364	-	5,961,182
Central Falls	38,557,253	258,593	41,000	67,485	50,744	-	512,851	10,145,493	49,633,419
District Total	\$894,424,652	\$23,659,866	\$520,500	\$9,269,193	\$4,482,808	\$2,287,007	\$4,406,553	\$10,145,493	\$949,196,073
Charter School Total	124,327,778	13,384,789	-	-	17,192	-	558,237	-	138,287,996
Davies	8,589,670	338,297	-	-	-	-	4,304	5,844,051	14,776,322
Met School	8,259,898	448,157	-	-	-	-	23,443	1,082,109	9,813,607
Urban Collaborative	1,630,145	63,831	-	-	-	-	7,463	-	1,701,440
Youth Build Academy	-	1,727,458	-	-	-	-	-	-	1,727,458
Total	1,037,232,143	\$39,622,399	\$520,500	\$9,269,193	\$4,500,000	\$2,287,007	\$5,000,000	\$17,071,653	\$1,115,502,895

¹ Based on highest March enrollment and percentage of poverty from 2020, 2021, or 2023 and the FY2022 share ratio.

² Based on final 1/4/2022 report from the Department of Children, Youth and Families.

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.

⁴ Adjusted for a decrease in growth at Excel Academy, relative to Governor's proposal.

Source: Rhode Island Department of Education

The following table shows the change relative to the Governor's FY2023 education aid recommendation.

HFC Changes to the Governor's FY2023 Education Aid

LEA	Changes to the Formula Aid			Adjustment for FY2022 Property Tax		Total Difference
	Governor's Submission (includes Hold Harmless)	HFC	Difference	Density Aid ¹	Data ²	
Barrington	\$1,853,240	\$323,593	(\$1,529,647)		\$0	(\$1,529,647)
Burrillville	-	421,959	421,959		-	421,959
Charlestown	-	50,389	50,389		-	50,389
Coventry	-	904,779	904,779		-	904,779
Cranston	-	2,417,500	2,417,500		-	2,417,500
Cumberland	68,326	1,709,781	1,641,455	(6,000)	748,963	2,384,418
East Greenwich	878,666	149,087	(729,579)		-	(729,579)
East Providence	-	1,371,299	1,371,299		-	1,371,299
Foster	-	57,045	57,045		3,290	60,335
Glocester	-	103,739	103,739		-	103,739
Hopkinton	-	235,614	235,614		-	235,614
Jamestown	-	11,410	11,410		-	11,410
Johnston	-	726,471	726,471		-	726,471
Lincoln	-	907,260	907,260	(3,000)	-	904,260
Little Compton	-	16,858	16,858		-	16,858
Middletown	-	304,412	304,412		-	304,412
Narragansett	-	85,006	85,006		-	85,006
Newport	-	732,479	732,479		-	732,479
New Shoreham	-	8,237	8,237		-	8,237
North Kingstown	-	272,041	272,041		-	272,041
North Providence	-	788,380	788,380	(10,500)	-	777,880
North Smithfield	186,079	195,285	9,206		-	9,206
Pawtucket	-	3,254,100	3,254,100	(8,000)	-	3,246,100
Portsmouth	-	119,506	119,506		-	119,506
Providence	-	986,851	986,851	(89,000)	-	897,851
Richmond	42,590	264,710	222,120		-	222,120
Scituate	31,637	89,053	57,416		-	57,416
Smithfield	629,038	310,724	(318,313)		-	(318,313)
South Kingstown	-	196,349	196,349		-	196,349
Tiverton	-	251,915	251,915		-	251,915
Warwick	-	1,655,873	1,655,873		-	1,655,873
Westerly	-	376,642	376,642		-	376,642
West Warwick	-	1,204,135	1,204,135		-	1,204,135
Woonsocket	-	2,123,300	2,123,300	1,000	-	2,124,300
Bristol-Warren	-	422,951	422,951		-	422,951
Exeter-West Greenwich	-	149,470	149,470		-	149,470
Chariho	-	-	-		-	-
Foster-Glocester	-	203,067	203,067		5,233	208,300
Central Falls	-	258,593	258,593	(6,000)	-	252,593
Subtotal District Aid	\$3,689,576	\$23,659,866	\$19,970,290	(\$121,500)	\$757,486	\$20,606,276
Charter School Total	16,386,797	13,384,789	(3,002,007)		81,896	(2,920,111)
Davies2	233,755	338,297	104,543		2,988	107,531
Met School	137,291	448,157	310,866		-	310,866
Urban Collaborative	-	63,831	63,831		212	64,043
Youth Build Academy	1,696,628	1,727,458	30,830		-	30,830
Total	\$22,144,047	\$39,622,399	\$17,478,352	(\$121,500)	\$842,582	\$18,199,434

¹ Funding for the expansion of Excel Charter School was reduced subsequent to the Governor's Budget release.

² Adjustment shifted to FY2022, per Article 10.

Source: Rhode Island Department of Education

The following table shows the difference in education aid relative to the FY2022 Budget as Enacted.

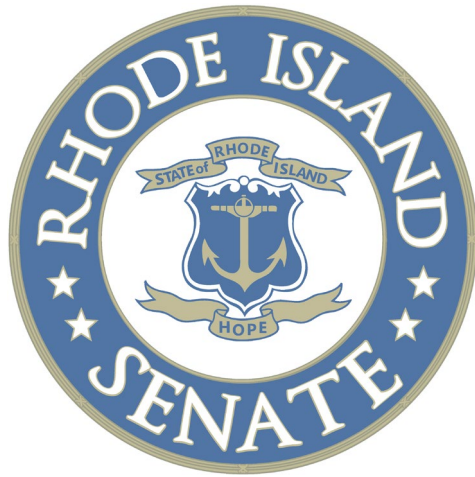
HFC FY2023 Education Aid - Change to FY2022 Budget as Enacted²

Districts	FY2022 Enacted (includes group home and categoricals)	FY2023 Formula Change	High-cost				English Learners	Stabilization Funding	Total Change	FY2023 Education Aid
			Density Aid	Transportation	Special Education	Group Home ¹				
Barrington	\$8,232,393	\$323,593	\$0	\$39,481	(\$68,729)	\$0	(\$302)	\$0	\$294,044	\$8,526,437
Burrillville	13,994,930	421,959	(23,500)	5,803	86,699	(75,207)	(567)	-	415,188	14,410,118
Charlestown	1,291,375	50,389	-	-	-	-	(75)	-	50,315	1,341,689
Coventry	24,191,220	904,779	-	7,448	(1,990)	(2,299)	(261)	-	907,677	25,098,897
Cranston	69,876,885	2,417,500	-	(115,863)	(30,446)	-	6,873	-	2,278,064	72,154,949
Cumberland	20,556,190	1,709,781	6,000	(3,273)	(4,218)	-	(910)	-	1,707,379	22,263,569
East Greenwich	4,542,049	149,087	-	48,162	(46,153)	-	252	-	151,348	4,693,397
East Providence	36,956,354	1,371,299	-	(3,651)	(138,213)	(33,850)	(2,555)	-	1,193,031	38,149,384
Foster	1,106,412	57,045	-	(16,074)	(10,033)	-	-	-	30,938	1,137,350
Glocester	2,481,208	103,739	-	(11,701)	(21,453)	-	-	-	70,585	2,551,793
Hopkinton	5,590,838	235,614	-	-	-	-	182	-	235,796	5,826,634
Jamestown	339,230	11,410	-	-	41,043	-	(20)	-	52,433	391,663
Johnston	19,970,937	726,471	-	(57,255)	83,817	-	(3,843)	-	749,190	20,720,127
Lincoln	16,231,922	907,260	2,500	-	(85,916)	797	(1,375)	-	823,266	17,055,188
Little Compton	432,020	16,858	-	-	-	-	-	-	16,858	448,878
Middletown	8,185,474	304,412	-	-	(11,674)	-	(1,825)	-	290,914	8,476,388
Narragansett	2,196,991	85,006	-	-	(10,534)	-	(184)	-	74,287	2,271,278
Newport	15,005,285	732,479	-	-	(29,189)	3,747	(13,370)	-	693,666	15,698,952
New Shoreham	237,000	8,237	-	-	(3,957)	-	(489)	-	3,792	240,792
North Kingstown	11,302,964	272,041	-	-	(25,956)	-	(1,216)	-	244,869	11,547,833
North Providence	27,298,295	788,380	(25,000)	(31,364)	195,516	(2,370)	392	-	925,554	28,223,849
North Smithfield	6,372,462	195,285	-	2,708	28,044	(96,893)	1,743	-	130,888	6,503,350
Pawtucket	96,013,908	3,254,100	(82,500)	29,998	(74,334)	(17,103)	21,138	-	3,131,300	99,145,208
Portsmouth	3,800,557	119,506	-	17,886	(29,485)	(136,099)	(120)	-	(28,311)	3,772,245
Providence	277,047,845	986,851	(276,000)	147,788	316,273	(153,906)	(145,490)	-	875,516	277,923,361
Richmond	5,150,039	264,710	-	-	-	-	385	-	265,096	5,415,134
Scituate	2,535,612	89,053	-	(2,622)	(18,167)	-	-	-	68,264	2,603,876
Smithfield	7,085,404	310,724	-	(54,975)	(29,596)	(105,752)	256	-	120,657	7,206,061
South Kingstown	4,969,167	196,349	-	(55,552)	29,216	2,173	(1,031)	-	171,156	5,140,323
Tiverton	6,896,308	251,915	-	-	88,801	-	(254)	-	340,461	7,236,769
Warwick	40,271,672	1,655,873	-	417	(54,607)	(1,506)	1,429	-	1,601,606	41,873,278
Westerly	8,083,720	376,642	-	-	(80,683)	-	(142)	-	295,817	8,379,537
West Warwick	30,945,716	1,204,135	-	(9,248)	(20,533)	-	3,015	-	1,177,370	32,123,086
Woonsocket	70,423,976	2,123,300	(48,000)	31,300	32,922	(34,510)	(173)	-	2,104,840	72,528,816
Bristol-Warren	13,130,077	422,951	-	513,796	(58,414)	(43)	(50)	-	878,240	14,008,317
Exeter-West Greenwich	5,468,643	149,470	-	487,568	11,870	(10,106)	(126)	-	638,676	6,107,319
Charlton	1,847,044	-	-	608,652	(50,069)	-	-	-	558,583	2,405,627
Foster-Glocester	5,763,334	203,067	-	59,493	(64,690)	-	(22)	-	197,849	5,961,182
Central Falls	48,422,397	258,593	(43,500)	(31,087)	45,761	-	(18,745)	1,000,000	1,211,022	49,633,419
District Total	\$924,247,852	\$23,659,866	(\$490,000)	\$1,607,833	(\$9,074)	(\$662,927)	(\$157,478)	\$1,000,000	\$24,948,220	\$949,196,072
Charter School Total	124,745,401	13,384,789	-	-	9,074	-	148,733	-	13,542,596	138,287,997
Davies	14,437,989	338,297	-	-	-	-	1,230	(1,195)	338,333	14,776,322
Met School	9,358,555	448,157	-	-	-	-	6,895	-	455,052	9,813,607
Urban Collaborative	1,636,988	63,831	-	-	-	-	620	-	64,451	1,701,440
Youth Build Academy	-	1,727,458	-	-	-	-	-	-	1,727,458	1,727,458
Total	\$1,074,426,785	\$39,622,399	(\$490,000)	\$1,607,833	(\$0)	(\$662,927)	\$0	\$998,805	\$39,348,652	\$1,115,502,894

¹ Based on final 1/4/2022 report from the Department of Children, Youth and Families.

² Based on highest March enrollment and percentage of poverty from 2020, 2021, or 2023 and the FY2022 share ratio.

Source: Rhode Island Department of Education



ARTICLES

Articles

ARTICLE 1: RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY2023

This article makes appropriations for general revenues, federal, restricted, and other funds, and authorizes FTE levels for each agency and department. Article 1 also makes the following changes:

- Sets the airport impact aid formula at \$1.0 million.
- Authorizes 15,455.5 FTE positions reflecting a net increase of 39.0 FTE positions as compared to the Governor's proposal.
- Details Community Service Objective grant funding recipients and amounts.
- Prohibits the obligation or expenditure of indirect cost recoveries on federal stimulus funds in the Department of Health without the approval of the Director of the Office of Management and Budget.
- Requires that all unexpended or unencumbered balances relating to the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island, be reappropriated to FY2024. In addition, the Office of the Postsecondary Commissioner shall provide \$7.7 million to the Rhode Island Promise Scholarship program, and \$147,000 to be used to support the State's membership in the New England Board of Higher Education.
- Caps the amount the Judiciary may charge five state agencies (Public Defender's Office, Office of the Attorney General, Department of Corrections, DCYF, and Department of Public Safety) for public courthouse occupancy costs at \$1.3 million. It requires the Judiciary to provide \$230,000 to the Rhode Island Coalition Against Domestic Violence for domestic abuse court advocacy and requires \$90,000 be provided to the Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- Requires that Rhode Island Housing and Mortgage Finance Corporation continue to provide resources to support the Neighborhood Opportunities Program; an amount, however, is not designated. The article requires a report to be provided to the Director of Administration, chair of the Housing Resources Commission, State Budget Officer, and the chairs of the House and Senate Finance Committees on the number of housing units produced and funding.
- Clarifies that the federal funds do not include federal funds or assistance appropriated, authorized, allocated, or apportioned to the State from the State Fiscal Recovery Fund and Capital Projects Fund pursuant to the American Rescue Plan Act of 2021. Article 1 authorizes amounts from the State Fiscal Recovery Fund, not otherwise appropriated, to be expended during the fiscal years ending June 30, 2024, June 30, 2025, June 30, 2026, and June 30, 2027.
- Requires that all unexpended or unencumbered balances relating to the SFRF and Capital Projects Fund, be reappropriated to FY2024 and made available for the same purposes.
- Establishes the Pandemic Recovery Office within the Department of Administration to oversee and ensure compliance with the rules, regulations, and guidance issued by the United States Department of the Treasury of expenditures from the SFRF and Capital Projects Fund. The Pandemic Recovery Office will be responsible for submitting all reports required by the United States Department of the Treasury for the SFRF and Capital Projects Fund.
- Describes projects funded by State Fiscal Recovery Funds and the ARPA Capital Projects Fund and designates certain restrictions and parameters for those projects.
- Includes the appropriation mechanism necessary for incremental tax revenues collected from State economic activity taxes generated in Pawtucket's Downtown Redevelopment district to be made available to the City. Legislation enacted in 2019 established several geographical districts within

downtown Pawtucket that would constitute the City of Pawtucket’s Downtown Redevelopment project. Any incremental tax revenues generated in these districts related to new economic development are to be made available to the City once an agreement is made between City and the State. This agreement was entered into in December 2020. Since the passage of the legislation, CommerceRI has been certifying these revenues and the Division of Taxation has segregated them into their own account. The language makes the formal appropriation in the Budget to disburse the funds to the City of Pawtucket.

ARTICLE 2: RELATING TO STATE FUNDS

This article adjusts or establishes new restricted receipt accounts as follows:

- Authorizes the Board of Education to establish a restricted receipt account to receive monies from the IGT Global Solutions Corporation for scholarships related to the study of science, technology, engineering, or mathematics at an accredited educational institution.
- Authorizes the Budget Officer to create a restricted receipt account entitled “marijuana trust funds allocation” within in any agencies where monies from the marijuana trust fund are appropriated.
- Authorizes the Budget Officer to establish the Hospital Conversion Monitoring restricted receipt account within the Department of Health to fund monitoring activities associated with hospital conversions.
- Provides that the Federal Grants Management Account does not include allocations of the State Fiscal Recovery fund or the Coronavirus Capital Projects Fund. This account was established in 2021 to centralize the administrative costs of managing federal grant applications.
- Requires the Public Utilities Commission to increase the annual remittance received from the telecommunications surcharge paid to the Commission on the Deaf and Hard of Hearing from \$80,000 to \$100,000 for the operation of the emergency and public communications access program.
- Exempts six restricted receipt accounts from the 10.0 percent indirect cost recovery charge provisions. The proposed exemptions would apply to the following accounts: Rhode Island Statewide Opioid Abatement Account; the Home and Community Based Services Support – ARPA account; the Home and Community Based Services Admin Support account within the EOHHS; the Marijuana Trust Fund; the Social Equity Assistance Fund; and, the IGT STEM Scholarships account.
- Establishes three new restricted receipt accounts within EOHHS: an account to receive and distribute funds from opioid settlements, and two accounts for the Home and Community Based Services to house enhanced funding provided by the American Rescue Plan Act of 2021. The new accounts would have a retroactive effective date of July 1, 2021.
- Establishes a restricted receipt account, entitled the “Rhode Island Statewide Opioid Abatement account”, within EOHHS to receive and expend monies from the State’s share of various opioid settlement agreements. The article also provides that no governmental entity has the authority to assert a claim against entities that are the subject of the Rhode Island Memorandum of Understanding between State and cities and towns receiving opioid settlement funds.

ARTICLE 3: RELATING TO GOVERNMENT REFORM AND REORGANIZATION

This article makes several changes to the Rhode Island General Laws regarding permits and licenses, regulatory authority, and the organization of state government. Specifically, the article:

- Makes several changes to licensing and regulation for caterers, interpreters, constables, and mixed martial arts exhibitions.
- Authorizes municipalities to regulate establishments with three or more billiard tables.
- Appeals outdated and unnecessary language for Hide and Leather Inspections.

- Transfers the Opioid Stewardship Fund from the Department of Health to the Executive Office of Health and Human Services (EOHHS).
- Allows DMV mobile units in Warren and Westerly.
- Establishes civil penalties for constables, who are independent enforcement officers for court matters. The proposed penalty amount varies but can be as high as \$1,000 and would likely be tiered based on the number of violations the constable has committed.
- Clarifies that the uniform mattress fee is registration fee, instead of a license fee.
- Allows the Governor, for hire(s) occurring in 2022 only, to increase the annual salary for the all cabinet members through October 30, 2022. It also allows the Governor to set the salary of a Director of the Department of Children, Youth, and Families for a hire in the calendar year 2022.
- Reauthorizes the Department of Revenue's Central Collections Unit by extending the sunset date of June 30, 2023, to June 30, 2033.
- Establishes the Electric Vehicle Charging Investment Program within the Office of Energy Resources (OER) at the Department of Administration for the purpose of developing electric vehicle charging infrastructure.
- Outlines procedures to identify real property owned by the State that qualifies under the Payment in Lieu of Taxes (PILOT) state aid program towards the calculation of reimbursements to municipalities.

ARTICLE 4: RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

Pursuant to RIGL 35-18, the Public Corporation Debt Management Act, any financing leases or other guarantees entered into by an elected or appointed State official must have prior approval of the General Assembly. This article authorizes the issuance of \$28.5 million in revenue bonds for two projects at the University of Rhode Island (URI).

Proposed Debt Authorizations						
Revenue Bonds	Department	Principal	Interest	Total Debt	Annual Debt Service	Term of Loan (years)
URI - Facilities Service Sector Upgrade	URI	\$13.0	\$10.0	\$23.0	\$1.2	20.0
URI - Utility Infrastructure Upgrade Phase II	URI	15.5	11.5	27.0	1.4	20.0
Total		\$28.5	\$21.5	\$50.0		

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

University of Rhode Island – Facilities Service Sector Upgrade

The article approves financing up to \$13.0 million to enhance and reorganize the facilities within the service sector. The project involves the design and construction of facilities within the service sector for more efficient and effective operations. The service sector includes facility operations, capital projects, central receiving, postal services, lands and grounds, a vehicle service station, materials storage, and other offices under the Facilities Group.

The debt service payments will be funded from University revenues, which does include tuition and fees but not auxiliary funds. Total debt service on the bond is not expected to exceed \$1.2 million annually and \$23.0 million in the aggregate, assuming an average interest rate of 6.0 percent over 20 years.

University of Rhode Island – Utility Infrastructure Upgrade Phase II

The article approves financing up to \$15.5 million for phase II of the utility infrastructure upgrade project. The project involves the replacement of components and reconfiguration for each of the systems to ensure necessary steam, water, sanitary, and electrical support for the University's campuses.

The debt service payments will be funded from University revenues, which does include tuition and fees but not auxiliary funds. Total debt service on the bond is not expected to exceed \$1.4 million annually and \$27.0 million in the aggregate, assuming an average interest rate of 6.0 percent over 20 years.

ARTICLE 5: RELATING TO CAPITAL DEVELOPMENT

This article submits a total of \$400.0 million in ballot referenda to Rhode Island voters for their approval. Proposed as three questions on the November 2022 ballot, the following projects are included.

Article 5: Relating to Capital Development Program	
November 2022 Bond Referenda	Amount
University of Rhode Island Narragansett Bay Campus	\$100.0
Rhode Island School Buildings	\$250.0
Green Economy Bonds	\$50.0
<i>Municipal Resiliency</i>	\$16.0
<i>Small Business Energy Loan Program</i>	5.0
<i>Narragansett Bay and Watershed Restoration</i>	3.0
<i>Forest Restoration</i>	3.0
<i>Brownfields Remediation and Economic Development</i>	4.0
<i>State Land Acquisition Program</i>	3.0
<i>Local Land Acquisition Matching Grant Program</i>	2.0
<i>Local Recreation Development Matching Grant Program</i>	2.0
<i>Roger Williamas Park and Zoo</i>	12.0
Total	\$400.0

\$ in millions.

- Question 1: University of Rhode Island (URI) Narragansett Bay Campus (\$100.0 million):** Provides funds for repairs and construction on the Bay Campus in support of education and research for the marine disciplines. This project is Phase II of an ongoing project to update a campus that, for the most part, has not been updated since the 1980's. Phase I was funded primarily from a \$45.0 million general obligation bond approved by voters in 2018. For Phase II, URI requested total funding for \$157.5 million, including a general obligation bond of \$150.0 million and \$7.0 million in private funding to transition from the design work in Phase I to the construction of several key buildings, including the Ocean Frontiers Building, to replace the Horn building, the Ocean Robotics Laboratory, and the Ocean Engineering Education and Research Center.

Assuming full issuance in bond year 1 and 6.0 percent interest, annual debt service payments are estimated at \$4.4 million. Total debt service over a 20-year term would be \$87.2 million, including \$37.2 million in interest payments.

- Question 2: Rhode Island School Buildings (\$250.0 million):** Provides funds for the construction, renovation, and rehabilitation of the State's public elementary and secondary schools. Of the total, \$200.0 million will provide direct funding for school construction and renovation projects. The remaining \$50.0 million will fund the School Building Authority (SBA) Fund to address high-priority projects including upgrades to lighting, heating, and ventilation systems to create facility equity among Rhode Island students.

Analyst Note: The article does not contain the limitation found in the FY2019 bond restricting the annual issuance to not more than \$100.0 million in bonds.

Assuming full issuance in bond year 1 and 6.0 percent interest, annual debt service payments are estimated at \$21.8 million. Total debt service over a 20-year term would be \$435.9 million, including \$185.9 million in interest payments.

- **Question 3: Green Economy Bonds (\$50.0 million):** Provides funds for environmental and recreational purposes. Assuming full issuance in bond year 1 and 6.0 percent interest, annual debt service payments are estimated at \$3.3 million. Total debt service over a 20-year term would be \$66.3 million, including \$28.3 million in interest payments. The bond proceeds would be allocated as follows:
 - **Municipal Resiliency (\$16.0 million):** Provides matching grants to support 75.0 percent of project costs for projects restoring and/or improving resiliency of infrastructure, vulnerable coastal habitats, and for restoring river and stream floodplains.
 - **Small Business Energy Loan Program (\$5.0 million):** Provides grants to remove impediments to clean energy project implementation as well as zero interest and below market rate loans for clean energy projects.
 - **Narragansett Bay and Watershed Restoration (\$3.0 million):** Funds projects to restore and protect water quality and enhance the environmental sustainability of Narragansett Bay and the State's watersheds.
 - **Forest Restoration (\$3.0 million):** Funds projects to maintain forest and wildlife habitat and infrastructure on state properties.
 - **Brownfields Remediation and Economic Development (\$4.0 million):** Provides matching grants up to 80.0 percent of project costs to public, private, and/or nonprofit entities for brownfield remediation.
 - **State Land Acquisition Program (\$3.0 million):** Enables the State to acquire fee-simple interest or conservation easements to open space, farmland, watershed, and recreation lands.
 - **Local Land Acquisition Matching Grant Program (\$2.0 million):** Provides up to 50.0 percent matching grants to municipalities, local land trusts, and nonprofit entities to acquire fee-simple interest, development rights, or conservation easements on open space and urban parklands.
 - **Local Recreation Development Matching Grant Program (\$2.0 million):** Provides matching grants, for up to 80.0 percent of project costs, to municipalities for the acquisition, development, or rehabilitation of local recreational facilities.
 - **Roger Williams Park and Zoo (\$12.0 million):** Provides funds for the construction of a state-of-the-art-carbon-neutral education center at the Roger Williams Park Zoo.

ARTICLE 6: RELATING TO TAXATION AND REVENUE

This article modifies certain tax credits, provides several income tax modifications, accelerates the motor vehicle excise tax phase-out, and makes various other revenue changes.

Personal Income and Business Taxes

- **Military Service Pension Income:** The article exempts the entire amount of a military pension from taxable income for purposes of state personal income tax, beginning in Tax Year 2023. The change results in \$3.3 million less in general revenue in FY2023 and \$6.5 million in FY2024.
- **Retirement Income Modification:** The article increases the amount of a taxpayer's retirement income that is exempted from state personal income tax from the first \$15,000 to \$20,000. Under current law, individuals who have reached full social security retirement age and whose adjusted gross income (AGI) is \$80,000 or less, and for joint filers whose AGI is \$100,000 a year or less are qualified for the exemption on income derived from private pension plans; federal, state, and local government

retirement plans; and military plans. It is estimated that revenue would be reduced by \$1.6 million in FY2023 and \$4.2 million in FY2024.

- **Property Tax Circuit Breaker:** The article modifies the State’s Property Tax Relief Credit (PTRC) program. The program, also known as the Property Tax “Circuit Breaker”, provides relief to elderly and disabled persons who own or rent their homes, through a modification to their personal income tax.

Currently, taxpayers with incomes up to 175.0 percent of the federal poverty level (FPL) are allowed a \$300 (maximum). A claimant is entitled to a credit against his or her tax liability equal to the amount by which the property taxes accrued, or rent constituting property taxes accrued, upon the claimant's homestead for the taxable year exceeds a certain percentage of the claimant's total household income for that taxable year. The allowable percentage is currently based upon income level and household size, computed in accordance with the following table:

Income Range	2 or More	
	1 Person	Persons
Less than \$6,000	3.0%	3.0%
\$6,000 - \$9,000	4.0%	4.0%
\$9,001 - \$12,000	5.0%	5.0%
\$12,001 - \$15,000	6.0%	5.0%
\$15,001 - \$30,000	6.0%	6.0%

The article increases the maximum amount of the credit to \$600 beginning July 2022, and would adjust it every subsequent July by the Consumer Price Index for Urban Consumers (CPI-U). The article also expands the upper income range by \$5,000 as shown in the following table:

Income Range	2 or More	
	1 Person	Persons
Less than \$6,000	3.0%	3.0%
\$6,000 - \$9,000	4.0%	4.0%
\$9,001 - \$12,000	5.0%	5.0%
\$12,001 - \$15,000	6.0%	5.0%
\$15,001 - \$35,000	6.0%	6.0%

These changes reduce personal income tax revenue in FY2023 by \$3.8 million.

- **Child Tax Rebate:** The article authorizes a \$250 per child personal income tax rebate program. Qualifying taxpayers are limited to single-filer households and with federal adjusted income (AGI) for Tax Year 2021(TY2021) of \$100,000, or less, and joint-filer households with an AGI for TY2021 of \$200,000, or less. The number of rebates per household is capped at three, or a total of \$750. Qualifying taxpayers must reside in Rhode Island and a child is considered an individual who has not reached 19 years of age as of December 31, 2021. The rebate amount shall be determined by the Division of Taxation (Taxation) based on the qualifying taxpayer’s return filed for TY2021. Taxation will administer the program and rebates will be made directly to taxpayers via check. Taxpayers must file returns by August 31, 2022, to be eligible. It is expected that rebates will be made available in October, 2022.

Child Tax Rebate Program	
Rebate per Child	\$250
Max Rebate	\$750
Eligible Income - Single Filer:	up to \$100,000
Eligible Income - Joint Filer:	up to \$200,000
Applicable Tax Years	TY2021 only
If filed by 8/31/21/Rebate Received	Oct-22
Must be RI Resident	-

- **Penalty Interest Rate Reduction:** The article reduces the penalty interest rate for the delinquent payment of non-trust fund taxes from 18.0 percent to 12.0 percent. Trust fund taxes are considered

those that are collected on behalf of the State by an entity, but are owed by a taxpayer other than the entity (e.g. the state sales tax is collected and remitted by a business but is paid by the purchasing customer). Non-trust fund taxes are owned and remitted directly by the taxpayer to Taxation. The change is estimated to reduce general revenue by \$2.5 million in FY2023.

- **Electronic Filing:** The article requires “larger business registrants” to file returns and remit taxes to the State electronically beginning January 1, 2023. Larger business registrants are those taxpayers that operate a business whose combined annual liability for all taxes is \$5,000 or whose annual gross income is over \$100,000 for the entity. Failure to comply results in a penalty of 5.0 percent of the tax liability amount or \$500, whichever is less and an additional \$50 in tax liability.

Sales and Excise Taxes

- **Sales Tax Exemptions:** The article provides two new exemptions to the State’s 7.0 percent sales tax – certain funeral items (burial containers, urn liners, urn vaults, grave liners, grave vaults, burial tent setups, and prayer cards) and breast pumps (pumps, breast pump collection, storage supplies, and replacement parts). These are estimated to reduce sales tax revenue in FY2023 by \$184,112. The new exemptions would take effect on October 1, 2022.
- **Tangible Tax Changes:** The article enables all municipalities and fire districts to provide exemptions to tangible property taxes. It provides the Department of Revenue’s Division of Municipal Finance the authority to grant exemptions to a municipality that becomes out-of-compliance with its applicable tax classification structure. It also provides a tangible tax rate cap to prevent a jurisdiction from increasing the tangible tax rate at the same time exemptions are provided.
- **Motor Vehicle Excise Tax:** The article advances the motor vehicle excise tax phase-out by one year in FY2023. All municipalities that began the phase-out in the first year would now have completed the phase-out and would not issue tax bills in FY2023. The Budget includes \$63.9 million more in general revenue expenditures in FY2023 to pay for the additional costs.

Departmental Receipts

- **Hospital License Fee:** The hospital license fee is a provider tax which the State levies on hospitals. It is capped by the federal government at 6.0 percent and requires annual legislative action in order for it to continue. It is calculated as a percent of gross patient services revenues, which include revenues from patient care activity but exclude revenues from non-patient activity such as research, academic activity, or investment earnings. Hospitals pay the fee in a single payment each July. The article sets the rate for FY2022 at 5.656 percent and the rate for FY2023 at 5.42 percent.
- **License Plate Reissuance Fee Exemption.** The Division of Motor Vehicles (DMV) is required to issue new reflective license plates for all registered vehicles every ten years in order to reduce fraud, improve public safety and law enforcement, and to generate revenue. The reissuance is statutorily-required to take place on July 1, 2022, with each set of plates requiring an \$8.00 fee. The article waives this fee for this reissuance cycle only, effectively making the reissuance free for all registered vehicles. The total cost over a two-year period is \$6.1 million.

Lottery

- **Lottery Ticket Payout:** Sales of lottery tickets are deposited into the State Lottery Fund and prizes for winning tickets are paid out of it. There are different payouts possibilities depending upon which lottery ticket game is played. The payouts, however, are limited to a range of 45.0 to 65.0 percent of the total revenue from ticket sales. The article increases the upper limit of the range to 71.0 percent. According to the Lottery, games with higher payouts cost more to play but are more popular lower price games. Raising the upper limit allows for expansion of higher payout options. It is estimated that the associated

increase in sales will offset the higher payouts. Based on this change, the net new revenue transferred to the general fund from the State Lottery is estimated to be \$488,985 in FY2023.

ARTICLE 7: RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY2022

This article makes appropriations for general revenues, federal, restricted, and other funds, and authorizes FTE levels for each agency and department. Article 1 also makes the following changes:

- Sets the airport impact aid formula at \$1.0 million.
- Authorizes 15,317.9 FTE positions reflecting a decrease of 2.6 FTE positions as compared to the authorized level proposed by the Governor.
- Details Community Service Objective (CSO) grant funding recipients and amounts.
- Requires that all unexpended or unencumbered balances relating to the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island, be reappropriated to FY2023. In addition, the Office of the Postsecondary Commissioner shall provide \$6.0 million be allocated to the Rhode Island Promise Scholarship program, \$9.6 million shall be allocated to the Last Dollar Scholarship program, and \$147,000 to support the State's membership in the New England Board of Higher Education.
- Caps the amount the Judiciary may charge five state agencies (Public Defender's Office, Office of the Attorney General, Department of Corrections, DCYF, and Department of Public Safety) for public courthouse occupancy costs at \$1.4 million. It requires Judiciary to provide \$230,000 to the Rhode Island Coalition Against Domestic Violence for domestic abuse court advocacy and requires \$90,000 be provided to the Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- Requires that all unexpended or unencumbered balances relating to the State Fiscal Recovery Fund and Capital Projects Fund be reappropriated to FY2023 and made available for the same purposes.

ARTICLE 8: RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND OPERATING SPACE

This article reports new lease or rental provisions as required by RIGL 37-6-2(d), which requires legislative approval of State lease or rental agreements that meet certain conditions.

Executive Office of Commerce – 555 Valley Street, Providence

The Article authorizes the Executive Office of Commerce (EOC) to renew a lease agreement with Foundry ALCO Members, LLC for a five-year period, for a 2,983 square foot office space located at 555 Valley Street in Providence. The State currently holds a lease agreement with Foundry ALCO Members, LLC, which expires June 30, 2022. The current annual lease cost is \$71,234. The article provides that aggregate rent for a five-year lease term in the lease agreement will be no greater than \$382,833. The lease is included in the authorization because the value of the lease, inclusive of extensions, exceeds the \$500,000 threshold outlined in RIGL 37-6-29(d).

Department of Corrections – 49 Pavilion Avenue, Providence

The Department of Corrections (DOC) currently leases 5,086 square feet of office space at 49 Pavilion Avenue in Providence. This lease expires on January 31, 2023. This article authorizes the DOC to advertise a Request for Proposals seeking approximately 5,000 square feet of office space in Providence, allowing them to relocate from their current office space. The article provides the aggregate rent for a ten-year lease term not to exceed 1.1 million, with an annual rent not to exceed \$110,000. The current annual lease cost of the space at 49 Pavilion Avenue is \$108,690.

University of Rhode Island (URI) – Communicative Disorders Program Lease Renewal

The article renews the lease with the Independence Square Foundation for 4,300 square feet of space located in Building II at 25 West Independence Way on the Kingston Campus of URI. The renewal will commence on February 1, 2023, and terminate on January 31, 2034. The lease payments will not exceed \$758,692 plus the proportionate share of building operating expenses, over the term of the renewal. The students and faculty associated with the Communicative Disorders Program have benefited from the quality, accessible, and well-maintained facilities for the duration of the lease executed on May 24, 2002, and terminating on January 31, 2023.

University of Rhode Island (URI) –Physical Therapy Program Lease Renewal

The article renews the lease with the Independence Square Foundation for 16,400 square feet of space located in Building II at 25 West Independence Way on the Kingston Campus of URI. The renewal will commence on March 1, 2023, and terminate on January 31, 2034. The lease payments will not exceed \$2,871,695 plus the proportionate share of building operating expenses, over the term of the renewal. The students and faculty associated with the Physical Therapy Program have benefited from the quality, accessible, and well-maintained facilities for the duration of the lease executed on February 1, 2014, and terminating on February 28, 2023.

ARTICLE 9: RELATING TO ECONOMIC DEVELOPMENT

Article 9 reauthorizes State economic development incentives, expands the program cap limit on the Motion Picture Production Tax Credit, and expands the Stay Invested in RI Wavemaker Fellowship program to specifically include healthcare and mental health professionals. It also establishes an administrative framework for broadband infrastructure investment and expands cottage food business in the State.

- **Cottage Food Manufacture:** The article establishes a statutory and regulatory framework authorizing and supporting the preparation and retail sale of certain food goods from a residential or leased commercial kitchen. The framework includes registration requirements with the Department of Health (DOH) along with a new \$65 annual registration fee. The Budget includes \$177,730 to support 2.0 DOH FTE positions to support the new framework. Fees are estimated to generate \$12,610 annually.
- **Motion Picture Production Tax Credit:** Rhode Island offers a tax credit to motion picture and theatrical production companies equal to 30.0 percent of qualified production costs attributable to expenditures from to activity within the State. The article increases the aggregate limit on the value of annually-issued tax credits from \$20.0 million to up to \$40.0 million for tax years 2023 and 2024. It also modifies the definition of “pre-Broadway production” by extending the timeframe between when a live stage production is performed in Rhode Island and when it is performed in New York from 12 months to 36 months.
- **Reauthorization of Economic Development Incentive Programs:** Extends the sunset provisions on economic development incentive programs from December 31, 2022, to December 31, 2023.
- **Reauthorization of the HPTC program:** The article reauthorizes the 2013 Historic Preservation Tax Credit (HPTC) program for another year, to June 30, 2023. The Budget also provides \$28.0 million that will potentially assist the next 10 projects in the HPTC queue.
- **Wavemaker Fellowship Program:** The Wavemaker Fellowship is a competitive student loan reimbursement program for college and university graduates who take employment in science, technology, engineering, and mathematics (STEM) fields in Rhode Island. Article 9 of the Governor’s Budget amends the program in a manner that makes the reimbursement available to approved healthcare practitioners and mental health professionals, including but not limited to clinical social workers and mental health counselors. A committee, to be established by the Commerce Corporation in consultation with the Executive Office of Health and Human Services, is charged with determined what type of

professions will be eligible. A typical Wavemaker cohort of 100 fellows costs approximately \$800,000. Total appropriations for the program in FY2023 are \$3.2 million, which includes \$1.6 million for STEM/design fellows, \$800,000 for healthcare practitioner fellows, and \$800,000 for mental health professionals.

- **Broadband and Digital Equity Initiatives:** The article establishes a new statewide Broadband Infrastructure Investment program administered by the Executive Office of Commerce. It provides for a Broadband director within the EOC responsible for implementing and overseeing the State’s various broadband efforts, including a strategic plan. It also establishes a broadband advisory council with nine members with the Broadband director serving ex-officio and as chair. Two members are appointed by the President of the Senate and two by the Speaker of the House of Representatives. The League of Cities and Towns, RI Emergency Management Agency, the Boys and Girls Club, the RI Infrastructure Bank, RI Chamber of Commerce, and underserved communities each have representation on the council. The Council is to report to the General Assembly each quarter, providing updates on initiatives and spending levels and obligations.

One member shall be appointed in “consultation” with the Speaker of the House and one shall be appointed in “consultation” with the President of the Senate. Consultation is not further defined. The committee is charged with advising the Governor on broadband implementation and planning. The Budget includes \$15.4 million in federal ARPA capital project funds in FY2023 for grants supporting last mile broadband development.

ARTICLE 10: RELATED TO EDUCATION

This article makes multiple adjustments to the education funding formula, the school construction formula, early childhood education, and the Rhode Island Promise Scholarship program.

Education Aid

In an effort to address enrollment declines resulting from the coronavirus, the article provides, that for FY2023, the funding formula will be calculated using the highest resident average daily membership from either Mach 2020, 2021, or 2022, adjusted for charter school enrollment. The Student Success Factor is based on the highest percentage of students living in poverty from either of the three years. In addition, the calculation is based on the FY2022 state share ratio, instead of the FY2023. These shares were corrected for a data error that impacted the original FY2022 aid distribution.

In reviewing the data for the FY2022 education aid distribution, errors were found in the data from Cumberland, West Warwick, Foster, and North Kingstown. Since the index is based on relative community wealth, the errors, once corrected, impacted the distribution of aid to numerous districts by varying degrees, resulting in an increase to some and a decrease to others. Article 10 amends current law to allow for those districts that were underpaid in FY2022 to receive the realignment in FY2022.

School Construction Share Ratio

The article extends the deadlines for districts to qualify for the increased share ratio bonuses for projects that address health and safety issues, and education enhancements by one year, allowing projects to commence by December 30, 2023, and complete by December 30, 2028. These new deadlines are instead of commencing by December 30, 2022, and completing by December 30, 2027, as provided in current law..

Poverty Measure

The article requires the Department of Elementary and Secondary Education to develop and utilize a poverty indicator that accurately measures poverty status but does not rely on the administration of the school nutrition programs, by October 1, 2022.

Early Childhood Workforce Development

The article requires the Governor's Workforce Board to convene a working group to identify barriers to entry into the early childhood education workforce, and to design pathways into the workforce, by January 1, 2023. The working group is required to make recommendations for addressing such barriers, including necessary administrative and legislative actions, to the General Assembly by April 1, 2023.

Prekindergarten Education

Pursuant to the article, the Department of Elementary and Secondary Education must submit an annual growth plan for the prekindergarten program to the Governor and General Assembly by December 31, 2022. This plan will address how to expand the state prekindergarten program to 5,000 seats for three- and four-year olds over five years beginning in FY2024. The program currently enrolls 2,364 four-year-olds. The growth must also provide annual targets and projecting funding needs.

The article further requires the Department of Human Services to provide the Speaker of the House and the President of the Senate with a status report on the disbursement and impact of the \$15.0 million in capital funds provided through the Early Childhood Care and Education Capital Fund general obligation bond.

Early Childhood Governance Working Group

The article provides for the creation of an Early Childhood Governance Working Group tasked with submitting a report to the Governor and General Assembly, by October 1, 2023, with recommendations addressing the coordination and administration of an early childhood program.

Rhode Island Promise Scholarship Program

Pursuant to the article, grants received by students from the College Crusade will no longer be considered federal or financial aid for the purposes of the last dollar scholarship program.

ARTICLE 11: RELATING TO COURTS AND STATE HOSPITALS

Article 11 pertains to the Mental Health Court Pilot Program as well as rules and regulations for Eleanor Slater Hospital and the newly established Rhode Island State Psychiatric Hospital.

Mental Health Court Pilot

Article 11 establishes the creation of a voluntary mental health treatment calendar to better address the needs of individuals who suffer from mental illness and are charged with a misdemeanor. The District Court, consisting of a chief judge and fourteen associate judges, will provide the tools and skills necessary to address the unique challenges of individuals with mental illness who are charged with a crime. Any individual who is charged in a district court with one or more misdemeanors, suffers from a mental, behavioral, or emotional disorder resulting in serious impairment, and is determined by the court to be an appropriate candidate will be able to participate in this program.

Rhode Island Psychiatric Hospital

Article 11 also provides the statutory language necessary to establish a separately-licensed psychiatric facility within BHDDH, the Rhode Island State Psychiatric Hospital. The language authorizes BHDDH to operate the new psychiatric hospital and authorizes the Director of BHDDH, or a designee, to establish rules and regulations to govern the new facility. The article would allow for the state to transfer the care of psychiatric and forensic patients from Eleanor Slater Hospital to the proposed Rhode Island Psychiatric Hospital, and outlines rules and regulations for processes of admission, certification, competency, discharge, transfer, and payment for both facilities.

ARTICLE 12: RELATING TO MEDICAL ASSISTANCE

This article modifies the financing and delivery of the medical assistance (Medicaid) program. The article also includes a joint resolution authorizing the Executive Office of Health and Human Services (EOHHS)

to undertake various reforms within the Medicaid program that require amendments to the State's 1115 waiver, Medicaid State Plan, rules and regulations, or managed care contracts. Specifically, the article:

- Allows the State to send National Fingerprint Background Checks to the FBI for high-risk providers and personal care attendants to ensure the safety of Medicaid beneficiaries receiving services at home.
- Increases hospital rates for Medicaid services to 105.0 percent of those in effect in FY2022, and for each subsequent fiscal year the rate shall be, based on the previous year's rate, adjusted by the Center for Medicaid Services national Outpatient Prospective Payment System (OPPS) Hospital Input Price Index.
- Authorizes the disbursement of Disproportionate Share Hospital (DSH) payments for uncompensated care to community hospitals, excluding the State-run Eleanor Slater Hospital, in federal fiscal years (FFY) 2022 and 2023.
- Authorizes EOHHS to submit a state plan amendment to establish Certified Community Behavior Health Clinics. Subject to approval from the Centers for Medicare and Medicaid Services (CMS), the model shall be established by July 1, 2023.
- Authorizes an additional 1.1 percent rate increase to nursing facilities, effective October 1, 2022, for a total inflationary increase of 3.0 percent. Beginning in October 2024, EOHHS shall revise rates as necessary based on increases in direct and indirect costs based on the most recent finalized year of facility cost report.
- Extends Medicaid coverage for pregnant individuals from 60 days to 12 months postpartum and expands coverage to include individuals who would otherwise be eligible if not for their immigration status.
- Expands Medicaid coverage to children who would otherwise be eligible if not for their immigration status.
- Requires the Office of the Health Insurance Commissioner (OHIC) to undertake a comprehensive rate review of all social and human service programs having a contract or license with the State through the Department of Children, Youth and Families (DCYF), the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH), the Department of Human Services (DHS), the Department of Health (DOH), and Medicaid.
- Authorizes EOHHS to seek CMS approval to provide cultural and therapeutic meals, and to increase the rate paid for Meals on Wheels services.
- Authorizes EOHHS to establish an auto-enrollment program in conjunction with Healthsource RI, which would automatically enroll individuals into a qualified health plan when they lose Medicaid coverage due to the expiration of the public health emergency.
- Extends Home and Community Care Services for individuals who are ineligible for Medicaid, at least 65 years of age, and individuals under 65 with a diagnosis of Alzheimer's disease or related dementia whose income does not exceed 250.0 percent of the federal poverty level.
- Authorizes EOHHS to increase:
 - Dental rates for Adults
 - Pediatric provider rates to be equal to Medicare primary care rates
 - Early Intervention rates by 45.0 percent
 - Hospital Rates by 5.0 percent
 - Labor and delivery rates by 5.0 percent, with an additional 20.0 percent increase for managed care

- Increase Home-based Services rates to ensure a minimum of \$15 per hour for direct care workers

ARTICLE 13: RELATING TO HUMAN SERVICES

This article makes a number of changes to the Department of Human Services. Specifically the article:

- Amends the child care reimbursement rates for licensed child care centers providing care for infants/toddlers, preschool-aged, and school-aged children. Rates for first tier providers increase to the 50th percentile while rates for top tier providers increase to the 80th percentile. The Budget includes \$8.3 million total in general revenue to support the increased child care reimbursement rates.
- Amends the Child Care Assistance program to increase the income limit for eligible families from 180.0 percent to 200.0 percent of the Federal Poverty Level (FPL) and removes the sunset provision, which would have ended this expansion on June 30, 2022. The Budget includes an additional \$2.7 million in General Revenue for Childcare Assistance and an additional \$375,000 in TANF Block Grant funds to remove the sunset provision.
- Amends the Income section of the RI Works program to increase the resource limit for eligible families from \$1,000 to \$5,000. The Budget includes \$100,000 in TANF funds to support this increase. The Office of Management and Budget anticipates an additional 23 cases would receive RI Works benefits.
- Amends the RI Works earned income disregard by increasing the monthly earned income disregard from \$170 to \$300. The Budget includes \$150,000 in TANF funds to support this increase. The Office of Management and Budget anticipates an additional 60 cases would receive RI Works benefits.
- Amends the work requirements for RI Works to allow recipients to participate in vocational education training at the Community College of Rhode Island for an additional twelve months.
- Establishes a new SNAP incentive pilot program where SNAP recipients are reimbursed fifty cents (\$.50) for every one dollar (\$1.00) spent on eligible fruits and vegetables. The Budget has allocated \$11.5 million in general revenue. This program will take effect on January 1, 2023, and operate until the appropriated funds are expended. Of the funding, \$10.0 million is for benefits, and \$1.5 million is for administration and technology development.

ARTICLE 14 - RELATING TO EFFECTIVE DATE

This article provides that the Act will take effect on July 1, 2022, except as otherwise provided herein.

Senate Fiscal Office

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Administration
Board of Elections
Commission on Disabilities
Convention Center Authority
Ethics Commission
General Treasurer
Governor
Historic Preservation and Heritage Commission
Human Rights Commission
I-195 Redevelopment Commission
Lieutenant Governor
Military Staff
Public Defender
Public Utilities Commission
Quonset Development Corporation
RI Emergency Management Agency
Secretary of State

Kelly M. Carpenter
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Arts Council
Atomic Energy Commission
Coastal Resources Management Council
Elementary and Secondary Education
Environmental Management
Executive Office of Health and Human Services
Health & Educational Building Corporation
Higher Education
Judiciary
Narragansett Bay Commission
Resource Recovery Corporation
RI Infrastructure Bank
Student Loan Authority

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Business Regulation
Commission on Deaf and Hard of Hearing
Health
HealthSource RI
Human Services

David Tremblay
Deputy Senate Fiscal Advisor

Executive Office of Commerce
Legislature
Public Safety
Revenue
RI Commerce Corporation
RIHMFC (RI Housing)

Emmery Brakke
Legislative Fiscal Analyst I

Behavioral Healthcare, Developmental
Disabilities, and Hospitals
Children, Youth, and Families
Child Advocate
Mental Health Advocate

Attorney General
Corrections
Labor and Training
RI Airport Corporation
RI Public Transit Authority
RI Turnpike & Bridge Authority
Transportation