



SENATE FISCAL OFFICE
REPORT

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

2026-H-7127 AND 2026-H-7126

FIRST LOOK

JANUARY 20, 2026

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Overview

The Governor's FY2027 Budget recommendation totals \$5,954.7 million in general revenue; \$145.4 million greater than the FY2026 Budget as Enacted. The recommendation includes \$14,859.0 million in all funds; an increase of \$522.6 million from the FY2025 Budget as Enacted.

Expenditures by Source	FY2025 Unaudited	FY2026 Enacted	FY2026 Governor	Change to Enacted	FY2027 Governor	Change to Enacted
General Revenue	\$5,534.3	\$5,809.4	\$5,825.0	\$15.6	\$5,954.7	\$145.4
Federal Funds	5,045.2	5,108.5	5,508.9	400.4	5,506.0	397.5
Restricted Receipts	365.6	458.5	557.1	98.5	459.8	1.3
Other Funds	2,603.9	2,960.0	3,277.1	317.1	2,938.5	(21.5)
Total	\$13,548.9	\$14,336.4	\$15,168.1	\$831.7	\$14,859.0	\$522.6

Expenditures by Function	FY2025 Unaudited	FY2026 Enacted	FY2026 Governor	Change to Enacted	FY2027 Governor	Change to Enacted
General Government	\$2,259.3	\$2,301.5	\$2,679.7	\$378.2	\$2,346.8	\$45.3
Human Services	6,063.9	6,476.6	6,509.9	33.4	6,654.4	177.9
Education	3,448.5	3,616.8	3,636.7	20.0	3,654.3	37.6
Public Safety	776.7	879.5	960.6	81.1	883.7	4.2
Natural Resources	140.2	179.3	178.8	(0.5)	185.1	5.8
Transportation	860.5	882.8	1,202.3	319.5	1,134.8	252.0
Total	\$13,548.9	\$14,336.4	\$15,168.1	\$831.7	\$14,859.0	\$522.6

FTE Authorization*	15,772.8	15,921.8	15,937.8	16.0	16,001.8	80.0
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\$ in millions. Totals may vary due to rounding.

* The Governor recommends the elimination of the FTE cap for the University of Rhode Island. The numbers above included the FY2026 enacted amount of FTE for URI for both the FY2026 revised budget and FY2027. Removing those 2,671 positions results in a proposed FTE cap of 13,331 for FY2027.

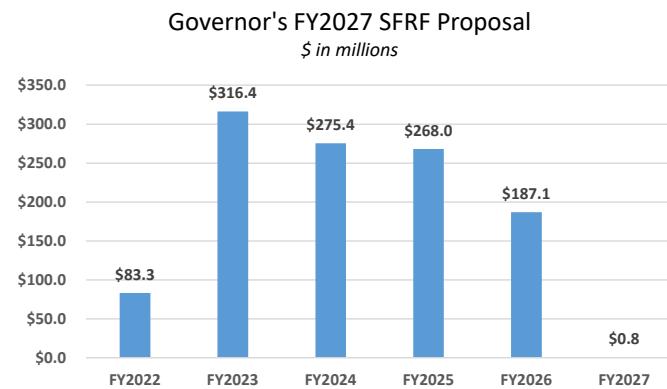
The Governor submitted two budget bills this year: the FY2027 proposal and a distinct FY2026 Supplemental Budget. The Governor's proposal for the current year (FY2026) increases the estimated year-end surplus from \$1.0 million, to \$96.2 million. The increased is driven by a higher opening surplus, significant reappropriations, and increased revenue estimates.

The FY2027 Budget is \$522.6 million more than the FY2026 Budget as Enacted. Significant drivers of the increase include growth in health and human services spending, including Medicaid, increased education aid, and state employee contracts.

ARPA STATE FISCAL RECOVERY FUNDS

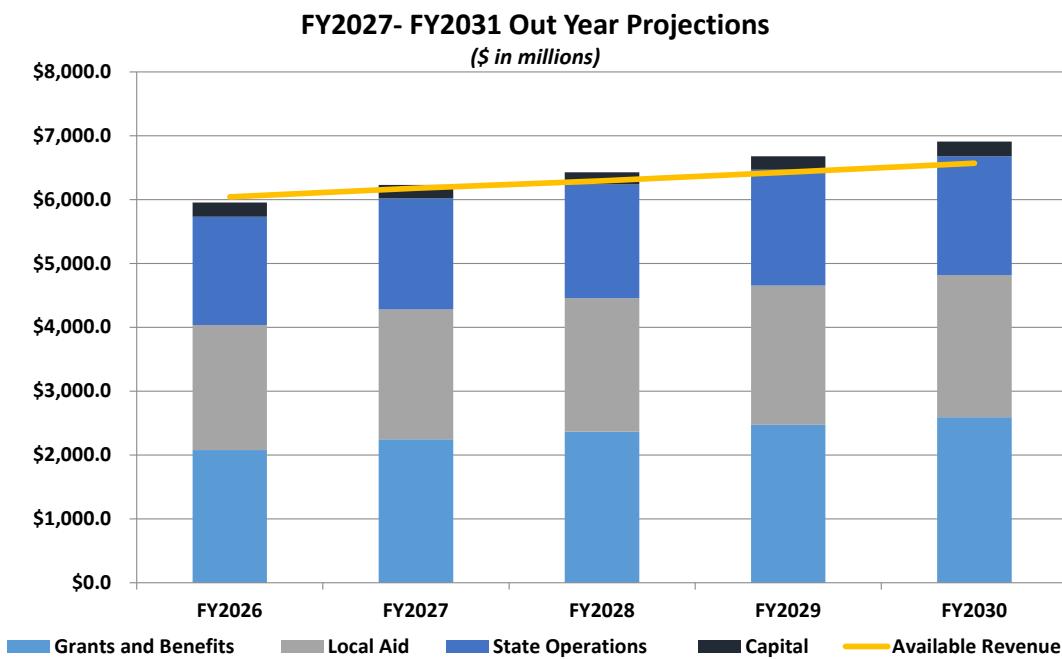
The Governor's budget appropriates \$187.1 million in FY2026 and the final \$821,564 in FY2027, for total SFRF spending and appropriations of \$1,131.1 million in FY2022 through FY2027. In FY2026, \$185.3 million (99 percent) of the Governor's recommendation are funds reappropriated for the same purposes from FY2025.

This represents the entirety of the State's federal allocation. The appendix has a table of all SFRF projects and funding by fiscal year.

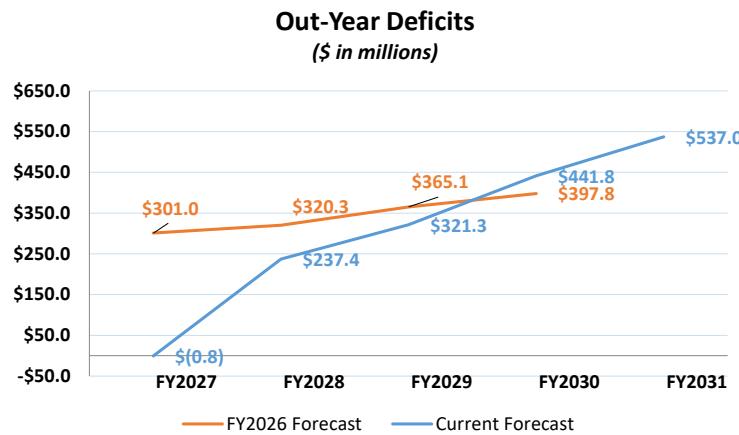


FIVE-YEAR FORECAST

The Budget projects out-year deficits increasing from \$237.4 million in FY2028 to \$537.0 million in FY2031 (7.8 percent of spending). Projected average annual revenue growth of 2.4 percent, coupled with a projected average annual increase in expenditures of 3.5 percent, creates the State's projected deficit. Actual out-year performance could vary significantly if growth rates used for both revenue and expenditure forecasts are inaccurate.



Out-year deficit projections vary from what was forecast one year ago. Near term (FY2028 and FY2029) have reduced outyear deficits, however, FY2030 and FY2031 show significant increases. Major drivers of the longer-term deficits include anticipated impacts from federal fund reductions and impacts from H.R. 1, as well as future phases of several tax proposals included in the Governor's budget. The two largest components of the budget—social service grants and benefits, and education aid—are also projected to increase at rates greater than projected revenue increases.

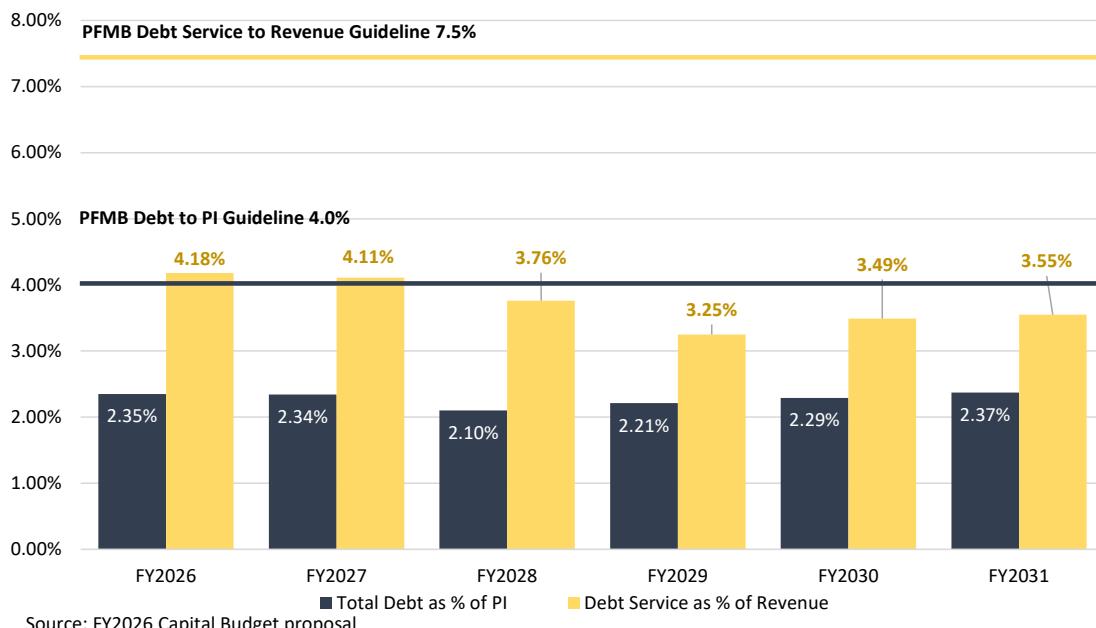


TAX-SUPPORTED DEBT

The Public Finance Management Board (PFMB) provides advice and assistance to all state departments, authorities, agencies, boards, commissions, and public and quasi-public corporations having authority to issue revenue or general obligation bonds or notes.

The PFMB issues guidelines to monitor state debt: tax-supported debt should not exceed 4.0 percent of total personal income for Rhode Islanders, and debt service on tax-supported debt should not exceed 7.5 percent of state general revenue. Over the next five years, the State is projected to remain below the PMFB guidelines as it relates to debt as a percentage of personal income (PI); additionally, it is anticipated to remain below the PMFB debt service as a percentage of general revenue threshold of 7.5 percent.

The following chart shows current and projected debt service metrics from FY2026 through FY2031. It is probable that these figures will change as projects and issuance timelines are adjusted.



RAINY DAY FUND

In 1990, the Budget Reserve and Cash Stabilization Account, or Rainy Day Fund, was created to establish a fiscal cushion for the State when actual revenues received are less than State expenditures (deficit). The account is funded by limiting annual State general revenue appropriations to a percentage (currently 97.0 percent) of available revenues. Excess funds are deposited into the Rainy Day Fund. The spending limitation, Rainy Day Fund, and the disposition of excess funds are governed by provisions in the RI Constitution and General Laws.

RIGL 35-3-20 institutes a cap on the balance of the Rainy Day Fund, which gradually increased between FY2007 and FY2013. Since FY2013, the balance of the Fund has been capped at 5.0 percent of general revenues. When the limit is reached, excess funds are transferred to the Rhode Island Capital Plan (RICAP) fund for capital improvement projects.

FY2020 closed with \$90.7 million in the Rainy Day Fund. In FY2020, the State used \$120.0 million from the fund to balance the budget. Rhode Island General Law requires that the repayment be made to the Rhode Island Capital Plan fund in the following fiscal year. The FY2021 Supplemental Budget included a \$120.0 million repayment to the RICAP fund.

The Governor's proposal projects a Rainy Day Fund balance of \$303.2 million at the end of FY2026, increasing to \$307.0 million in FY2027. Of note, these balances do not reflect funds in the State Supplemental Budget Reserve Account, discussed below.

Supplemental Budget Reserve Account: The Governor and General Assembly created a supplementary budget reserve fund in FY2024, with the potential to later amend the state constitution to increase the 5.0 percent revenue cap on the existing fund balance. As part of the FY2024 appropriations act, the State transferred \$55.0 million in surplus funding by July 14, 2023, into a "State Supplemental Budget Reserve Account". Expenditures from the supplemental account are subject to the same limitations as the existing Rainy Day Fund, and deposits are subject to appropriation.

In the FY2024 Budget as Enacted, the General Assembly added language to direct one-half of any year-end revenue surplus to the Supplemental Budget Reserve Account. Despite ending multiple years with balances that would have been transferred to the supplemental reserve, the law has been suspended each time to forego the transfer and use the revenues for other purposes.

GENERAL REVENUE SURPLUS STATEMENT

	FY2024 Audited	FY2025 Preliminary Audit	FY2026 Enacted	FY2026 Governor	FY2027 Governor
Opening Surplus					
Free Surplus	\$412,262,973	\$326,355,037	\$230,213,058	\$241,634,407	\$96,181,104
Adjustment to Opening Surplus	\$23,811,475	\$703,083			
Reappropriated Surplus	45,152,130	34,569,423		38,796,839	
Subtotal	\$481,226,578	\$361,627,543	\$230,213,058	\$280,431,246	\$96,181,104
Total Revenues					
To Cash Stabilization Fund	(175,124,919)	(178,800,524)	(179,903,885)	(181,936,032)	(184,190,037)
From Cash Stabilization Fund					
Total Available Resources	\$5,724,805,500	\$5,794,839,460	\$5,816,892,267	\$5,921,395,214	\$5,955,477,873
Total Expenditures	5,236,111,578	5,535,537,980	5,809,363,121	5,825,010,910	5,954,722,537
Total Surplus	488,693,922	259,301,480	7,529,146	96,384,304	755,336
Intrafund Transfers to restricted receipts	(91,000,000)	(520,212)	(6,500,000)	(203,200)	
Transfer to Retirement System	(21,649,978)				
Transfer to Supp. State Budget Reserve Fund	(21,649,978)				
Repeal of surplus transfer to Supp. State Budget Reserve Fund					
Budget Reserve Fund	6,530,494	21,649,978			
Reappropriations	(34,569,423)	(38,796,839)			
Free Surplus	\$326,355,037	\$241,634,407	\$1,029,146	\$96,181,104	\$755,336
Rainy Day Fund	\$291,874,865	\$298,000,873	\$299,839,808	\$303,226,720	\$306,983,395

Revenue Changes

The Governor's FY2027 Budget increases net general revenue collections by an estimated \$336.9 million over November 2025's FY2027 revenue estimate. New revenue initiatives include a new personal income tax bracket for taxpayers with annual income of over one million dollars, the phase out on the taxation of social security income, a new refundable child tax credit, a cigarette tax increase, decoupling from certain federal income tax rules, and the reauthorization of the hospital license fee.

Governor's Recommended General Revenue Initiatives	
Hospital and Medicaid Initiatives	\$232.4
New Personal Income Tax Bracket	67.1
Tax Amnesty	26.3
Decoupling from Federal R&D Expensing Rules	22.6
Refundable Child Tax Credit	(14.7)
Cigarette and Other Tobacco Initiatives	8.0
Social Security Income Exemption	(3.0)
Utility Ratepayer Savings	(2.3)
Pawtucket TIF Debt Service Rescheduling	0.5
Total	\$336.9

\$ in millions

Totals may vary due to rounding.

Hospital and Medicaid Initiatives

\$232.4 million

The Governor recommends a net \$232.4 million increase related to revenue changes associated with certain EOHS initiatives. The revenue is almost entirely attributable to the reenactment of the Hospital License Fee, which by law is enacted annually. These initiatives and their impact are summarized in the table below. Details on these proposals are elaborated on in the agency expenditure and article sections of this report.

Hospital and Medicaid Initiatives - Fiscal Impact

Initiative	Fiscal Impact
Hospital License Fee	\$232,549,633
OHIC Rate Increase	517,651
GLP-1 Coverage Removal	(405,888)
Nursing Home Rate Reduction	(192,248)
Federally Qualified Health Center Rate Reduction	(58,899)
Substance Abuse Residential Services Rate Freeze	(30,336)
Inpatient/Outpatient Hospital Rate Reduction	(7,267)
Total	\$232,372,646

New Personal Income Tax Bracket

\$67.1 million

The Governor recommends a fourth personal income tax bracket beginning tax year 2027 that taxes income over \$1.0 million at a rate of 8.99 percent. The current uniform personal income tax brackets for tax year 2026 are:

For Tax Year 2026	
Income Between...	Is Taxed at...
\$0 and \$82,050	3.75%
\$82,050 and \$186,450	4.75%
\$186,450 and above	5.99%

According to budget documents, Rhode Island taxpayers with federally adjusted gross income (AGI) of \$1.0 million or more in tax year 2022 (most recent full data set) represented 0.3 percent taxpayers and 12.5 percent of all AGI.

The proposal is estimated to generate an additional \$67.1 million in FY2027 and grow to \$135.3 million in FY2028. The Office of Revenue Analysis (ORA) notes in budget documents that there is considerable debate around taxpayer behavior when personal income tax policy is changed. This is particularly true around tax increases and taxpayers' efforts to reduce their tax liabilities through relocation, shifting income, etc. ORA therefore approached its fiscal impact estimate conservatively, using an "elasticity of income" (ETI) calculation that considers a 1.0 percent increase in the tax rate producing an overall income reduction of 1.0 percent.

Tax Amnesty **\$26.3 million**

The Governor recommends a tax amnesty program for a 75-day period ending February 15, 2027. Under the program, civil, and criminal penalties for non-compliance with state tax laws would be forgiven, and interest owed will be reduced by 25.0 percent. It is estimated that \$26.3 million of additional one-time revenue collections would result from the amnesty period.

The State implemented tax amnesty programs in FY2018, FY2013, and FY2007. The Office of Revenue Analysis (ORA) used collections data from those previous amnesty periods that were used to develop the FY2027 fiscal impact.

Tax Amnesty Fiscal Impact	
Tax Type	Fiscal Impact
Personal Income	\$8,797,480
Departmental Receipts	8,053,306
Sales and Excise	4,531,705
Business Taxes	4,140,177
Estate Tax	825,325
Total	\$26,347,993

The Governor recommends \$750,000 in operating and contract services expenditures to implement the program in FY2027.

Decoupling from Federal R&D Expensing Rules **\$22.6 million**

The Governor includes \$22.6 million in additional business corporations tax revenue in FY2027 based on a proposal to not adopt certain new federal rules related to how a business' income is determined for tax purposes. Rhode Island's income tax laws piggyback off the federal Internal Revenue Service's rules and statutes. This includes the definition of net income for state business corporations tax purposes, inclusive of all the various modifications to taxable income that are allowed at the federal level. In 2025, Congress enacted significant changes to the federal tax structure that include a modification relating to how businesses can treat research and development (R&D) costs. Since 2017, businesses have been required to amortize R&D over a five-year period.

Under new federal law, starting in tax year 2025 businesses are allowed to expense all of these costs in the first year. This leads to a much-reduced net taxable income for a business in that first year. The effect on taxable income however moderates over time as the costs are expensed earlier. The FY2026 Budget as Enacted decoupled from this new provision for FY2025. The Division of Taxation and the ORA estimate that this action preserved \$65.8 million in TY2025. Article 5 of the Governor's proposed budget permanently extends this decoupling as it relates to R&D expensing. This is estimated to increase general revenue by \$22.6 million in both FY2026 and FY2027. As indicated, the fiscal impact reduces in the out-years, to \$10.9 million in FY2028 down to \$2.0 million by FY2031.

Refundable Child Tax Credit (\$14.7 million)

The Governor proposes a new refundable child tax credit for certain eligible taxpayers to be used to offset personal income taxes or, in certain circumstances increase personal income. The proposal is estimated to result in a revenue loss of \$14.7 million in FY2027. Out-year impacts are summarized below.

Fiscal Year	Fiscal Impact
FY2027	(\$14,701,176)
FY2028	(29,657,570)
FY2029	(30,329,465)
FY2030	(31,186,604)
FY2031	(32,129,540)

The proposal would replace the current dependent deduction allowed under state law, with a refundable credit for Rhode Island resident taxpayers with dependents 18 years old or younger. The credit is estimated to be approximately \$325 per child in tax year 2027 (based on a statutory calculation that takes the current dependent deduction and multiplies it by 5.99 percent). The new credit would be adjusted annually for inflation.

Refundability: Under the current dependent deduction, taxpayers may reduce their taxable income by \$5,250 (as of TY2026) per dependent. This exemption only benefits taxpayers that have enough income to generate a tax liability. The proposal would benefit those individuals with insufficient income to warrant a tax liability through the refundability provisions.

Cigarette and Other Tobacco Initiatives \$8.0 million

The Governor recommends several tobacco-related revenue initiatives in FY2027, resulting in \$8.0 million in additional revenue. These are summarized below.

Cigarette and Other Tobacco Initiatives - Fiscal Impact	
Initiative	Fiscal Impact
Cigarette Tax Increase	\$4,540,374
Floor Tax	2,467,926
Eliminate Stamp Discount	762,064
Cigar Tax Cap Increase	621,090
Sales Tax Elasticity	(433,335)
Total	\$7,958,119

Cigarette Tax Increase: The Governor recommends increasing the excise tax on a pack of 20 cigarettes from \$4.50 to \$5.25 per pack. The Office of Revenue Analysis (ORA) estimates that, based on a September 1, 2026, implementation date, the proposal will generate \$4.5 million of net revenue in FY2027 and \$4.5 million in out-year FY2028. There is also an estimated \$433,335 loss in sales tax revenue associated with the cigarette tax increase. This is the result of price elasticity on the demand for packs of cigarettes.

Floor Tax: The Governor also recommends imposing a one-time inventory floor stock tax of \$0.75 per pack of 20 cigarettes. The tax will be based on the number of cigarettes taxpayers have in stock on September 1, 2026. The Office of Revenue Analysis (ORA) estimates the proposal will generate \$2.5 million in FY2027 and not impact FY2026, due to the implementation date.

Eliminate Stamp Discount: The Governor recommends eliminating the discount that is provided to licensed distributors when buying excise tax stamps. The State currently authorizes licensed distributors to purchase cigarette tax stamps at 98.75 percent of the stamp's face value. Article 5 of the Governor's recommended budget amends RIGL 44-20-19 to eliminate the discount and require distributors to pay the stamp's full price, effective September 1, 2026. ORA estimates that the proposal will generate \$762,064 in partial year FY2027 and \$974,262 in out-year FY2028.

Cigar Tax Cap Increase: The Governor recommends increasing the maximum cap on the excise tax on cigars from \$0.50 per cigar to \$2.00. Currently, the State imposes an excise tax on cigars at a rate of 80.0 percent of their wholesale cost, with a maximum cap of \$0.50 per cigar. Article 5 of the Governor's FY2027 recommended budget amends RIGL 44-20-13.2 to increase the cap to \$2.00 per cigar, effective September 1, 2026, and applying only to cigars with a wholesale price of \$2.50 or above. ORA estimates that the proposal will generate \$621,090 in partial year FY2027 and \$901,107 in out-year FY2028.

Social Security Income Exemption (\$3.0 million)

The Governor proposes phasing out the taxation of social security income over the course of three tax years. This proposal is estimated to reduce available revenue as follows:

Fiscal Year	Fiscal Impact
FY2027	(\$2,976,997)
FY2028	(14,638,767)
FY2029	(41,282,869)
FY2030	(60,090,887)
FY2031	(61,907,752)

Rhode Island is one of eight states that taxes social security income to some degree. The State does exempt all social security income from personal income taxation under very specific circumstances. To be eligible for the exemption, a taxpayer must have:

- Federal adjusted gross income that includes federally taxable income from Social Security.
- Reached “full retirement age” as defined by the Social Security Administration.
- Federal adjusted gross income that is below a certain amount (see following table).

Social Security Modification - Income Limits by Tax Year		
Filing Status	2024	2025
Single	\$104,200	\$107,000
Married Filing Jointly	130,250	133,750
Head of Household	104,200	107,000
Married Filing Separately	104,225	107,000

If the taxpayer does not meet the above criteria, then social security income is taxed at the state level.

Proposed Changes: The Governor's proposal phases in the complete exemption of social security income from state income tax

- **Phase 1:** For tax year 2027, the proposal eliminates the “full retirement age” requirement under the current modification but not the income requirement. This is estimated to benefit 9,200 resident and 1,900 non-resident filers.
- **Phase 2:** For tax year 2028, the income levels of taxpayers eligible for the modification would increase so that approximately half of the taxpayers subject to taxation currently, would no longer be. This is estimated to provide tax relief to an additional 11,600 resident and 1,900 non-resident filers.

Phase 2 Income Thresholds

Filing Status	2028
Single	\$165,200
Married Filing Jointly	206,550
Head of Household	165,200
Married Filing Separately	165,200

- **Phase 3:** For tax year 2029 and beyond, the income threshold for the modification would be eliminated, resulting in no Rhode Island taxpayer paying personal income tax on social security income. This is estimated to benefit another 11,200 resident and 4,400 non-resident filers.

Utility Ratepayer Savings **(\$2.3 million)**

The Governor proposes several energy affordability initiatives in FY2027. These are summarized in the following table along with the amount of savings to the ratepayer for each. Greater detail on these initiatives may be found in the article section of this report.

Energy Affordability Initiatives - CY2027 Ratepayer Savings	
Initiative	Ratepayer Savings
Renewable Energy Standard	\$63.8
Energy Efficiency	23.5
Paving Expenses	16.0
Alternative Compliance Payments	5.0
Long-term Contracting Incentive	2.5
ISO New England Incentive	0.2
Net Metering	0.0
Total	\$111.0

\$ in millions

The ratepayer savings result in a reduction in utility companies' gross earnings. These earnings are taxed by the State at 4.4 percent. The ORA estimates the reduction in public utility gross earnings tax receipts from electric companies based on the Governor's proposals will be \$2.3 million in FY2027 and \$4.8 million in FY2028.

Pawtucket TIF Debt Service Rescheduling **\$503,713**

The Governor includes an additional \$503,713 in available general revenue in FY2027 based on a reduction in debt service costs related to the Centerville Bank (Tidewater) Stadium Project in Pawtucket. In February 2024, the Pawtucket Redevelopment Agency (PRA) issued a 30-year, \$54.0 million bond at 7.5 percent with total debt service of \$131.7 million. Although these were appropriation-back bonds, the rates obtained reflected risks associated with whether the stadium would ever be placed in service. This risk was eliminated in August 2025, when the stadium began operations. The PRA, along with the State worked with bondholders to refinance the debt in December 2025, reducing the total debt service down to \$116.6 million, saving \$15.1 million over the term. The debt service is in part paid with tax revenue generated by economic activity associated with the Pawtucket Tax Incremental Financing (TIF) district where the stadium project is located. Since less of the revenue is needed for debt service, more is available as general revenue. The breakdown of the savings by tax type for FY2027 is shown in the table.

Pawtucket TIF Reschedule Fiscal Impact

Tax Type	Fiscal Impact
Sales and Use	\$272,005
Personal Income	213,071
Business Corporations	18,637
Total	\$503,713

FY2026 SUPPLEMENTAL CHANGES

The Budget includes a \$27.1 million increase in revenues above November 2025's FY2026 revenue estimate. Initiatives impacting FY2026 revenue are summarized below.

Governor's Recommended General Revenue Initiatives	
Decoupling from Federal R&D Expensing Rules	\$22.6
Reserve Transfers	4.5
Total	\$27.1

\$ in millions

Totals may vary due to rounding.

Decoupling from Federal R&D Expensing Rules **\$22.6 million**

The Governor includes \$22.6 million in additional business corporations tax revenue in FY2026 based on a proposal to not adopt certain new federal rules related to how a business' income is determined for tax purposes. Since 2017, businesses have been required to amortize R&D over a five-year period. Under new federal law, starting in tax year 2025 businesses are allowed to expense all these costs in the first year. This leads to a much-reduced net taxable income for a business in that first year. The effect on taxable income however moderates over time as the costs are expensed earlier. The FY2026 Budget as Enacted decoupled from this new provision for FY2025. The Division of Taxation and the ORA estimate that this action preserved \$65.8 million in TY2025. Article 5 of the Governor's proposed budget permanently extends this decoupling as it relates to R&D expensing. This is estimated to increase general revenue by \$22.6 million in both FY2026 and FY2027. As indicated, the fiscal impact reduces in the out-years, to \$10.9 million in FY2028 down to \$2.0 million by FY2031.

Reserve Transfers **\$4.5 million**

The Governor recommends transferring \$2.5 million from the reserves of the Rhode Island Health and Education Building Corporation (RIHEBC) in FY2026. According to OMB, the quasi-public agency had an unrestricted fund balance at the close of FY2025 of \$10.8 million. The Governor also recommends transferring \$2.0 million from the reserves of the Rhode Island Infrastructure Bank (RIIB) to the general fund in FY2026. OMB indicates that RIIB had unrestricted balances at the close of FY2025 of \$33.3 million.

Lastly, the Governor recommends a one-time transfer of \$5.0 million to general revenue from the marijuana trust fund, which has generated revenues exceeding what is required to administer the adult-use cannabis market. According to budget documents these funds will support the 988 Suicide Prevention Hotline (\$1.0 million) and the State's certified community behavioral health centers (\$4.0 million). The budget documents also indicate that this is treated as an intra-fund transfer from a restricted receipt account to general revenue within the general fund and therefore is to be recorded as a "fund balance adjustment" within the general fund and not recorded as additional general revenue.

Reserve Transfers	
Organization	Fiscal Impact
Marijuana Trust Fund	[\$5,000,000]
Rhode Island Health and Education Building Corporation	2,500,000
Rhode Island Infrastructure Bank	2,000,000
Total	\$4,500,000

Expenditure Changes by Agency

FY2027

Administration: The Governor recommends \$248.0 million in general revenue expenditures (\$410.4 million all funds) for the Department in FY2027, decreasing general revenue expenditures by \$1.3 million. All fund expenditures decreased \$20.3 million reflecting reduced federal SFRF and ARPA funds for pandemic and recovery items and activities.

- **Debt Service:** The Governor includes \$18.0 million in general revenue for debt service, reflecting a decrease of \$8.3 million to support the projected debt service on the new general obligation bonds.
- **Central Falls School Project:** The Governor includes \$10.8 million in general revenue for debt service to support the \$93.5 million in bonds issued for the Central Falls school project.
- **RICAP Projects:** The Budget includes \$20.0 million for infrastructure improvements at the Pastore Campus; \$17.4 million for renovations to the State House; \$2.0 million for the Long-Term Acute Care Hospital on the Zambarano Campus; and \$2.3 million for renovations to structures at the Zambarano Campus.
- **Retirement Savings Contributions:** The Budget includes \$3.9 million in general revenue, reflecting an increase of \$3.2 million in general revenue from the previous year, for additional retirement contributions into the state retirement fund, pursuant to RIGL 36-10-2(e)(1) for state employees and RIGL 36-10-2(e)(2) for the state share for teachers.
- **Purchasing:** The Budget shifts \$1.6 million in general revenue personnel costs to a contract assessment restricted receipt account. The account was established using a 0.33 percent assessment on all contracts issued by Purchasing. There is a corresponding increase in restricted receipts.
- **Covid-19 Reserve and Contingency:** The Budget removes \$2.5 million in general revenue for Federal Emergency Management Agency (FEMA) reserve and contingency payments; the balance of funding is appropriated in the current fiscal year.
- **General Officer Transition Costs:** The Budget adds \$464,000 in general revenue for transitions costs associated with the 2026 General Election.
- **DCAMM Project Managers:** The Governor recommends general revenue personnel savings of \$2.1 million by shifting the personnel costs for DCAMM Project Managers from a general revenue expense and charging the personnel expenses directly to the RICAP project costs.
- **FTE positions:** The Governor recommends a net decrease of 2.0 FTE positions to the department, including 1.0 FTE position transfer to the Department of Environmental Management and the elimination of an Associate Director position within the Office of Management and Budget.
- **SFRF and ARPA Funds:** The Budget includes \$1.4 million in federal SFRF and ARPA funds for pandemic and recovery items and activities.

ARP SFRF, ERA, and CPF Response	FY2026 Enacted	FY2027 Governor	Change
ARP CPF: Administration (OMB)	\$530,582	\$668,915	\$138,333
ARP ERA: Emergency Rental Assistance	33,000,000	-	(33,000,000)
ARP SFRF: Pandemic Recovery Office (OMB)	1,436,547	682,668	(753,879)
Total	\$34,967,129	\$1,351,583	(\$33,615,546)

- **Emergency Rental Assistance:** The Budget reflects the exhaustion of \$33.0 million for the State's COVID-19 emergency rental assistance program administered in partnership with RI Housing.

- **Pandemic Recovery Office:** The Budget includes \$682,668 from the ARPA SFRF funds to finance the personnel and operations of the Pandemic Recovery Office.
- **CPF Administration:** The Budget includes \$668,915 from the ARPA Capital Projects Fund to administer the federal Capital Projects Fund.

Office of Energy Resources: The Governor recommends \$86.7 million in all funds for the Department in FY2027, an increase in all funds of \$10.3 million. There are no general revenue expenses recommended for FY2027.

- **E-Bike Program:** The Governor does not include funding to maintain the Erika Niedowski Memorial E-Bike Rebate Program.
- **Weatherization Program Transfer:** The Office of Energy Resources (OER) and the Department of Human Services (DHS) propose to transfer the Weatherization Assistance Program (WAP) from DHS back to OER as well as a portion of the federal Low-Income Home Energy Assistance Program (LIHEAP). This reflects an increase of \$10.9 million in federal funds and 4.0 FTE positions to OER.

To implement the transfer, OER and DHS would enter an interagency memorandum of understanding (MOU) to transfer the LIHEAP funds specifically for the U.S. Department of Energy (DOE) WAP components. Approximately 12.0 percent of the LIHEAP grant is allocated to WAP. These funds are used for state administration (10.0 percent of the total), Community Action Agency personnel, health & safety measures, equipment, training & technical assistance, program supplies, and indirect costs.

- **Electric Leaf Blower Rebates:** The Governor does not recommend funding of the electric leaf blower rebate program. The program was intended to encourage commercial landscapers to use zero-emission technology in order to reduce air and noise pollution.
- **Solar for All:** The Budget does not include funds for the Solar for All (SFA) program resulting from passage of the federal H.R. 1 legislation that made these funds unavailable to the State. This reflects a reduction of \$10.0 million for grants and awards for the new solar program.

The SFA program was to include a community solar program that was to be linked to low-income customers' utility bills and be a program that was to provide electrical upgrades and rooftop solar installations for low-income households.

- **National Electric Vehicle Infrastructure Formula Program:** The Budget includes \$14.6 million in other funds reflecting an increase of \$9.9 million as compared to the FY2026 Budget as Enacted. The increase reflects \$124,439 for salary and benefits and \$9.8 million for grant funding. This is an operating transfer of federal fund awards to the State under the National Electric Vehicle Infrastructure Formula Program (NEVI Formula), to provide funding to strategically deploy electric vehicle (EV) charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability.

Department of Business Regulation: The Budget includes \$26.4 million in general revenue for the Department of Business Regulation in FY2027, a net \$611,700 increase over the enacted level. The increase is primarily related to expenses associated with additional FTE positions and increases to the Department's operating expenditures.

- **Contractor's Registration and Licensing Board – FTE Positions:** The Governor recommends \$211,235 in general revenue to support 2.0 new FTE positions, 1.0 enforcement aide and 1.0 Administrative Officer, for the Contractor's Registration and Licensing Board to aid in the implementation of the new Residential Construction and Structural Remodeling Licensing program enacted in 2025.
- **Statewide Adjustments:** The Governor recommends an increase of \$211,621 in general revenue for personnel adjustments and agency charges for centralized services.

Cannabis Control Commission: The Budget includes \$7.9 million in restricted receipts for the Cannabis Control Commission in FY2027, a net \$660,862 increase over the enacted level. The increase is primarily related to expenses associated with additional FTE positions and increases to the Department's operating expenditures.

- **Additional Personnel for Cannabis Control Commission:** The Governor recommends \$344,710 in restricted receipts to support 2.0 FTE positions, 1.0 Senior Legal Council and 1.0 Data Analyst II.

Executive Office of Commerce: The Governor includes \$29.5 million in general revenue funding in FY2027 to support economic development programming within the Executive Office of Commerce (EOC) and the Rhode Island Commerce Corporation. This is a net \$4.0 million less than the enacted level. The reduction is primarily related to one-time investments in FY2026 that do not reoccur in FY2027. Important FY2027 budget initiatives include:

- **Economic Development Bond:** The Governor recommends including a ballot question for November 2026 requesting \$115.0 million in general obligation bonds for economic development initiatives including:
 - **Site Development:** \$70.0 million for land acquisition, remediation, infrastructure and utility construction, and industrial site preparation and development. Eligible uses include but are not limited to large scale industrial development within Quonset Business Park and the I-195 District.
 - **Growth Industry Infrastructure:** \$45.0 million for infrastructure, projects, and investments in Rhode Island's ocean, defense, life sciences, data analytics, and related industries. Eligible uses include but are not limited to facilities and projects that advance business and job growth in the life sciences.
- **Rebuild RI:** The Governor recommends \$6.1 million in general revenue funding for the Rebuild RI Tax Credit and Sales Tax Exemption program in FY2027 and \$10.1 million in general revenue in FY2026. Rebuild RI uses both tax credit and sales tax exemption incentives to promote investment in real estate development for commercial and/or residential use across the State. Article 3 of the Budget increases the current aggregate cap on credits/exemptions from \$225.0 million to \$250.0 million.
- **Reauthorization of Incentives:** Article 3 reauthorizes the EOC's incentive programs for an additional year by extending the statutory sunset provisions placed on them from December 31, 2026, to December 31, 2027.
- **Innovation Initiatives:** The Governor recommends \$1.3 million to support various innovative initiatives in FY2027. This includes \$250,000 of general revenue for a second year of support for the new RI Innovation Ecosystem program that is intended to strengthen collaboration between higher education institutions and private industry to develop talent pipelines and innovative businesses. The State's existing Innovation Voucher/Network Matching grant program receives the \$1.0 million balance.
- **Main Street RI Streetscape Program:** The Governor recommends \$1.0 million of general revenue in FY2027 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.
- **Destination Marketing:** The Governor includes \$1.5 million in general revenue in FY2025 to continue to market Rhode Island tourism out-of-state in a manner that supports airline routes out of Rhode Island T.F. Green International Airport. This is \$100,000 more than FY2026. This program has previously been funded with SFRF and Commerce Corporation matching funds.

- **RI Industrial Recreational Building Authority Obligation:** The Governor includes \$105,094 in general revenue in FY2027 to meet a statutorily mandated moral obligation related to the Rhode Island Industrial Recreational Building Authority (RIIRBA).

Department of Housing: The Governor recommends \$52.4 million to support affordable housing and homelessness initiatives in FY2027, including \$8.3 million in general revenue (\$1.9 million more than the enacted level). Important FY2027 budget initiatives include:

- **Housing and Community Opportunity:** The Governor recommends including a ballot question for November 2026 requesting \$120.0 million in general obligation bonds to support community revitalization, increase production and infrastructure for affordable and middle-income housing, and promote home ownership. At least \$25.0 million is reserved for the development of housing designated for home ownership.
- **Emergency Shelter Operations:** The Governor recommends \$1.7 million in general revenue to support the three state-owned shelters in FY2027.

Department of Labor and Training: The Governor recommends \$18.3 million of general revenue (\$693.1 million in all funds) to support the Department of Labor and Training in FY2027. The recommendation represents a general revenue increase of \$152,938 (\$60.9 million increase in all funds) relative to the FY2026 enacted level. The Budget includes 461.7 FTE positions in FY2027, consistent with the enacted level. Significant budgetary initiatives include the following:

- **Real Jobs Rhode Island:** The Governor recommends \$6.1 million of general revenue to fund the Real Jobs Rhode Island program, consistent with the FY2026 enacted level. The Real Jobs FY2025 Performance Overview indicates that since the program's inception in FY2015, Real Jobs has successfully trained or provided placement assistance to 49,300 job seekers, including 7,680 individuals in FY2025.
- **Uninsured Protection Fund Exemption:** The Governor recommends the exemption of the Uninsured Protection Fund, administered by the Department of Labor and Training, from the 15.0 percent indirect cost recovery assessment in Article 2. Due to a technical revision, the Office of Management and Budget indicates that exempting the fund will not have a fiscal impact.

Department of Revenue: The Budget includes \$413.0 million in general revenue for the Department of Revenue (DOR) in FY2027, a net \$442,752 decrease from the enacted level. The decrease is primarily related to a year-over-year formula reduction in the Payment-in-Lieu-of-Taxes state aid program (it is fully funded at the statutory rate). This change and other major budget initiatives include:

- **Tax Amnesty:** The Governor recommends a tax amnesty program for a 75-day period ending February 15, 2027. Under the program, civil, and criminal penalties for non-compliance with state tax laws would be forgiven, and interest owed will be reduced by 25.0 percent. It is estimated that \$26.3 million of additional one-time revenue collections would result from the amnesty period. The Governor also recommends \$750,000 in operating and contract services expenditures to implement the program in FY2027.
- **State Aid:** The Governor includes \$326.2 million in general revenue for the State Aid programs, a \$981,119 increase over the enacted level. This increase is attributable to required additional funding under the property revaluation program to accommodate a larger volume of revaluation. Some State Aid program highlights are here with greater details provided in the Local Aid section of this report.
 - **Tangible Property Reimbursement:** The Governor recommends \$25.9 million in tangible property tax relief in FY2026 and FY2027 approximately level with the enacted amount.
 - **Distressed Communities Relief Fund:** The Governor recommends \$14.9 million in FY2027 for the State's Distressed Communities Relief Fund state aid program. This is level with the enacted

amount and its distribution amounts in FY2027 are estimates and are subject to revision once the final Census data is available in 2026.

- **Motor Vehicle Excise Tax Reimbursement:** The Governor recommends \$239.6 million in total general revenue reimbursement funding for cities and towns, \$2,817 more than the FY2026 enacted level. The General Assembly repealed the motor vehicle excise tax in the FY2023 Budget as Enacted. Municipalities are reimbursed annually for lost revenue. The Governor also recommends eliminating the sales tax inflator for FY2028 and beyond (it would remain in effect for FY2027). The proposal, contained in Article 5, would set the annual reimbursement at the FY2025 or FY2026, whichever is higher. Eliminating this calculation would reduce general revenue expenditures by \$4.8 million in FY2027 and \$9.7 million in FY2028.
- **Payment in Lieu of Taxes (PILOT):** The Governor budgets \$49.0 million for the State's Payment In Lieu of Taxes (PILOT) program in FY2027, \$2.3 million less than the FY2026 enacted amount. Current law requires reimbursement of 27.0 percent of forgone tax revenue but allows for a ratable reduction if the appropriation is less than this amount. According to the budget documents the budgeted amount represents 27.0 percent.

Legislature: The Governor includes \$61.3 million in general revenue funding in FY2027 for the General Assembly. This is \$2.5 million over the enacted level.

General Treasurer: The Governor recommends \$4.4 million in general revenue expenditures (\$26.3 million all funds) for the Office of the General Treasurer in FY2027, reflecting an increase of \$343,231 in general revenue expenditures.

- **New 1.0 Retirement Aide Position:** The Budget includes Treasury's request to add a 1.0 Retirement Aide position to support the customer service operations in the State Retirement System. This position would be fully funded by restricted receipts. Treasury requested the additional FTE position to support the growing demands of the retirement operations, to meet the needs of retirees and employees effectively and efficiently explaining the retirement system programs and benefits.

Board of Elections: The Budget adds \$1.7 million in general revenue reflecting personnel, purchased services, and operating expenditures for voter operating supplies and expenses required in the upcoming general election and \$3.0 million for the Campaign Matching Public Funds program.

Executive Office of Health and Human Services: The Budget includes \$1,549.5 million from general revenues (\$4,409.0 million all funds) for the Executive Office of Health and Human Services (EOHHS) in FY2027. This represents a general revenue increase of \$59.1 million (\$182.5 million all funds) when compared to the FY2026 Budget as Enacted. In addition, the Budget increases the FTE authorization to 252.0, an increase of 9.0 new FTE positions. The major changes include the following:

- **Office of the Health Insurance Commissioner's (OHIC) Rate Review:** The Governor recommends \$15.2 million in general revenue and \$24.7 million in federal funds (\$40.0 million all funds) within EOHHS to phase-in the rate increases from the OHIC Rate Review over two years, effective October 1, 2026, and caps the gross rate increase at the **lower** of either the OHIC recommendation or the Medicare rate.
- **H.R. 1 RIBridges System Compliance (1.0 new FTE position):** The Budget includes \$12.9 million in general revenue (\$32.7 million all funds) for software modifications necessary to comply with H.R. 1. Of this total, \$10.0 million, including \$4.0 million in general revenue, and 1.0 new FTE position, to coordinate the interagency work associated with H.R. 1 compliance, is within EOHHS.
- **Glucagon-like Peptide-1 (GPL-1) Coverage Removal:** To realize \$6.3 million in general revenue savings (\$20.3 million all funds), the Governor recommends eliminating Medicaid coverage for GLP-1 medications, except if prescribed to treat type 2 diabetes.

- **Disproportionate Share Hospital (DSH) Payments to Hospitals:** In anticipation of an increase in uncompensated care due to H.R. 1, the Budget includes an increase of \$10.0 million in DSH payments to non-government-owned hospitals, including \$4.2 million in general revenue and \$5.8 million in federal funds. This increase brings total DSH payments to non-government-owned hospitals to \$11.0 million. Payments to government-owned hospitals remain at the FY2026 level of \$12.9 million.
- **Align Medicaid Inflationary Rate increases to Hospitals, Nursing Homes, and Federally Qualified Health Centers (FQHCs) to Revenue Growth:** As a cost containment measure, the Governor reduces the annual inflationary increases on rates paid to hospitals, nursing facilities, and FQHCs to 2.5 percent to match state revenue growth, saving \$3.7 million in general revenue (\$9.9 million all funds) relative to the November Caseload Estimating Conference (CEC). The November CEC adopted inpatient and outpatient inflationary rate increases to hospitals of 3.3 percent for fee-for-service and 2.6 percent for managed care, to nursing facilities of 3.2 percent, and to FQHCs of 3.4 percent.
- **H.R. 1 SNAP Administrative Cost Share:** The Budget includes \$2.2 million in general revenue for increased costs due to the shift of the SNAP administrative cost share from 50/50 to 75/25.
- **eLTSS Case Management IT System:** The Budget includes an additional \$1.6 million general revenue and \$9.4 million in federal funds (\$11.0 million total) for continued IT system support, and management of the long-term services and support IT system (eLTSS). Of the total amount, \$183,599 would support the salary and benefits of 1.0 FTE Interdepartmental Project Manager within the existing FTE cap, including \$45,901 in general revenue and \$10.8 million would support professional services.
- **Medicaid Management Information System (MMIS):** The Budget includes a \$1.6 million increase in general revenue and \$8.5 million federal funds to support the Medicaid Management Information System. The State's existing MMIS was originally implemented in 1993. Over the years, the State's MMIS has continued to be adapted to meet the needs of the State, but in order to come into compliance with the Centers for Medicare and Medicaid Services (CMS) requirements, the State must adopt a modular system. The existing MMIS system will run in tandem with the new MES modules until the transition is completed.
- **H.R. 1 Compliance (7.0 FTE positions):** The Governor recommends \$1.2 million in general revenue and \$1.2 million in federal funds to support 7.0 new FTE positions and contracted services support to comply with new H.R. 1 requirements.
- **H.R. 1 Community Engagement:** The Governor recommends \$1.0 million in general revenue increase facilitate capacity-building for SNAP and Medicaid beneficiaries to meet the volunteering, educational, and/or work requirements required to meet the new community engagement requirements.
- **Personal Care Attendants:** The Budget includes \$995,037 in general revenue to support wage increases for Personal Care Attendants.
- **H.R. 1 Parent Caregiver Premium Assistance Program:** To ease the impact of premium increases in the Rhode Island Marketplace, the Governor recommends an increase of \$342,177 in general revenue (\$805,122 in all funds) for the Parent and Caregiver Premium Assistance Program.
- **Substance Use Disorder (SUD) Residential Services Rate Freeze:** The Governor recommends eliminating the annual inflationary adjustment to Medicaid reimbursements rates for Substance Use Disorder (SUD) residential services, instead of increasing the rates by the percentage change in CPI-U for medical care in New England as provided in the Rhode Island Medicaid State Plan. Freezing the rates at FY2026 levels would realize a savings of \$669,761 in general revenue and \$914,817 in federal funds (\$1.6 million in all funds). Instead of the annual increase, the Governor proposes to include the SUD rates in the biennial OHIC rate review process. This proposal requires a state plan amendment which, if delayed, could reduce the estimated savings.

- **Planned Parenthood State Directed Grant:** According to the Executive Summary, the Budget includes \$600,000 in general revenue for a one-time grant to support healthcare services.
- **Thundermist Family Medicine Residency Program:** In support of primary care in Rhode Island, the FY2026 Budget as Enacted Budget included \$500,000 in general revenue as the state share to support the Thundermist Health Center's Family Medicine Residency Program. These funds were only available if the residency program received funding in federal budget for FFY 2026. Since federal funding was not provided the Governor recommends other funds to support this program in FY2027.
 - **RI Ecosystem and HealthFacts RI:** The Budget provides an additional \$321,262 in general revenue (\$1.1 million all funds) to support contract services for the RI Data Ecosystem, a partially integrated data system that cleanses, connects, and de-identifies diverse data systems to allow for the tracking of individuals across different data sets. The system development has been largely funded from federal funds; however, there is a reduction of federal funds in FY2027.
 - **Home and Community Based Services (HCBS) Compliance:** The Budget provides \$162,576, including \$40,645 in general revenue, to support the salary and benefits for 1.0 Health Program Administrator FTE position, from within the existing FTE authorization, and \$782,544, including \$220,300 in general revenue for contract professional services to support the ongoing implementation of Conflict-Free Case Management (CFCM) as required under the Corrective Action Plan with the Center for Medicare and Medicaid Services (CMS).
 - **Primary Care Assessment:** The Budget includes \$290,500 for FY2027 and \$193,667 for FY2026 in general revenue funded professional services to support the collection of the primary care assessment included in Article 10 of the FY2026 Budget as Enacted, beginning January 1, 2026.
 - **Olmstead FTE Transfer from DOH to EOHHS (1.0 new FTE position):** The Budget transfers 1.0 FTE Chief of Special Projects position from the Department of Health to EOHHS, adding \$148,446 in general revenue and \$49,482 in federal funds to support the related salary and benefits. Provisory language in Article 1 of the FY2026 Budget as Enacted, specified that \$150,000 of the general revenue appropriation to Central Management is for an Olmstead Plan Coordinator.
- **CCBHC and MRSS Staff:** The Budget includes \$143,705 in general revenue and \$90,342 in federal funds to support the contracted services of a Mobile Response and Stabilization Services (MRSS) Director and a Community Behavioral Health Clinic (CCBHC) Program Manager.
- **Opioid Crisis Response Funding:** The Budget includes \$4.6 million in restricted receipts for FY2027 and \$22.8 million in FY2026 for continued support of new and ongoing initiatives to address the opioid and substance use disorder crisis in Rhode Island.
- **Federal Rural Health Transformation (RHTP) Grant:** On December 29, 2025, the Center for Medicare & Medicaid Services (CMS) announced the award of \$156.2 million to Rhode Island in 2026 as the first year of a five-year program to expand and enhance health care in rural communities. The funds from this award are not included in the budget recommendation; however, an amendment is expected as spending plans are further developed.

Department of Children, Youth, and Families: The Budget includes \$268.3 million in general revenue for the Department of Children, Youth and Families (DCYF) in FY2027, a net \$5.5 million increase over the enacted level. The increase is primarily related to expenses associated with the maintenance of the Psychiatric Residential Treatment Facility, the Children's Behavioral Health Decree, and a 2.1 percent increase in operating expenditures.

- **Children's Behavioral Health Consent Decree:** The Governor recommends \$4.4 million in general revenue and \$5.4 million in all funds for expenditures in relation to the consent decree, which the State entered into with the Department of Justice and intends to remedy the State's compliance with the ADA

and section 504 through the implementation of an agreed upon multi-year remedial plan. The agreement includes 5.0 Social Service Analysts and 1.0 Caseload Worker Supervisor II.

- **Psychiatric Residential Treatment Facility:** The Governor recommends \$1.0 million in general revenue for the maintenance of the newly acquired property, formerly known as the St. Mary's Home for Children, psychiatric residential treatment facility. The State purchased the facility for \$760,000 in 2026 to establish a new PRTF to serve youths with psychiatric needs.
- **Family Care Community Partnerships (FCCP) Flex Fund Reduction:** The Governor recommends a \$600,000 general revenue reduction by decreasing the Family Care Community Partnership Flex Funds by 8.5 percent. FCCP Flex Funds are used as a catch-all for unforeseen expenses related to the care of children in DCYF custody.
- **Family Care Community Partnerships (FCCP) Region Establishment:** The Governor formally establishes in statute the current FCCP regional service coverage policy of DCYF. The Department contracts with one FCCP provider in each defined region of the State to provide critical prevention resources. Codifying these requirements ensures that the Department can continue to receive Medicaid reimbursement for this service when it implements a new Medicaid rate payment methodology.
- **Discretionary Expenditure Reduction:** The Governor recommends a general revenue reduction of \$1.3 million, reducing non-essential discretionary spending across the agency, which includes stopping all non-essential travel, training, and discontinuing office events, reducing non-essential supplies and other non-essential services.
- **Overtime Reduction:** The Governor recommends \$950,000 in general revenue savings and \$1.1 million in all funds through the reduction of overtime hours with the achievement of accreditation as well as better management.

Department of Health: The Budget includes \$42.5 million in general revenue for the Department of Health in FY2027, a net \$1.8 million increase over the enacted level. The increase is primarily related to expenses associated with the Nursing Home Minimum Staffing and supporting operations at the new State Health Laboratory.

- **Environmental Food Specialist:** The Governor recommends \$251,252 in general revenue to support 1.0 new FTE position to implement the Rhode Island Kratom Act, which was signed into law in 2025 and requires RIDOH to monitor, license, and regulate kratom product sales.
- **Chief of Office of Special Projects:** The Governor recommends a shift of 1.0 FTE position which supports the Olmstead program. The position will be transferred to EOHHS and align with funding sources in the Office.
- **My License Office Replacement:** The Governor recommends \$2.1 million in general revenue to replace RIDOH's current professional medical licensing software, which reaches its end of life in 2027.
- **Laboratory Facility:** The Governor recommends a \$1.1 million general revenue increase (\$1.9 million in all funds) for the new State Health Laboratory operating expenses.
- **Durable Medical Equipment Contract:** The Governor proposes a \$500,000 general revenue increase for the contracted storage, maintenance, repair, and deployment of the States durable medical equipment. The current contract is funded by COVID-19 funds which are set to expire in 2026.
- **Center for Health Facilities Regulation Centers (HFRC) for Medicare and Medicaid Services (CMS) Funding Deficit:** The Governor recommends a restricted receipt increase of \$291,628, derived from the Organizations' indirect cost recovery account, to cover the anticipated gap in federal funding support from CMS. The Department utilizes indirect cost recovery funds for state-supported operational costs to federal programs or activities.

In accordance with RIGL 34-4-23.1, the Department applies for federal indirect cost recoveries through an indirect cost proposal, which is submitted directly to the U.S. Department of Health and Human Services (DHHS). To receive this reimbursement, the DOH submits an indirect cost proposal requesting federal approval of the indirect rate for the upcoming fiscal year.

- **Nursing Home Minimum Staffing:** The Governor proposes a general revenue increase of \$200,000 to support costs associated with implementing the Nursing Home Staffing and Quality Care Act. The amended bill takes effect in 2026 and requires the Department to enforce staffing requirements for all RI nursing homes. The contracted services include collecting and analyzing data to calculate penalties for noncompliant nursing facilities.
- **Tuberculosis Clinic Miriam Hospital:** The Governor recommends a general revenue decrease of \$315,000 that supported Miriam's tuberculosis clinic to achieve general revenue savings. The Clinic sees about 8,500 patients annually and is trained in caring for highly contagious patients. The Clinic also addresses treatment plans for noncontagious patients. This decrease could result in a \$226,000 federal funds decrease, sourced from the Center of Disease Control and Prevention. Additionally, the funding cut could jeopardize the RISE Clinic, as Miriam may find that managing the clinic is no longer financially feasible.
- **Academic Institute Reorganization:** The Governor recommends a general revenue decrease of \$300,560 (\$363,619 all funds) to reflect ongoing reorganization within RIDOH's academic institute. This decrease represents the institute's active and ongoing operational needs.
- **Opioid Crisis Response Funding:** The Governor recommends \$4.5 million in restricted receipts for continued support of existing and new initiatives in Rhode Island's response to opioid and substance abuse crisis. This includes \$1.3 million from Opioid Stewardship Funds and \$3.3 million in abatement funds.

Department of Human Services: The Budget includes \$151.8 million in general revenue for the Department of Human Services in FY2027, a net \$15.8 million increase over the enacted level. The increase is primarily related to expenses associated with 39.0 new FTE positions, investments to comply with H.R. 1, supporting the community food bank, and investing \$3.0 million in funding to reopen the foxtrot neighborhood at the RI Veterans Home.

- **H.R. 1 Response:** The Governor recommends a total of \$4.2 million in general revenue to employ a multifaceted strategic plan to lower Rhode Island's SNAP payment error rate, ensure accurate and efficient eligibility verification and customer service delivery, and simplify the navigation of new federal compliance mandates.
 - **Call Center Accuracy and Modernization Improvements:** The Governor recommends \$3.0 million in general revenue (\$4.9 million all funds) to finance technology improvements at the DHS Call Center; increase customer facing staff by 15.0 FTE positions to effectively handle the expected call volume increase; and, add 3.0 FTE administrative positions to strengthen interagency coordination.
 - **Office of Program Integrity:** The Governor recommends \$503,321 in general revenue, and \$878,448 in all funds to create an Office of Program Integrity (OPI), which includes 6.0 FTE positions to shift DHS from reactive corrections to preventative oversight across SNAP, Medicaid, TANF, CCAP, and related programs.
 - **Enhanced Training:** The Governor recommends \$708,311 in general revenue, and \$1.2 million in all funds, to finance technology modernization, new training support roles, and increased program accuracy. This includes 5.0 FTE positions to create and administer targeted training

in high-error areas, build out a unified statewide training program for all DHS programs, and utilize real time dashboards to monitor and adjust staff training.

- **H.R. 1 SNAP Administrative Cost Share:** The Governor recommends \$7.1 million in general revenue to finance the State's increased administrative cost share, which shifted from 50/50 state and federal funding to 75/25 state and federal funding.
- **Office of the Health Insurance Commissioner's Rate Review:** The Governor recommends a general revenue increase of \$100,000 within the Office of Healthy Aging in FY2027 to increase rate reimbursement for social and human services conducted within OHA. The increase comes after an OHIC study, which recommended a \$200,000 increase to the rates. The Governor recommends a phased implementation where 50.0 percent is implemented in FY2027 and the remaining 50.0 percent will be added in FY2028.
- **Rhode Island Community Food Bank and Community Organizations:** The Governor recommends a general revenue increase of \$1.0 million to support the Rhode Island Community Food Bank, of which \$250,000 will be dedicated to other local community food pantries. The Governor also recommends an additional \$25,000 for three community organizations: Higher Ground, Oasis International, and New Bridges for Haitian Success.
- **Senior Centers:** The Governor recommends \$200,000 in general revenue to support senior centers across Rhode Island, increasing funding from \$1.6 million to \$1.8 million. This represents \$9.0 per senior.
- **Child Support Enforcement Case Management System Transition:** The Governor recommends \$156,000 in all funds to transition the child support enforcement case management system off the mainframe platform.
- **Weatherization Assistance Program Transfer:** The Governor recommends transferring \$10.9 million in federal funds and 4.0 FTE positions from DHS to the Office of Energy Resources. These funds and positions support the weatherization assistance program. The transfer will unify all energy efficiency programming.
- **Caseload Estimating Conference:** The Governor recommends \$28.8 million in general revenue to support caseload programs within DHS including RI Works, CCAP, State Supplemental Security Income, and General Public Assistance.
- **Rhode Island Veterans Home Foxtrot Neighborhood Reopening:** The Governor recommends \$3.0 million in general revenue (\$3.1 million in all funds) to finance the partial reopening of the Foxtrot neighborhood. The request includes 24.0 new FTE positions, 22.0 of which provide direct care. These positions would allow 16.0 beds, or 50.0 percent, to open by the end of FY2027.

Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals: The Governor's Budget includes \$334.1 million in general revenues (\$755.7 million all funds) for the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH). This represents an increase of \$15.3 million in general revenue as compared to the FY2026 Budget as Enacted. Significant budget initiatives for FY2027 include:

- **988 Hotline:** The Governor recommends \$1.0 million in general revenue and \$5.0 million in all funds in FY2027 to support the State's 988 National Suicide Prevention Hotline program. Article 10 of the Budget codifies the hotline and provides BHDDH with the statutory authority to administer it. The hotline has been operational since July 2022 and was implemented to ensure that Rhode Island maintains compliance with the National Suicide Hotline Designation Act of 2020 and the Federal Communications Commission adopted rules to ensure that all citizens receive a consistent level of crisis

behavioral health services. The Governor proposes to fund this expenditure with \$1.0 million in excess reserves from the Marijuana Trust fund that will be transferred to the general fund.

- **Forensic Services:** The Governor includes \$416,000 for increased contracted forensic services spending. BHDDH is required to conduct all psychiatric evaluations ordered by the judicial courts. According to the Department, the number of evaluations ordered in FY2025 was 47.0 percent more than what occurred in FY2021. BHDDH is projecting the average number of evaluations to increase by four per week.
- **OHIC Rate Review:** The Governor recommends \$7.7 million in general revenue (\$18.3 million all funds) to meet the projected increase in developmentally disability service provider Medicaid rates. The recommendation is the first half of a two-year rate phase-in. The new rates begin October 1, 2026.
- **Caseload Adjustment:** The Budget includes \$201.0 million in general revenue (\$469.0 million all funds) to reflect the caseload adopted at the November 2025 Caseload Estimating Conference. This increase captures continued growth in residential services. General revenue funding is increased year-over-year by \$6.4 million.
- **Opioid Crisis Response (restricted receipts):** The Governor recommends \$1.3 million in restricted receipt Opioid Stewardship Funds and \$2.7 million in Statewide Opioid Abatement Funds for the continuation of new and existing initiatives related to the opioid and substance abuse crisis in Rhode Island.

Office of the Mental Health Advocate: The Governor's Budget includes \$1.1 million in general revenues for the Office of the Mental Health Advocate, a decrease of \$5,455 in general revenue as compared to the FY2025 Budget as Enacted.

Elementary and Secondary Education: The Governor increases funding in the Department by \$1.6 million in general revenue (a net decrease of \$2.1 million all funds) and provides 1.0 new FTE Hearing Officer positions. The major changes include the following:

- **Education Aid Funding Formula:** The Governor recommends a net increase of \$23.7 million in education aid, relative to the FY2026 Budget as Enacted, including the funding formula distribution and categorical aid. Article 7 modifies the education aid funding formula by increasing the student success factor weight for each child whose family income is at or below 185.0 percent of the federal poverty guidelines from 40.0 percent to 43.0 percent.
- **Learn365RI:** The Governor recommends \$2.0 million in general revenue to support out-of-school programming with a focus on critical skill development. Of the total, \$100,000 will go to the Rhode Island Afterschool Network, Teach for America Ignite, and Onward We Learn365RI tutoring Initiative.
- **Central Falls:** The Governor recommends a decrease of \$920,552 in education aid and that Central Falls School District transition finances and governances back to local control.
- **School Housing Aid:** The Governor recommends \$102.9 million for the school housing aid program, a decrease of \$17.0 million. Article 7 increases the project cost threshold requiring a project manager and a commissioning agent from \$1.5 million to \$10.0 million, subject to inflation, and caps the cost at 3.0 percent of total project costs, for projects completing after July 1, 2026. For projects commencing

Categorical	FY2027 Governor's Education Aid	
	Change from Enacted	Total Funding
Formula Formula	\$17.8	\$1,222.0
Central Falls	(0.9)	53.7
Davies	2.6	21.1
Met School	1.7	14.7
Transportation	-	12.5
Early Childhood	-	28.9
High-Cost Special Education	2.5	20.0
Career & Tech. Schools	-	4.5
Regionalization Bonus	-	-
Group Home Aid	0.0	3.6
Total	\$23.7	\$1,380.9

\$ in millions

after July 1, 2026, in excess of \$10.0 million, the prime contractor for the project must receive prequalification from the Division of Purchases in order to qualify for state funding.

- **Teacher Retirement:** Teacher retirement decreases by \$7.8 million, providing \$130.2 million total.
- **School Breakfast and Lunch:** The Governor fully funds the State's share of administrative costs for the school breakfast program (\$270,000). These administrative costs include hiring servers needed to effectively run the program and encourage participation. In addition, the Budget includes \$812,952 in general revenue to provide free school meals to all students in public schools eligible for reduced-price meals.

Public Higher Education: The Budget includes \$341.2 million in general revenue for Public Higher Education in FY2027, a net \$14.0 million increase over the enacted level. The increase is primarily related to expenses associated with increases in operating support, RI Promise and Hope Scholarship awards, and debt service increases.

- **University of Rhode Island:** The Governor recommends a general revenue increase of \$4.2 million, of which \$2.9 million is intended to cover rising costs for personnel and operating current services, and \$1.3 million is intended to cover billings for centralized services.
- **Rhode Island College:** The Governor recommends a \$2.0 million general revenue increase of which \$1.8 million is intended to cover rising costs for personnel and operating current services, and \$240,675 covers billings for centralized services.
- **Community College of Rhode Island:** The Governor recommends a \$2.0 million general revenue increase of which \$1.6 million is intended to cover rising costs for personnel and operating current services, and \$362,294 covers billings for centralized services.
- **Rhode Island Promise Scholarship:** The Governor recommends a general revenue increase of \$694,490 for the continued support of the Rhode Island Promise Scholarship, bringing total funding in FY2027 to \$8.1 million.
- **Hope Scholarship:** The Governor recommends a general revenue increase of \$1.6 million for the continued support of the Hope Scholarship, bringing total funding in FY2027 to \$7.1 million

Office of the Attorney General: The Governor recommends \$39.4 million of general revenue (\$51.8 million in all funds) to support the Office of the Attorney General in FY2027. The recommendation represents a \$1.1 million general revenue increase (\$640,872 decrease in all funds) relative to the FY2026 enacted level. The Governor recommends 268.1 FTE positions in FY2027, consistent with the enacted level.

Department of Corrections: The Governor recommends \$350.7 million in all funds for the Department of Corrections in FY2027, with \$335.0 million allocated from general revenue. The recommendation represents a net reduction of \$15.7 million in total funding for the Department relative to the FY2026 enacted level, including an \$11.0 million increase to general revenue. The Governor recommends 1,461.0 FTE positions, consistent with the enacted level. Significant initiatives include the following:

- **RIBCO Contract Step Increase:** The Governor recommends \$2.1 million of general revenue in both FY2026 and FY2027 to fund the Rhode Island Brotherhood of Correctional Officers (RIBCO) pay scale step increase. The most recent contract reduced the number of pay scale steps from 15 to 13, resulting in pay increases for approximately 250 members. OMB indicates the step changes in combination with the cost-of-living adjustment represent approximately \$5.3 million across FY2026 and FY2027. In aggregate, the FY2027 Governor's Recommended Budget provides the Department

with \$261.3 million of general revenue for personnel expenditures, reflecting an increase of \$9.6 million from the FY2026 Budget as Enacted.

- **Opioid Crisis Response Funding:** The Governor recommends \$1.3 million in restricted receipts from the Opioid Stewardship Fund in FY2027 and \$1.5 million in FY2026 for the continued support of the Department's response to the opioid and substance abuse crisis. The FY2027 recommendation reflects a \$50,000 reduction from the FY2026 enacted level, while the FY2026 recommendation reflects a \$193,379 increase.
- **State Criminal Alien Assistance Program (SCAAP) Funding:** The Governor recommends the Department utilize \$1.0 million of SCAAP federal funds in both FY2026 and FY2027 to offset an equivalent amount of overtime expenditures for personnel in the Intake Services Center. The recommendation for both FY2026 and FY2027 is \$317,186 below the FY2026 Budget as Enacted appropriation.
- **Absenteeism Policy:** The Governor recommends a \$983,599 general revenue reduction related to the Department's updated absenteeism policy and the expected reduction in overtime expenditures. The Department revised the absenteeism policy in 2019, adjusting the disciplinary path for absenteeism, which was challenged by RIBCO. The Courts determined that the policy may be implemented without negotiating with the union, which the Department implemented in September 2025. The \$983,599 in savings reflects a 12.0 percent reduction in sick hours taken by correctional officers in FY2025. The Department believes that with an increased ability to take disciplinary actions against those who violate the absenteeism policy, there will be less abuse of sick time by personnel. The Department further notes that this is the first iteration of the policy change, and the fiscal impact remains undetermined.

Judiciary: The Budget includes \$139.5 million in general revenue (\$165.5 million all funds), an increase of \$6.0 million in general revenue (\$6.3 million all funds) relative to the FY2026 Budget as Enacted.

Department of Public Safety: The Governor recommends \$174.8 million in all funds for the Department of Public Safety in FY2027, with \$136.7 million allocated from general revenue. The recommendation represents a \$23.1 million decrease in total funding (\$3.9 million increase of general revenue) relative to the FY2026 enacted level. Significant budgetary adjustments include the following:

- **Additional 4.0 FTE Positions:** The Governor recommends increasing the Department's FTE authorization to 638.0 positions in FY2027, representing 4.0 additional FTE positions when compared to the FY2026 enacted level of 634.0. The positions include:
 - **3.0 FTE Increase to E-911:** The Governor recommends 2.0 FTE E-911 Telecommunicator positions and 1.0 FTE E-911 Shift Supervisor position in FY2027. The additional positions will address the deficiencies in the E-911 metrics, reduce personnel burnout and turnover, and minimize the number of calls in the queue. The E-911 program is funded exclusively with receipts collected through the E-911 surcharge.
 - **1.0 FTE Increase to State Police:** The Governor recommends 1.0 FTE Data Processing Systems Manager position for the State Police program. The position is a transfer from the Department of Administration's Division of Enterprise Technology Strategy and Services (ETSS) and is stationed at the RI State Police Headquarters to exclusively support the Department of Public Safety. The ETSS currently bills the Department for this position and the Governor recommends transferring the position to the Department of Public Safety in both the FY2026 Revised and FY2027 Recommended Budgets. The transfer of the position to the Department creates a general revenue savings of \$1,286 in the FY2026 Revised Budget and a general revenue increase of \$4,309 in FY2027.
- **Body Worn Camera and Taser Contract Renewal:** The Governor recommends \$600,000 in general revenue to fund a new 5-year contract for body-worn and vehicle cameras as well as to consolidate the

contracts for unmanned aerial equipment and tasers into a single contract. The State Police's current contract for the Taser 7 system expires in April of 2026. The manufacturer indicates that the system has a five-year useful life and that utilization outside of the recommended period should be for training purposes only, as factors like temperature and humidity may impact the device's performance. The Department indicates that the consolidation and bundling of contracts will create a general revenue savings of \$125,000 across a 5-year period when compared to a la carte replacement.

- **State Police, Capitol Police, and Sheriffs Vehicles:** The Governor recommends repurposing agency general revenue and road detail construction surplus funds to outright purchase vehicles for the State Police, Capitol Police and the Sheriffs Division in FY2026, thereby eliminating repayments to the State Fleet Revolving Loan fund in FY2027. The Governor recommends \$3.0 million of all funds, including \$1.8 million of general revenue and \$1.2 million of Road Detail Construction Reimbursement receipts, for vehicle replacement in the FY2026 Revised Budget. The FY2027 Governor's Recommended Budget includes \$975,167 of general revenue savings due to the repayment elimination and a net general revenue reduction of \$111,000. The following table illustrates the Governor's Recommendation.

Funding Source/Program	FY2026	FY2026	Change to	FY2027	Change to
	Enacted	Governor	Enacted	Governor	Enacted
General Revenue, State Police	\$2,415,000	\$1,215,000	(\$1,200,000)	\$2,415,000	\$0
General Revenue, Capitol Police	181,500	181,500	-	60,500	(121,000)
General Revenue, Sheriffs Division	344,000	370,000	26,000	354,000	10,000
Other Funds, State Police	-	1,200,000	1,200,000	-	-
Total	\$2,940,500	\$2,966,500	\$26,000	\$2,829,500	(\$111,000)

- **Rhode Island State Police Training Academy:** The Governor recommends funding for the Department to conduct a trooper academy consisting of 20 recruits to replace the 20 troopers who will reach mandatory retirement in September 2026. The Budget includes \$2.6 million of general revenue for the Academy in FY2027, reflecting an increase of \$1.7 million from the FY2026 enacted level. The FY2026 Governor's Revised Budget includes \$2.2 million of general revenue for the Academy, representing an increase of \$1.2 million from the enacted level. The Department's FY2026 1st Quarter Report notes that 15 new troopers are expected to graduate in August of 2026.

Office of the Public Defender: The Governor recommends \$18.9 million in all funds for the Office of the Public Defender in FY2027, with \$18.8 million allocated from general revenue. The recommendation represents an increase of \$587,210, all of which is general revenue. The Governor recommends 105.0 FTE positions in FY2027, reflecting a 1.0 increase from the enacted level. Significant budgetary adjustments include the following:

- **Assistant Public Defender, 1.0 FTE Position:** The Governor recommends an increase to the Office's FTE authorization and \$186,985 of general revenue to support the salary and benefits of 1.0 new Assistant Public Defender I position. The Office's FY2027 budget request indicates that staffing levels have not kept up with caseloads, resulting in non-executive attorney staff turnover of almost 60.0 percent since 2020.

Department of Environmental Management: The Governor increases general revenue funding relative to the FY2026 Budget as Enacted by \$2.2 million, a net increase of \$1.4 million in all funds, and adds 1.0 FTE position. In addition to the following, the Budget maintains funding for the Local Agriculture and Seafood Act (LASA) grants (\$500,000), the Seafood Marketing Collaborative (\$100,000), and Litter-Free Rhody (\$100,000).

- **Online Permitting Application Portal:** The Budget includes \$752,000 in general revenue to support the maintenance and operating costs of the Department's online application portals for construction permitting

and business licensing. The implementation costs were covered by IT funds that are not available in FY2027.

- **Big River Management Area (1.0 new FTE position):** Article 3 transfers administrative and regulatory authority over the Big River Reservoir lands from the Water Resources Board (WRB) in the Department of Administration (DOA) to the Department of Environmental Management (DEM). Language is included to clarify that the transfer does not affect the WRB's authority over fresh water resource management as provided in RIGL 46-15, entitled "Water Resources Management", and 46-15.1, entitled "Water Supply Facilities". The transfer includes 1.0 FTE position and \$148,296 in general revenue.

Coastal Resources Management Council: The Budget provides \$4.3 million in general revenue (\$19.2 million all funds), an increase of \$419,959 in general revenue (\$4.3 million) all funds relative to FY2026 Budget as Enacted).

Department of Transportation: The Governor recommends \$1,134.8 million in all funds to support the Department of Transportation, including \$779.2 million of federal funds, \$351.1 million of other funds and \$4.5 million in restricted receipts. The recommendation represents a net increase of \$252.0 million from the FY2026 enacted level, reflecting \$304.6 million of additional federal funds offset by reductions of \$51.0 million in other funds and \$1.6 million in restricted receipts. The Governor recommends 757.0 FTE positions in FY2027, an increase of 2.0 from the enacted level. Significant budgetary adjustments include the following:

- **RhodeWorks Truck Tolling Implementation:** The Budget includes \$20.0 million of revenue in FY2027 and \$40.0 million in out-year FY2028 from the reinstatement of the RhodeWorks program. The assumption reflects \$10.0 million of toll receipts collected each quarter. The RhodeWorks truck tolling program was established in 2016 and permitted the collection of tolls on six highways throughout the State. In 2022, the State was ordered to cease collections due to the constitutionality of the program's regulations. In December 2024, the federal First Circuit Court of Appeals ruled in favor of the State, granting the program's reinstatement. The FY2026 Budget as Enacted directed the Department to resume collections and included \$10.0 million of receipts in FY2026 and assumed \$40.0 million would be collected in FY2027, at a rate of \$10.0 million per quarter. The Governor includes \$20.0 million of toll revenue in FY2027, reflecting a revenue loss of \$30.0 million over the two-year period due to the delayed implementation.
- **Increased Highway Maintenance Account Funding for RIPTA:** In Article 2, the Governor recommends the Department of Transportation transfer an additional \$9.3 million of Highway Maintenance Account (HMA) receipts to RIPTA in FY2027 and annually thereafter. RIPTA receives two transfers of HMA funds each year, a percentage transfer of available proceeds and a fixed transfer of \$5.0 million. The Budget increases the fixed transfer by \$9.3 million, providing the Authority with a \$14.3 million fixed transfer annually. The Governor resolves the Authority's \$13.8 million budget deficit through the increased HMA funding in Article 2, \$3.5 million of RICAP funds in Article 1, and \$1.0 million of cruise operator fees in Article 5. The following table compares the HMA collections and fund transfers in the FY2026 Budget as Enacted and the FY2027 Governor's Recommended.

HMA Fund Transfers	FY2026 Enacted	FY2027 Governor	Change
RIDOT	\$95,634,295	\$95,344,789	(\$289,506)
RIPTA	16,181,588	26,482,754	10,301,166
General Fund	5,885,047	6,411,976	526,929
Total HMA Collections	\$117,700,930	\$128,239,519	\$10,538,589

Source: Office of Revenue Analysis, November 2025

- **\$0.02 Reduction to the Motor Fuel Tax Rate:** The Governor recommends reducing the motor fuel tax rate by \$0.02, from \$0.40 to \$0.38 per gallon (excluding the Environmental Protection Fee) in Article 11. The State utilizes \$0.02 per gallon to fund debt service on motor fuel bonds. The Office of Management and Budget indicates that as of December 2025, the State has defeased all outstanding motor fuel bonds. The November 2025 estimate from the Office of Revenue Analysis projects each cent of the gas tax to yield \$4.3 million, indicating the initiative will reduce FY2027's motor fuel revenue by \$8.6 million. The following table compares the motor fuel tax collections and transfers included in the FY2026 Budget as Enacted and the FY2027 Governor's Recommended Budget.

Motor Fuel Tax	FY2026 Enacted	FY2027 Governor	Change
Department of Transportation	\$96,992,489	\$95,884,729	(\$1,107,761)
Rhode Island Public Transit Authority*	51,220,753	50,635,756	(584,997)
Rhode Island Turnpike and Bridge Authority	15,257,246	15,082,991	(174,255)
GARVEE Motor Fuel Bond Debt Service	8,718,426	-	(8,718,426)
Office of Healthy Aging**	4,359,213	4,309,426	(49,787)
Total	\$176,548,127	\$165,912,901	(\$10,635,226)

*RIPTA figures include the \$0.005/gallon share of the Environmental Protection Fee

**Funding is appropriated directly to the Office.

Source: Office of Revenue Analysis, November 2025

- **Rhode Restore:** The Governor recommends \$10.0 million of gas tax receipts to fund the Rhode Restore program in FY2027, reflecting an \$3.5 million increase from the FY2026 enacted level of \$6.5 million. The Rhode Restore program, previously titled the Municipal Road Grant program, provides municipalities with funding to improve locally owned roads and infrastructure.
- **Bridge Inspection Oversight, 2.0 FTE Positions:** The Governor recommends an increase to the Department's FTE authorization and \$356,492 of federal funds to support the salary and benefits of 2.0 new Chief Civil Engineer positions. The positions will further support the Department's bridge division on inspection oversight.

State Aid and Education Aid

STATE AID

State Aid to Cities and Towns

Motor Vehicle Excise Tax Reimbursement: The Governor recommends \$239.6 million in total general revenue reimbursement funding for cities and towns, \$2,817 more than the FY2026 enacted level. The General Assembly repealed the motor vehicle excise tax in the FY2023 Budget as Enacted. Municipalities are reimbursed annually for lost revenue. The Governor also recommends eliminating the sales tax inflator for FY2028 and beyond (it would remain in effect for FY2027). The proposal, contained in Article 5, would set the annual reimbursement at the FY2025 or FY2026, whichever is higher. Eliminating this calculation would reduce general revenue expenditures by \$4.8 million in FY2027 and \$9.7 million in FY2028.

Payment in Lieu of Taxes (PILOT): The Governor budgets \$49.0 million for the State's Payment In Lieu of Taxes (PILOT) program in FY2027, \$2.3 million less than the FY2026 enacted amount. Current law requires reimbursement of 27.0 percent of forgone tax revenue but allows for a ratable reduction if the appropriation is less than this amount. According to the budget documents the budgeted amount represents 27.0 percent.

Tangible Property Reimbursement: The Governor recommends \$25.9 million in tangible property tax relief in FY2026 and FY2027 approximately level with the enacted amount.

Distressed Communities Relief Fund: The Governor recommends \$14.9 million in FY2027 for the State's Distressed Communities Relief Fund state aid program. This is level with the enacted amount and its distribution amounts in FY2027 are estimates and are subject to revision once the final Census data is available in 2026.

Library Grant-in-Aid: The Governor recommends \$10.8 million in State Aid to Libraries in FY2027, level with the FY2026 enacted appropriation.

Library Construction Aid: The Governor recommends \$2.1 million in FY2027 (\$18,113 less than the FY2026 enacted level) to reimburse communities for up to 50.0 percent of eligible costs of approved library construction projects.

Public Service Corporation Tax: The FY2027 Budget provides \$13.2 million to be distributed to municipalities on July 31, 2026. This estimate is subject to change upon the receipt of final (December 2023) data in the spring of 2026.

Meals & Beverage Tax: The 1.0 percent tax on gross receipts from the sale of food and beverages is estimated to generate \$43.2 million in FY2026 and \$45.1 million in FY2027 for distribution to cities and towns.

Hotel Tax: A 1.0 percent local hotel tax, 25.0 percent of the local share of the State 5.0 percent tax, and the whole-home rental tax is expected to generate \$19.2 million in FY2026 and \$28.8 million in FY2027 for distribution to cities and towns.

Airport Impact Aid: The Budget level funds state aid to communities that host airports at \$1.0 million in FY2027. The funding is provided annually through Article 1 of the Budget and flows through the Rhode Island Commerce Corporation.

Property Revaluation Reimbursement: The Budget includes \$826,038 in FY2027 to reimburse municipalities for a portion of the cost of conducting statistical property revaluations. This is \$113,648 more than the FY2026 Budget as Enacted, reflecting reduced revaluation activity in FY2027.

EDUCATION AID

Formula and Categorical Aid

The Governor provides an additional \$23.7 million in education aid through the funding formula distribution and categorical aid.

Funding Formula: The Budget includes an increase of \$17.8 million in education aid formula distribution relative to the FY2026 Budget as Enacted, bringing total formula aid funding to \$1,222.0 million. Article 7 modifies the education aid funding formula by increasing the student success factor weight from 40.0 percent to 43.0 percent.

Central Falls: The Governor recommends a total of \$53.8 million in education funding for Central Falls, a decrease of \$920,552, driven primarily by declining enrollment.

Davies: The Budget provides \$21.1 million in funding to Davies Career and Technical Center, an increase of \$2.6 million over the FY2026 Budget as Enacted.

Met School: The Budget provides \$14.7 million in funding to the Metropolitan Regional Career and Technical Center, an increase of \$1.7 million over the FY2026 Budget as Enacted.

Transportation: This category provides funding for transporting students to out-of-district, non-public schools for districts that participate in the statewide transportation system, and for 50.0 percent of the local costs associated with transporting students within regional school districts. The Governor recommends level funding this category at \$12.5 million in FY2027.

Early Childhood Education: This category provides funding for early childhood education programs. The Governor level funds this category at \$28.9 million in FY2027.

High-Cost Special Education: The aid category provides funding to districts for high-cost special education students. The Governor funds this category at \$20.0 million, in FY2027, an increase of \$2.5 million relative to FY2026.

Career and Technical Education: This category provides a state grant program to help districts with certain start-up and maintenance expenditures for career and technical education programs. The Governor level funds this category at \$4.5 million.

Regionalization Bonus: This category provides a bonus to regional districts and for 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 Governor provides no funding, as no new regional districts have been formed.

Group Homes: The Governor's FY2027 Budget includes \$3.6 million to fund group home beds, \$34,000 more than the FY2026 Budget as Enacted. This increase is due to the addition of 2 new licensed beds in Providence.

Other Aid to Local Education Agencies (LEAs)

In addition to the funding formula and categorical aid, the Budget includes the following aid to Local Education Agencies (LEAs).

Categorical	FY2027 Governor's Education Aid	
	Change from Enacted	Total Funding
Formula Formula	\$17.8	\$1,222.0
Central Falls	(0.9)	53.7
Davies	2.6	21.1
Met School	1.7	14.7
Transportation	-	12.5
Early Childhood	-	28.9
High-Cost Special Education	2.5	20.0
Career & Tech. Schools	-	4.5
Regionalization Bonus	-	-
Group Home Aid	0.0	3.6
Total	\$23.7	\$1,380.9

\$ in millions

Textbook Reimbursement: The Governor level funds the state Textbook Reimbursement Program at \$60,000. Currently, the State provides reimbursement to school districts for the cost of furnishing textbooks in the fields of English/language arts and history/social studies to resident students in grades K-12 attending non-public schools.

School Breakfast Program: The Governor fully funds the State's share of administrative costs for the school breakfast program (\$270,000). These administrative costs include hiring servers needed to effectively run the program and encourage participation. In addition, the Budget includes \$812,952 in general revenue to provide free school meals to all students in public schools eligible for reduced-price meals.

School Housing Aid: The Governor recommends \$102.9 million for the school housing aid program, a decrease of \$17.0 million.

Teacher Retirement: Teacher retirement decreases by \$7.8 million, providing \$130.2 million total.

FY2026 Supplemental

Administration: The Governor includes \$234.3 million in general revenue expenditures (\$632.8 million all funds) for the Department in FY2026, decreasing general revenue expenditures by \$15.0 million, but resulting in increasing all fund expenditures by \$202.2 million.

- **SFRF and ARPA Funds:** The Budget includes \$112.3 million in federal SFRF and ARPA funds including \$83.2 million for Municipal and Higher Ed Matching Grant program, to renovate or construct community wellness centers that meet the U. S. Treasury's guidance for workforce development, education, and health maintenance; and \$18.4 million for the State's COVID-19 emergency rental assistance program administered in partnership with RI Housing.
- **Debt Service:** The Budget decreases general revenue by \$26.3 million, reflecting a delay in issuing the planned general obligation bond issuance.
- **RICAP Projects:** The Budget includes \$34.2 million for infrastructure improvements at the Pastore Campus; \$23.3 million for renovations to structures at the Zambarano Campus; \$7.1 million for Group Home consolidation; and \$6.4 million for the proposed new Long-Term Acute Care Hospital on the Zambarano Campus

Office of Energy Resources: The Governor recommends \$77.6 million in all funds for the Department in FY2026, including \$275,313 in general revenue for the E-Bike rebate program and the Electric Leaf Blower Rebate program.

- **E-Bike Program:** The Budget provides \$56,111 in general revenue to maintain the Erika Niedowski Memorial E-Bike Rebate Program. The FY2025 Final Budget required any unexpended balance be reappropriated into FY2026.
- **Electric Leaf Blower Rebate:** The Budget includes \$219,202 in general revenue to fund the electric leaf blower rebate program. The FY2025 Final Budget required any unexpended balance be reappropriated into FY2026.
- **National Electric Vehicle Infrastructure Formula Program:** The Budget includes \$14.6 million in other funds reflecting an increase of \$9.9 million as compared to the FY2026 Budget as Enacted. The increase reflects \$118,738 for salary and benefits and \$9.8 million for grant funding. This is an operating transfer of federal fund awards to the State under the National Electric Vehicle Infrastructure Formula Program (NEVI Formula), to provide funding to strategically deploy electric vehicle (EV) charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability.

Department of Business Regulation: The Budget includes \$25.6 million in general revenue for the Department of Business Regulation in FY2026, a net \$123,231 decrease from the enacted level. The decrease is primarily related to savings in contracted services and projected turnover.

Cannabis Control Commission: The Budget includes \$7.3 million in restricted receipts for the Cannabis Control Commission in FY2026, a net \$17,033 decrease over the enacted level. The change is primarily due to Statewide adjustments and a one-time transfer from the marijuana trust fund.

- **Marijuana Trust Fund Transfer:** The Governor recommends a one-time transfer of \$5.0 million to general revenue from the Marijuana Trust Fund, which has generated revenues exceeding what is required to administer the adult-use cannabis market. These funds will support the FY2027 budget initiatives put forth by the Governor including:
 - 988 Lifeline (\$1.0 million)

- Certified Community Behavioral Health Centers (\$4.0 million)

Department of Labor and Training: The Governor recommends \$18.9 million of general revenue (\$658.1 million in all funds) to support the Department of Labor and Training in FY2026. The recommendation represents a general revenue increase of \$697,999 (\$25.8 million increase in all funds) relative to the FY2026 enacted level. The Budget includes 461.7 FTE positions in FY2026, consistent with the enacted level. Significant budgetary initiatives include the following:

- **Reappropriations:** The Governor recommends \$645,780 of general revenue be reappropriated to the Department, including \$565,780 for the Skills RI Healthcare Workforce Training program and \$80,000 to support the Firefighters' Relief Fund.
- **Police and Firefighter Relief Funds:** The Governor recommends an additional \$118,792 of general revenue to fully cover benefits under the Police Relief Fund and Firefighter Relief Fund in FY2026. The Department requested additional funding to provide a one-time death benefit of \$168,814 from the Fire Relief Fund, indicating that the account lacked sufficient funding to cover the expense.
- **ARPA SFRF Projects:** The Governor recommends a combined \$66,704 of American Rescue Plan Act, State Fiscal Recovery Funds (ARPA SFRF) for the Department of Labor and Training in FY2026 for two projects. The Budget includes \$65,508 for the Enhanced Real Jobs program and \$1,196 for the Unemployment Insurance Trust Fund Contribution project.

General Treasurer: The Budget includes \$5.4 million in general revenue expenditure (\$26.9 million all funds) for the Office of the General Treasurer in FY2026, reflecting a net increase of \$787,041 in general revenue expenditures. All fund expenditures have a net increase of \$918,946.

- **Medical Debt Relief Program:** The Budget includes the reappropriation of \$880,999 for the Medical Debt Relief Program that was established in the FY2025 Budget as Enacted and administered by the Office of the General Treasurer for the purpose of contracting with a non-profit corporation to purchase, cancel, or otherwise forgive medical debt upon established requirements including that the individual be a citizen of the State and has a federal adjusted gross income is 400.0 percent or less than the federal poverty line, or whose debt is more than 5.0 percent of the individuals adjusted gross income. According to the State's RIFANs accounting system, a total of \$119,101 was expended by Undue Medical Debt in FY2025. This leaves a balance of \$880,999 to be reappropriated into FY2026.

Executive Office of Health and Human Services: The Budget includes \$1,477.2 million from general revenues (\$4,255.3 million all funds) for the Executive Office of Health and Human Services (EOHHS) in FY2026. This represents a general revenue decrease of \$13.2 million in general revenue (\$1.2 million all funds) when compared to the FY2026 Budget as Enacted. The major changes include the following:

- **Medicaid Management Information System (MMIS):** The Budget includes a \$1.7 million increase in general revenue (\$4.8 million all funds) to support the Medicaid Management Information System. The State's existing MMIS was originally implemented in 1993. Over the years, the State's MMIS has continued to be adapted to meet the needs of the State, but in order to come into compliance with the Centers for Medicare and Medicaid Services (CMS) requirements, the State must adopt a modular system. The existing MMIS system will run in tandem with the new MES modules until the transition is completed.
- **Government Efficiency Grant:** The Budget includes \$2.0 million in federal funds to facilitate capacity building for SNAP and Medicaid beneficiaries to meet the volunteering, educational, and/or work requirements required to meet the new community engagement requirements.

Department of Children, Youth, and Families: The Budget includes \$262.8 million in general revenue for the Department of Children, Youth and Families (DCYF) in FY2027, a net \$19,575 decrease over the

enacted level. The decrease is primarily related to expenses associated with statewide adjustments and projected turnover savings of \$924,064.

- **Children's Behavioral Health Consent Decree – FTE Positions:** The Governor recommends \$317,230 in general revenue and \$417,416 in all funds, as well as 6.0 FTE positions for consent decree, which the State entered into with the Department of Justice and intends to remedy the States' compliance with the ADA and section 504 through the implementation of an agreed upon multi-year remedial plan. The agreement includes 5.0 Social Service Analysts and 1.0 Caseload Worker Supervisor II.

Department of Health: The Budget includes \$41.9 million in general revenue for the Department of Health in FY2027, a net \$1.1 million increase over the enacted level. The increase is primarily related to expenses associated with the Nursing Home Minimum Staffing and supporting operations at the new State Health Laboratory.

- **Reappropriation – Primary Care Training Sites:** The Governor recommends \$502,422 in general revenue for the reappropriation of unspent funds from FY2025 to support the implementation of primary care training sites.
- **Reappropriation – RI Rental Registry:** The Governor recommends \$364,000 in general revenue for the reappropriation of unspent funds from FY2025 for the implementation and public outreach necessary for full scaling and compliance of the Statewide rental registry.
- **Laboratory Facility:** The Governor recommends a \$1.1 million general revenue increase (\$2.4 million in all funds) for the new State Health Laboratory operating expenses.
- **Center for Health Facilities Regulation Centers (HFRC) for Medicare and Medicaid Services (CMS) Funding Deficit:** The Governor recommends a restricted receipt increase of \$735,185, derived from the Organization's indirect cost recovery account, to cover the anticipated gap in federal funding support from CMS. The Department utilizes indirect cost recovery funds for state-supported operational costs to federal programs or activities.

In accordance with RIGL 34-4-23.1, the Department applies for federal indirect cost recoveries through an indirect cost proposal, which is submitted directly to the U.S. Department of Health and Human Services (DHHS). To receive this reimbursement, the DOH submits an indirect cost proposal requesting federal approval of the indirect rate for the upcoming fiscal year.

- **Opioid Crisis Response Funding:** The Governor recommends \$10.6 million in restricted receipts for continued support of existing and new initiatives in Rhode Island's response to opioid and substance abuse crisis. This includes \$2.0 million from Opioid Stewardship Funds, \$8.5 million in abatement funds, and \$91,530 in McKinsey Settlement Funds.

Department of Human Services: The Budget includes \$137.2 million in general revenue for the Department of Human Services in FY2026, a net \$1.1 million increase over the enacted level. The increase is primarily related to expenses associated with 39.0 new FTE positions, investments to comply with H.R. 1, and reappropriations.

- **H.R. 1 Response:** The Governor recommends a total of \$811,260 in general revenue (\$1.6 million in all funds) to finance 10.0 FTE positions and technology upgrades to begin work to lower the State's SNAP payment error rate (PER).
- **Reappropriation Digitalization Project:** The Governor recommends the reappropriation of \$250,000 in general revenue for the digitization project in the Office of Veterans Services.
- **Reappropriation Office of Healthy Aging:** The Governor recommends the reappropriation of \$10,000 in general revenue for delayed invoicing for the Volunteer Guardianship Program.

- **Caseload Estimating Conference:** The Governor recommends \$28.6 million in general revenue to support caseload programs within DHS including RI Works, CCAP, State Supplemental Security Income, and General Public Assistance.

Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals: The Governor's Budget includes \$327.1 million in general revenues (\$744.9 million all funds) for the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH) in FY2026. This represents an increase of \$8.3 million in general revenue as compared to the FY2026 Budget as Enacted. Significant budget initiatives for FY2027 include:

- **Caseload Adjustment:** The Budget includes \$199.5 million in general revenue (\$459.4 million all funds) to reflect the caseload adopted at the November 2025 Caseload Estimating Conference. This increase captures continued growth in residential services. General revenue funding represents an increase of \$4.8 million over the enacted level.
- **988 Hotline:** The Governor recommends \$4.4 million in federal funds in FY2026 to support the State's 988 National Suicide Prevention Hotline program, including \$2.4 million in State Fiscal Recovery Funds.

Commission on Disabilities: The Budget includes \$2.3 million in general revenue (\$2.7 million in all funds) reflecting an increase of \$914,652 in general revenue.

- **Livable Home Modification Grant Program:** The Governor recommends the reappropriation of \$890,565 in unspent funds from FY2025 for home modification grants.

Rhode Island Commission on the Deaf and Hard of Hearing: The Budget includes \$767,663 in general revenue for the Commission on the Deaf and Hard of Hearing in FY2026, a net \$18,570 decrease from the enacted level. The decrease is primarily related to expenses associated with a \$102,200 shift in interpreter costs to restricted receipts and a \$74,632 general revenue increase in operating costs. .

- **Office Renovations:** The Governor recommends \$58,729 in general revenue in FY2026 for the Commission's office renovations and equipment. The Renovation includes new cubicles, carpet, telecom equipment, and electrical equipment.

Elementary and Secondary Education: The Budget increases general revenue funding in the Department by \$1.3 million (a net increase of \$1.6 million all funds). The Governor recommends the reappropriation of \$2.7 million for Learn365RI after-school grants and \$1.9 million for a settlement involving special education services.

Office of the Attorney General: The Governor recommends \$38.4 million of general revenue (\$52.9 million in all funds) to support the Office of the Attorney General in FY2026. The recommendation represents a \$145,464 general revenue increase (\$438,500 increase in all funds) relative to the FY2026 enacted level. The Governor recommends 268.1 FTE positions in FY2026, consistent with the enacted level.

Department of Corrections: The Governor recommends \$368.2 million in all funds for the Department of Corrections in FY2026, with \$325.7 million allocated from general revenue. The recommendation represents an increase of \$1.8 million in total funding for the Department relative to the FY2026 enacted level, including \$1.7 million of additional general revenue. The Governor recommends 1,461.0 FTE positions, consistent with the enacted level. Significant initiatives include the following:

- **Reappropriations:** The Governor recommends \$581,138 of general revenue be reappropriated to the Department for critical healthcare workforce incentives. The Department indicates the funding will be used to address the constant need of medical staff and support Pathways Training, equipment allowances, mentoring, and recruitment bonuses.

- **Opioid Crisis Response Funding:** The Governor recommends \$1.5 million in restricted receipts from the Opioid Stewardship Fund in FY2026 for the continued support of the Department's response to the opioid and substance abuse crisis. The Governor's recommendation reflects an increase of \$193,379 from the FY2026 enacted level.
- **State Criminal Alien Assistance Program (SCAAP) Funding:** The Governor recommends the Department utilize \$1.0 million of SCAAAP federal funds in FY2026 to offset an equivalent amount of overtime expenditures for personnel in the Intake Services Center. The recommendation is \$317,186 below the FY2026 Budget as Enacted appropriation.

Judiciary: The Budget includes \$135.6 million in general revenue (\$160.4 million all funds), an increase of \$2.0 million in general revenue (\$1.1 million all funds) relative to the FY2026 Budget as Enacted, including the reappropriation of \$1.9 million in unspent general revenue from FY2025 into FY2026.

Emergency Management: The Budget includes \$7.6 million in general revenue expenditures (\$57.0 million all funds) for the Rhode Island Emergency Management Agency in FY2026, reflecting an increase of \$186,926 in general revenue expenditures and \$13.4 million in all funds.

- **FIFA World Cup:** The Governor recommends \$250,000 in general revenue for security expenses with the FIFA World Cup. It is expected that several of the teams playing at the Gillette Stadium in Foxboro, MA, will reside and train in Rhode Island.

Department of Public Safety: The Governor recommends \$215.3 million in all funds for the Department of Public Safety in FY2026, with \$142.2 million allocated from general revenue. The recommendation represents a \$17.5 million increase in total funding (\$9.4 million of general revenue) relative to the FY2026 enacted level. Significant budgetary adjustments include the following:

- **Body-Worn Camera Project Reappropriation:** The Governor recommends \$9.0 million of general revenue be reappropriated to the Department for the continued administration of the Body-Worn Camera project. Current law requires the project's unspent funding to be automatically reappropriated to the next fiscal year.
- **Reappropriations:** The Governor recommends \$256,247 of general revenue be reappropriated to the Department, including \$158,089 for the Family Services of Rhode Island "GO Team" grant, \$51,718 for delayed procurements for the Division of Sheriffs, and \$46,440 for various equipment and materials for the State Police.
- **1.0 FTE Increase to State Police:** The Governor recommends 1.0 FTE Data Processing Systems Manager position for the State Police program. The position is a transfer from the Department of Administration's Division of Enterprise Technology Strategy and Services (ETSS) and is stationed at the RI State Police Headquarters to exclusively support the Department of Public Safety. The ETSS currently bills the Department for this position, and the Governor recommends transferring the position to the Department of Public Safety in the FY2026 Revised Budget. The transfer of the position to the Department creates a general revenue savings of \$1,286.
- **State Police, Capitol Police, and Sheriffs Vehicles:** The Governor recommends repurposing agency general revenue and road detail construction surplus funds to outright purchase vehicles for the State Police, Capitol Police, and the Sheriffs Division in FY2026, thereby eliminating repayments to the State Fleet Revolving Loan fund in FY2027. The Governor recommends \$3.0 million of all funds, including \$1.8 million of general revenue and \$1.2 million of Road Detail Construction Reimbursement receipts, for vehicle replacement in the FY2026 Revised Budget. The FY2027 Governor's Recommended Budget includes \$975,167 of general revenue savings due to the repayment elimination and a net general revenue reduction of \$111,000. The following table illustrates the Governor's Recommendation.

Funding Source/Program	FY2026	FY2026	Change	FY2027	Change
	Enacted	Governor		Governor	
General Revenue, State Police	\$2,415,000	\$1,215,000	(\$1,200,000)	\$2,415,000	\$0
General Revenue, Capitol Police	181,500	181,500	-	60,500	(121,000)
General Revenue, Sheriffs Division	344,000	370,000	26,000	354,000	10,000
Other Funds, State Police	0	1,200,000	1,200,000	-	-
Total	\$2,940,500	\$2,966,500	\$26,000	\$2,829,500	(\$111,000)

- **Rhode Island State Police Training Academy:** The Governor recommends \$2.2 million of general revenue for the Department to conduct a State Police Training Academy in FY2026, consisting of 15 recruits, representing an increase of \$1.3 million from the FY2026 enacted level of \$979,925. The Department's FY2026 1st Quarter Report notes that 15 new troopers are expected to graduate in August of 2026.
- **Support for Survivors of Domestic Violence:** The Governor recommends \$4.5 million of ARPA SRF for the Department's Support for Survivors of Domestic Violence project in FY2026, reflecting a reappropriation of unspent funding from the previous fiscal year.

Office of the Public Defender: The Governor recommends \$18.3 million in all funds for the Office of the Public Defender in FY2026, with \$18.2 million allocated from general revenue. The recommendation represents an increase of \$11,095, all of which is general revenue. The Governor recommends 105.0 FTE positions in FY2026, consistent with the enacted level.

Coastal Resources Management Council: The Governor increases general revenue funding relative to the FY2026 Budget as Enacted by \$269,201, a net decrease of \$192,265 in all funds, with no change in FTE positions. The change is due primarily to the addition of \$288,857 in general revenue to reflect updated federal administrative cost sharing projections.

Department of Transportation: The Governor recommends \$1,202.3 million in all funds to support the Department of Transportation in FY2026 including \$610.2 million of federal funds, \$590.2 million in other funds and \$1.9 million in restricted receipts. The recommendation represents a net increase of \$319.5 million from the FY2026 enacted level, including increases of \$135.6 million in federal funds and \$188.0 million in other funds, offset by a \$4.2 million reduction to restricted receipts. The increased other funds reflect the Department's carry-forward funding as well as a \$14.4 million reappropriation of motor fuel revenue. The Budget includes \$7.1 million of motor fuel bond residuals, which are not expenditures and have been removed in the \$1,202.3 million total. The Governor recommends 755.0 FTE positions in FY2026, consistent with the enacted level. Significant budgetary adjustments include the following:

- **RhodeWorks Truck Tolling Implementation:** The Governor removes \$10.0 million of toll revenue in FY2026 due to a delay in the implementation of the program. The RhodeWorks truck tolling program was established in 2016 and permitted the collection of tolls on six highways throughout the State. In 2022, the State was ordered to cease collections due to the constitutionality of the program's regulations. In December 2024, the federal First Circuit Court of Appeals ruled in favor of the State, granting the program's reinstatement. The FY2026 Budget as Enacted directed the Department to resume collections and included \$10.0 million of receipts from the final quarter in FY2026. The Budget assumed \$10.0 million of toll receipts would be collected each quarter. The Governor includes \$20.0 million of toll revenue in FY2027, reflecting a revenue loss of \$30.0 million over the two-year period due to the delayed implementation.
- **Highway Maintenance Account Collections Adjustment:** The Budget includes \$119.2 million of Highway Maintenance Account (HMA) receipts, reflecting an increase of \$1.5 million from the FY2026 enacted level. The following table compares the HMA collections and transfers included in the FY2026 Budget as Enacted and the FY2026 Governor's Revised Budget.

HMA Fund Transfers	FY2026 Enacted	FY2026 Governor	Change
RIDOT	\$95,634,295	\$96,874,921	\$1,240,626
RIPTA	16,181,588	16,319,436	137,847
General Fund	5,885,047	5,957,598	72,551
Total HMA Collections	\$117,700,930	\$119,151,954	\$1,451,024

Source: Office of Revenue Analysis, November 2025

- **Motor Fuel Tax Collections Adjustment:** The Budget includes \$175.7 million of gas tax receipts in FY2026, reflecting a decrease of \$888,854 from the FY2026 enacted level. The following table compares the collections and distribution totals for the gas tax in the FY2026 Budget as Enacted and the FY2026 Governor's Revised Budget.

Motor Fuel Tax	FY2026 Enacted	FY2026 Governor	Change
Department of Transportation	\$96,992,489	\$96,504,169	(\$488,321)
Rhode Island Public Transit Authority*	51,220,753	50,962,876	(257,877)
Rhode Island Turnpike and Bridge Authority	15,257,246	15,180,431	(76,815)
GARVEE Motor Fuel Bond Debt Service	8,718,426	8,674,532	(43,894)
Office of Healthy Aging**	4,359,213	4,337,266	(21,947)
Total	\$176,548,127	\$175,659,273	(\$888,854)

**RIPTA figures include the \$0.005/gallon share of the Environmental Protection Fee*

***Funding is appropriated directly to the Office.*

Source: Office of Revenue Analysis, November 2025

- **Rhode Restore:** The Governor recommends \$6.5 million of gas tax receipts to fund the Rhode Restore program in FY2026, consistent with the FY2026 enacted level. The Rhode Restore program, previously titled the Municipal Road Grant program, provides municipalities with funding to improve locally owned roads and infrastructure.
- **ARPA SRF Projects:** The Governor recommends a combined \$28.3 million of American Rescue Plan Act, State Fiscal Recovery Funds (ARPA SRF) for the Department of Transportation in FY2026, all of which represent unspent project funding from the previous fiscal year. The Budget includes \$11.4 million for the Municipal Roads Grant Program as well as \$16.9 million for the Washington Bridge Project

Articles

Article 1: Relating to Making Appropriations in Support of FY2027

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 13,330.8 FTE positions reflecting a net decrease of 2,591.0 FTE positions as compared to the authorized level set in the FY2026 Budget as Enacted. These figures reflect the Governor's recommendation to eliminate the authorized FTE cap of 2,292.2 FTE positions for the University of Rhode Island and 378.8 FTE positions for the URI sponsored research positions. If the recommendation is not accepted, then the total authorized cap would be 16,001.8 reflecting a net increase of 80.0 FTE positions.
- 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 FY2028. In addition, the Office of the Postsecondary Commissioner shall provide \$8.1 million be allocated to the Rhode Island Promise Scholarship program, and \$7.1 million be allocated to the Rhode Island Hope Scholarship Program, \$455,000 to support the Onward We Learn, \$100,000 to the Rhode Island School for Progressive Education, \$151,410 to support the State's membership in the New England Board of Higher Education, and \$75,000 to Best Buddies Rhode Island.
- 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 the Judiciary to provide \$500,000 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 be provided to the Director of Administration, the Secretary of Housing, 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. Requires that all unexpended or unencumbered balances relating to the State Fiscal Recovery Fund and Capital Projects Fund be reappropriated to FY2028 and made available for the same purposes.

Extends the quarterly reporting period to October 31, 2026, for the Pandemic Recovery Office to identify programs that are at risk of significant under spending or noncompliance with federal or state requirements. The reports are provided to the Speaker of the House, the Senate President, and the chairpersons of the House and Senate Finance Committees. Commencing with the report due on April 30, 2025, the report will be made on a biannual basis until October 31, 2026. The report must include an assessment on how programs that are at risk can be remedied.

In the event, that any State Fiscal Recovery Fund program underspends its appropriation or receives program income as defined by U.S. Treasury and that would put the state at risk of forfeiture of federal

funds, the Governor may propose to reclassify funding from the at-risk program to other eligible uses as determined by U.S. Treasury. This proposal shall be referred to the General Assembly. If the amount of underspend and/or receipt of program income for a state fiscal recovery fund program is less than or equal to \$1.0 million and less than or equal to 20.0 percent of its total appropriation, the Governor's proposed reclassification shall take effect immediately. If the amount of underspend and/or receipt of program income for a state fiscal recovery fund program is greater than \$1.0 million or 20.0 percent of its total appropriation, the Governor's proposed reclassification shall go into effect thirty days hence after its referral to the General Assembly by the Governor, unless rejected by formal action of the House and Senate acting concurrently within that time.

- 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, the Commerce Corporation 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 exempts the Rhode Island Uninsured Protection Fund from the indirect cost recovery assessment and increases the transfer of Highway Maintenance Account (HMA) receipts to the Rhode Island Public Transit Authority (RIPTA) by \$9.3 million, from the enacted amount of \$5.0 million to \$14.3 million.

- **Uninsured Protection Fund:** Section 1 of the article amends RIGL 31-4-27 to exempt the Uninsured Protection Fund from the 15.0 percent indirect cost recovery assessment. The Uninsured Protection Fund (UPF), administered by the Department of Labor and Training, provides workers compensation benefits to employees who were injured while working for an employer that failed to carry valid workers' compensation insurance. The Office of Management and Budget (OMB) indicates that exempting the UPF from the assessment will not have a fiscal impact due to a technical revision.
- **RIPTA's Highway Maintenance Account Increase:** Section 2 of the article amends RIGL 39-18.1-5 to increase RIPTA's annual fixed share of HMA receipts from the enacted amount of \$5.0 million to \$14.3 million, for FY2027 and annually thereafter. RIPTA currently receives two statutory transfers of HMA funds annually, a percentage transfer of available proceeds, and a fixed transfer of \$5.0 million. Article 11 of the FY2026 Budget as Enacted increased RIPTA's percentage share from 5.0 percent to 10.0 percent, which is classified as State Subsidies in the Authority's budgetary materials. RIPTA's fixed transfer of \$5.0 million supports the Reduced Fare program and debt service. Of the \$5.0 million in HMA funds, the FY2027 Budget classifies \$3.9 million as Passenger Revenue and the remaining \$1.1 million as Other Revenue, as it is utilized to service the Authority's debt.
 - **Deficit Resolution:** The Governor recommends sufficient funding to resolve RIPTA's \$13.8 million deficit in FY2027. The Governor provides RIPTA with \$9.3 million of HMA funds in Article 2, \$1.0 million of cruise fee receipts in Article 5, and \$3.5 million of RICAP funds in Article 1. The following table illustrates the recommended initiatives to resolve RIPTA's \$13.8 million deficit.

Funds Recommended to Resolve RIPTA's Deficit	
RIPTA's FY2027 Budget Deficit	(\$13.8)
HMA Increase from \$5.0mm to \$14.3mm	9.3
RICAP Funds (Bus Match)	3.5
Newport Cruise Fees	1.0
Remaining Deficit	\$0.0

\$ in millions.

Article 3: Relating to Government Reform and Reorganization

Article 3 makes several changes to the organization of state government. Specifically, the article:

- **Executive Veto Power:** Amends the State Constitution pursuant to Section 1 Article XIV to allow the Governor the power of line-item veto to reduce or eliminate expenditures in the budget, as well as to disapprove non-appropriation items such as articles, sections, or subsections, with certain limitations. The General Assembly may override each veto separately by a vote of three-fifths of the members present on non-appropriation items, or by two-thirds of the members present on appropriation items.
- **Proper Management of Unused Paint:** Modifies the paint recycling program to require the representative organization to submit an updated plan for review and approval every five years, beginning with an update due December 31, 2026. Currently, a third-party organization, known as PaintCare, represents paint manufacturers in operating the paint recycling program, and setting recycling fees to fund operating expenses as well as cash reserve. PaintCare operates in twelve states and in the District of Columbia. The program in Rhode Island began in June 2014. The fee is \$0.35 on pint and quart containers, \$0.75 on gallon containers, and \$1.60 on five-gallon containers.
- **Green Buildings Advisory Council:** Amends RIGL 37-24-5 to transfer the administrative authority for the Green Buildings Advisory Council (GBAC) and the Green Buildings Act (GBA) from the Department of Administration (DOA) to the Department of Business Regulation (DBR). When the Green Buildings Advisory Council was established, the State Building Code Commission was within the Department of Administration, but has since transferred to the Department of Business Regulation. The Department of Administration no longer possesses staff to facilitate the needs of the GBAC. The article requires the DOA to commission a report to analyze costs and benefits of Leadership in Energy and Environmental Design (LEED) certification compared to equivalent standards.
- **Weatherization Assistance Program:** Transfers the administration and management of the Weatherization Assistance Program (WAP) and 4.0 FTE positions as well as a portion of the federal Low-Income Home Energy Assistance Program (LIHEAP) from the Department of Human Services to the Office of Energy Resources. The WAP program was originally under the OER when the Office was a program in the Department of Administration and was transferred to DHS in 2013. This proposal reflects a transfer of \$10.9 million in federal funds and 4.0 federally-funded FTE positions to OER.
- **Economic Development Incentive Changes:** Section 8 of Article 3 increases the maximum aggregate amount of combined Rebuild Rhode Island tax credits and sales tax exemptions from \$225.0 million to \$250.0 million. Sections 8-15 and Section 18 reauthorize the EOC's various incentive programs for an additional year by extending the statutory sunset provisions placed on them from December 31, 2026, to December 31, 2027.
- **Big River Management Area:** Transfers administrative and regulatory authority over the Big River Reservoir lands from the Water Resources Board (WRB) to the Department of Environmental Management (DEM). Language is included to clarify that the transfer does not affect the WRB's authority over freshwater resource management as provided in RIGL 46-15, entitled "Water Resources Management", and 46-15.1, entitled "Water Supply Facilities".

- **Energy Benchmarking:** Amends RIGL 42-140-13, the Rhode Island Energy Resources Act, to establish new implementation and reporting requirements for energy benchmarking and performance standards of state-owned buildings. Beginning March 29, 2029, and recurring annually afterwards, state departments shall report to the Office of Energy Resources (OER) on energy use data for each state-owned building and facility listing the fuel used and total emissions. The article requires the OER to provide technical and financial assistance to municipalities implementing energy benchmarking of municipal-owned public buildings
- **Freshwater Lake Management Program:** Amends RIGL 46-31.1, regarding the legislative findings section of the Bays, Rivers and Watersheds Fund's authorizing statute, to include lakes and add a definition for the terms lake and pond. The article adds language authorizing the use of the Bays, Rivers and Watersheds Fund to support the Freshwater Lake Management Program.
- **Bays, Rivers and Watershed Fund:** The article amends RIGL 46-33-1 repealing language referencing a nonexistent Rhode Island lake management fund. The article adds language to the Freshwater Lake Management Program under RIGL 46-33-2 authorizing the use of sums allocated by the General Assembly from the Fund for use in providing financial assistance for lake management.

Article 4: Relating to Debt Management Act Joint Resolutions

This article proposes new authorizations for revenue that do not require voter approval, also known as a Kushner Resolution. The authorizations provided include the following:

- **Rhode Island College – Residential Life Renovations:** The article approves financing of up to \$20.6 million for the renovation of five residence halls at Rhode Island College. The project addresses critical infrastructure improvements that will enhance the on-campus experience for the resident students. Debt service payments will be supported by revenue derived from the College's residential life auxiliary student fees. Total debt will not exceed \$36.5 million over a 20-year term.
- **University of Rhode Island – Repaving Hardscape Improvements:** The article approves financing of up to \$20.0 million to support the re-pavement and reconstruction of major parking facilities, roadways, walkways, and associated infrastructure on the University's Kingston, Narragansett Bay, and Alton Jones campuses. Total debt service repayments will be paid from University unrestricted revenues and enterprise parking funds, and will not exceed \$34.9 million over a 20-year term.
- **University of Rhode Island – Automotive and Administrative Services:** The article approves financing for up to \$14.4 million to support proper working space for automotive services and new space for mail and printing services by building an addition to the central warehouse for mail/printing and providing a new automotive repair building to replace the existing one. Total debt service repayments will not exceed \$25.2 million over a 20-year term, and will be paid with University unrestricted revenue.

Article 5: Relating to Taxes and Fees

This article establishes an additional personal income tax bracket, phases out the taxation of social security income, provides for a refundable child tax credit, makes certain changes to tobacco-related excise taxes including increasing the cigarette tax, and makes several other additional tax and fee changes. Specifically, the article:

- **New Personal Income Tax Bracket:** Establishes a fourth personal income tax bracket beginning tax year 2027 that taxes income over \$1.0 million at a rate of 8.99 percent. The current uniform personal income tax brackets for tax year 2026 are:

For Tax Year 2026	
Income Between...	Is Taxed at...
\$0 and \$82,050	3.75%
\$82,050 and \$186,450	4.75%
\$186,450 and above	5.99%

The proposal is estimated to generate an additional \$67.1 million in FY2027 and grow to \$135.3 million in FY2028. The Office of Revenue Analysis (ORA) notes in budget documents that there is considerable debate around taxpayer behavior when personal income tax policy is changed. This is particularly true around tax increases and taxpayers' efforts to reduce their tax liabilities through relocation, shifting income, etc. ORA therefore approached its fiscal impact estimate conservatively, using an "elasticity of income" (ETI) calculation that considers a 1.0 percent increase in the tax rate producing an overall income reduction of 1.0 percent.

- **Social Security Income Exemption:** Phases out the taxation of social security income over the course of three tax years. Rhode Island is one of eight states that taxes social security income to some degree. The State does exempt all social security income from personal income taxation under very specific circumstances. To be eligible for the exemption, a taxpayer must have:
 - Federal adjusted gross income that includes federally taxable income from Social Security.
 - Reached "full retirement age" as defined by the Social Security Administration.
 - Federal adjusted gross income that is below a certain amount (see following table).

Social Security Modification - Income Limits by Tax Year		
Filing Status	2024	2025
Single	\$104,200	\$107,000
Married Filing Jointly	130,250	133,750
Head of Household	104,200	107,000
Married Filing Separately	104,225	107,000

If the taxpayer does not meet the above criteria, then social security income is taxed at the state level.

- **Proposed Changes:** The article phases in the complete exemption of social security income from state income tax
 - **Phase 1:** For tax year 2027, the proposal eliminates the "full retirement age" requirement under the current modification but not the income requirement. This is estimated to benefit 9,200 resident and 1,900 non-resident filers.
 - **Phase 2:** For tax year 2028, the income levels of taxpayers eligible for the modification would increase so that approximately half of the taxpayers subject to taxation currently, would no longer be. This is estimated to provide tax relief to an additional 11,600 resident and 1,900 non-resident filers.

Phase 2 Income Thresholds	
Filing Status	2028
Single	\$165,200
Married Filing Jointly	206,550
Head of Household	165,200
Married Filing Separately	165,200

- **Phase 3:** For tax year 2029 and beyond, the income threshold for the modification would be eliminated, resulting in no Rhode Island taxpayer paying personal income tax on social security income. This is estimated to benefit another 11,200 resident and 4,400 non-resident filers.

This proposal is estimated to reduce available revenue as follows:

Fiscal Year	Fiscal Impact
FY2027	(\$2,976,997)
FY2028	(14,638,767)
FY2029	(41,282,869)
FY2030	(60,090,887)
FY2031	(61,907,752)

- **Refundable Child Tax Credit:** Establishes a new refundable child tax credit for certain eligible taxpayers to be used to offset personal income taxes or, in certain circumstances, increase personal income. The proposal would replace the current dependent deduction allowed under state law, with a refundable credit for Rhode Island resident taxpayers with dependents 18 years old or younger. The credit is estimated to be approximately \$325 per child in tax year 2027 (based on a statutory calculation that takes the current dependent deduction and multiplies it by 5.99 percent). The new credit would be adjusted annually for inflation.
 - **Refundability:** Under the current dependent deduction, taxpayers may reduce their taxable income by \$5,250 (as of TY2026) per dependent. This exemption only benefits taxpayers that have enough income to generate tax liability. Under the new proposal if eligible individuals receive credits in amounts greater than their tax liability, the difference is provided back to the taxpayers essentially as a cash payment.

The proposal is estimated to result in a revenue loss of \$14.7 million in FY2027. Out-year impacts are summarized below.

Fiscal Year	Fiscal Impact
FY2027	(\$14,701,176)
FY2028	(29,657,570)
FY2029	(30,329,465)
FY2030	(31,186,604)
FY2031	(32,129,540)

- **Tax Amnesty:** Provides a tax amnesty program for a 75-day period ending February 15, 2027. Under the program, civil, and criminal penalties for non-compliance with state tax laws would be forgiven, and interest owed will be reduced by 25.0 percent. It is estimated that \$26.3 million of additional one-time revenue collections would result from the amnesty period. The State implemented tax amnesty programs in FY2018, FY2013, and FY2007. The Office of Revenue Analysis (ORA) used collections data from those previous amnesty periods that were used to develop the FY2027 fiscal impact.

Tax Amnesty Fiscal Impact	
Tax Type	Fiscal Impact
Personal Income	\$8,797,480
Departmental Receipts	8,053,306
Sales and Excise	4,531,705
Business Taxes	4,140,177
Estate Tax	825,325
Total	\$26,347,993

The Budget includes \$750,000 in operating and contract services expenditures to implement the program in FY2027.

- **Decoupling from H.R. 1 R&D Expensing:** Decouples State's policy from certain new federal rules related to how a business' income is determined for tax purposes. Rhode Island's income tax laws piggyback off the federal Internal Revenue Service's rules and statutes. This includes the definition of net income for state business corporations tax purposes, inclusive of all the various modifications to taxable income that are allowed at the federal level. In 2025, Congress enacted significant changes to the federal tax structure that include a modification relating to how businesses can treat research and development (R&D) costs. Since 2017, businesses have been required to amortize R&D over a five-year period.

Under new federal law, starting in tax year 2025 businesses are allowed to expense all of these costs in the first year. This leads to a much-reduced net taxable income for a business in that first year. The effect on taxable income however moderates over time as the costs are expensed earlier. The FY2026 Budget as Enacted decoupled from this new provision for FY2025. The Division of Taxation and the ORA estimate that this action preserved \$65.8 million in TY2025. Article 5 permanently extends this decoupling as it relates to R&D expensing. This is estimated to increase general revenue by \$22.6 million in both FY2026 and FY2027. As indicated, the fiscal impact reduces in the out-years, to \$10.9 million in FY2028 down to \$2.0 million by FY2031.

- **Cigarette and Other Tobacco Initiatives:** Includes several tobacco-related revenue initiatives:
 - **Cigarette Tax Increase:** The article increases the excise tax on a pack of 20 cigarettes from \$4.50 to \$5.25 per pack. The Office of Revenue Analysis (ORA) estimates that, based on a September 1, 2026, implementation date, the proposal will generate \$4.5 million of net revenue in FY2027 and \$4.5 million in out-year FY2028. There is also an estimated \$433,335 loss in sales tax revenue associated with the cigarette tax increase. This is the result of price elasticity on the demand for packs of cigarettes.
 - **Floor Tax:** The article imposes a one-time inventory floor stock tax of \$0.75 per pack of 20 cigarettes. The tax will be based on the number of cigarettes taxpayers have in stock on September 1, 2026. The Office of Revenue Analysis (ORA) estimates the proposal will generate \$2.5 million in FY2027 and not impact FY2026, due to the implementation date.
 - **Eliminate Stamp Discount:** The article eliminates the discount that is provided to licensed distributors when buying excise tax stamps. The State currently authorizes licensed distributors to purchase cigarette tax stamps at 98.75 percent of the stamp's face value. Article 5 of the Governor's recommended budget amends RIGL 44-20-19 to eliminate the discount and require distributors to pay the stamp's full price, effective September 1, 2026. ORA estimates that the proposal will generate \$762,064 in partial year FY2027 and \$974,262 in out-year FY2028.
 - **Cigar Tax Cap Increase:** The article increases the maximum cap on the excise tax on cigars from \$0.50 per cigar to \$2.00. Currently, the State imposes an excise tax on cigars at a rate of 80.0 percent of their wholesale cost, with a maximum cap of \$0.50 per cigar. Article 5 of the Governor's FY2027 recommended budget amends RIGL 44-20-13.2 to increase the cap to \$2.00 per cigar, effective September 1, 2026, and applying only to cigars with a wholesale price of \$2.50 or above. ORA estimates that the proposal will generate \$621,090 in partial year FY2027 and \$901,107 in out-year FY2028.
 - **Fiscal Impact:** The fiscal impact of the above initiatives in FY2027 is summarized in the following table:

Cigarette and Other Tobacco Initiatives - Fiscal Impact	
Initiative	Fiscal Impact
Cigarette Tax Increase	\$4,540,374
Floor Tax	2,467,926
Eliminate Stamp Discount	762,064
Cigar Tax Cap Increase	621,090
Sales Tax Elasticity	(433,335)
Total	\$7,958,119

- **State Aid to Municipalities – Car Tax – Elimination of Sales Tax Adjustment:** Eliminates the annual sales tax growth adjustment that is provided to municipalities as part of the Motor Vehicle Excise Tax State Aid program. The adjustment is applicable to fiscal year FY2027 and beyond. Article 5 leaves the adjustment in place for FY2026 and eliminates it starting in FY2027. Reimbursements to municipalities will be equal to the greater of the reimbursements in FY2026 or FY2027. This proposal is estimated to yield \$4.8 million in saving in FY2027 and grows to \$9.7 million in FY2028.
- **Newport Cruise Fee:** Increases the landing and boarding fees imposed on cruise vessels landing in Newport by \$5.00 and dedicates the additional revenue to the Rhode Island Public Transit Authority (RIPTA). The State authorizes the city of Newport to charge cruise vessels a \$10 landing fee for each passenger that disembarks, as well as a \$10 boarding fee for each passenger entering the ship. The article increases both fees by \$5.00 each and requires that the additional revenue is transferred to RIPTA to support the Authority's operations in Newport and on Aquidneck Island, to take effect upon passage. ORA estimates that the proposal will generate \$1.0 million for the Authority in FY2027.

Article 6: Relating to Capital Development Program

This article authorizes the issuance of and outlines terms and processes for various general obligation bonds, totaling \$600.0 million, to be placed on the ballot for voter approval in November 2026. The projects are broken down into the following questions.

- **Question 1 Higher Education Facilities:** Approval of this Question would allow the issuance of \$215 million in general obligation bonds to support projects constructing or improving higher educational facilities including:
 - **University of Rhode Island Integrated Health Building:** \$105.0 million for the construction of the new integrated health building on the University's Kingston campus to advance health education, clinical training, and workforce development.
 - **Rhode Island College Adams Library:** \$50.0 million for the construction of a student success and career readiness center, in addition to renovations at Adams Library.
 - **Community College of Rhode Island Workforce Innovation Center:** \$60.0 million to construct a new workforce innovation center, which will support workforce readiness and address critical workforce shortages, located at the colleges Knight Campus in Warwick.
- **Question 2: Housing and Community Opportunity:** Approval of this question would allow the issuance of \$120.0 million in general obligation bonds to support community revitalization, increase production and infrastructure for affordable and middle-income housing, and promote home ownership. At least \$25.0 million is reserved for the development of housing designated for home ownership.
- **Question 3: Economic Development:** Approval of this question would allow the issuance of \$115.0 million in general obligation bonds for economic development initiatives including:

- **Site Development:** \$70.0 million for land acquisition, remediation, infrastructure and utility construction, and industrial site preparation and development. Eligible uses include but are not limited to large scale industrial development within Quonset Business Park and the I-195 District.
- **Growth Industry Infrastructure:** \$45.0 million for infrastructure, projects, and investments in Rhode Island's ocean, defense, life sciences, data analytics, and related industries. Eligible uses include but are not limited to facilities and projects that advance business and job growth in the life sciences.
- **Question 4 Career and Technical Education:** Approval of this question would allow the issuance of \$50.0 million to support local education agencies for the creation of new and improvement of existing career and technical education programs.
- **Question 5 Green Economy and Clean Energy Bonds:** Approval of this question would allow the issuance of a \$50.0 million bond supporting green economy and clean energy initiatives including:
 - **Brownfields Remediation:** \$3.0 million for matching grants to public, private, and non-profits organization for brownfield remediation.
 - **Facility Improvements:** \$8.0 million for the renovation, repair, development and construction of new and existing facilities and parks.
 - **Local Recreation Grants:** \$1.0 million for matching grants to municipalities to acquire, develop, or rehabilitate local recreational facilities.
 - **Marine Infrastructure Development:** \$1.0 million to provide asset protection and emergency repair for recreational, office, and marine infrastructure.
 - **Resilient Rhody Infrastructure Fund:** \$20.0 million to provide financial assistance to local governments for restoring and improving resiliency infrastructure, vulnerable habitats, and restoring rivers and stream floodplains.
 - **Narragansett Bay Watershed Restoration:** \$7.0 million to restore and protect the water quality and enhance the economic viability and environmental sustainability of Narragansett Bay and the State's watersheds.
 - **Energy Efficiency:** \$10.0 million for activities for energy efficient infrastructure.
- **Question 6 Cultural Economy:** Approval of this question would allow the issuance of \$50.0 million in Cultural Economy bonds to be allocated as follows:
 - **State History Center (\$45.0 million general obligation):** \$45.0 million for the construction of a new State History Center. The State History will include exhibit and meeting space as well as storing the State's most valuable documents.
 - **State Preservation Grants Program (\$5.0 million general obligation):** \$5.0 million in general obligation bonds for the State Preservation Grant Program. The State Preservation Grant Program was established to improve and/or repair landmarks and historic facilities such as museums, cultural centers, theatres, and public historic sites.

Article 7: Relating to Education

The article modifies the statutes governing the school housing aid program, increases the student success factor weight in the education aid funding formula from 40.0 percent to 43.0 percent for all districts, and eliminates the sunset of the Hope Scholarship Program at Rhode Island College.

- **School Housing Aid Program:** For projects completing after July 1, 2026, the article increases the project cost threshold requiring a project manager and a commissioning agent from \$1.5 million to \$10.0 million, subject to inflation, and caps the cost at 3.0 percent of total project costs. For projects

commencing after July 1, 2026, in excess of \$10.0 million, the prime contractor for the project must receive prequalification from the Division of Purchases in order to qualify for state funding. These changes are projected to generate program savings. Based on preliminary projections for illustrative purposes only, these changes are estimated to provide \$1.5 million in annual savings, including \$800,000 in state savings; however, no savings from this proposal were included in the FY2027 Budget recommendation.

In addition, the article repeals the requirement that surplus funds appropriated to the school housing aid program be deposited into the School Building Authority Capital Fund (Capital Fund) for distribution by the School Building Authority (SBA).

- **Education Aid Student Success Factor:** The education funding formula statute requires that a weight be applied the core instruction per-pupil amount for each child whose family income is at or below 185.0 percent of the federal poverty guidelines. The article increases this weight from 40.0 percent to 43.0 percent.
- **Hope Scholarship:** Article 7 removes the Hope Scholarship sunset and removes all language that designates it as a pilot program, making the Hope scholarship a permanent, state-funded scholarship program for Rhode Island College juniors and seniors. Reporting requirements remain.

Article 8: Medical Assistance

This article modifies current laws governing the Hospital Licensing Fee (HLF) and nursing home payment; Disproportionate Share Hospitals (DSH); Medicaid rates for hospitals and nursing, and the annual Medicaid Resolution. In addition, the article authorizes EOHHS to implement the Achieving Healthcare Efficiency through Accountable Design (AHEAD) and establishes five Family Care Community Partnership (FCCP) catchment regions through the Department of Children, Youth and Families.

- **Hospital Licensing Fee (HLF):** The article includes technical amendments to remove outdated language and continues the fee into FY2027 with no advancement in the base year, thus holding the FY2027 revenue estimate at \$232.5 million, consistent with the FY2026 level and the November 2025 Revenue Estimating Conference.
- **Medicaid Rates for Nursing Facilities and Hospitals:** As a cost containment measure, the article reduces the annual inflationary increases on rates paid to hospitals and nursing facilities to 2.5 percent to match state revenue growth, saving \$2.6 million in general revenue and \$4.0 million in federal funds relative to the November Caseload Estimating Conference (CEC). The CEC adopted inpatient and outpatient inflationary rate increases to hospitals of 3.3 percent for fee-for-service and 2.6 percent for managed care, and to nursing facilities of 3.2 percent.

In addition, the article creates a restricted receipt account, entitled “Nursing Facility Rate Adjustment Wage Pass-through Compliance”, to collect penalties from the wage pass-through penalty provision of the minimum staffing statute and limits appropriations from the account to workforce development and compliance assistance programs.

- **Disproportionate Share Hospital (DSH) Payments:** The article adds a base year to allow payments in FY2027, based on financial data from 2025, in an aggregate amount not to exceed \$23.9 million, including a limit of \$12.9 million to Pool C government-owned hospitals and \$11.0 million to Pool C hospitals. This represents an increase of \$10.0 million, including \$4.2 million in general revenue and \$5.8 million in federal funds, for Pool D hospitals over the FY2026 Budget as Enacted. This section also removes references for FFY2024 DSH payments.
- **Achieving Healthcare Efficiency through Accountable Design (AHEAD):** The article requires the Secretary of Health and Human Services to implement the AHEAD Model Grant program, in coordination with the Health Insurance Commissioner, and report to the General Assembly on the program’s activities by October 31, 2026, and annually thereafter. The reports are to outline activities

and funding from the previous year; any legislative authority needed for implementation; stakeholder interest and participation; and, long-term value of implementing alternative payment models. The Budget includes federal funding of \$581,260 in FY2026 and \$1.4 million in FY2027 for this initiative.

- **Family Care Community Partnerships (FCCP) Region Establishment:** The Governor formally establishes in statute the current FCCP regional service coverage policy of DCYF. The Department contracts with one FCCP provider in each defined region of the State to provide critical prevention resources. Codifying these requirements ensures that the Department can continue to receive Medicaid reimbursement for this service when it implements a new Medicaid rate payment methodology
- **Medicaid Resolution:** The article establishes the legal authority for the Secretary of the Executive Office of Health and Human Services (EOHHS) to review and coordinate amendments to the Medicaid State plan and category II and III changes in the demonstration “with potential to affect the scope, amount, or duration of publicly-funded health care services, provider payments or reimbursement, or access to or the availability of benefits and services provided by Rhode Island general and public laws”. In FY2027, the article provides the EOHHS will seek federal approval for the following changes:
 - Alignment of nursing facility, hospital, and Federally Qualified Health Center (FQHC) rate increases with state revenue growth
 - Elimination of annual rate increases for substance abuse residential services
 - Pursue and implement reimbursements rates resulting from the Children’s Services Rate Setting project
 - Implement Medicaid provider reimbursement rate increases limited to the lower of one half the increase recommended or 100 percent of the Medicare rate
 - Removal of Medicaid coverage for Glucagon-like Peptide-1 (GPL-1), except if prescribed to treat type 2 diabetes
 - Allows EOHHS to pursue any changes that “promote, increase and enhance service quality, access and cost-effectiveness”. Any such action shall not have an adverse impact on beneficiaries or increased expenditures beyond the FY2027 state appropriation

Article 9: Relating to Leases

This article authorizes various lease agreements for office and operating spaces. Pursuant to RIGL 37-6-2, leases meeting certain conditions require the approval from the General Assembly.

- **Rhode Island Department of State:** The article authorizes the Department of State (Secretary of State) to renew its current lease with EGMP 146-148 West River LLC, for a term not to exceed ten years. The current lease for 12,152 square feet of office space is set to expire on July 31, 2026. The property is located at 148 West River Street, Providence, and is currently used as office space for the Department. The article stipulates that the aggregate fixed rent is not to exceed \$2.9 million over the ten-year period

Article 10: Relating to Health and Human Services

Article 10 makes changes to several health and human services programs.

- **988 Hotline:** Sections 1 and 2 of Article 10 codify the State’s 988 National Suicide Prevention Hotline program and provide the Department of Behavioral Health, Developmental Disabilities, and Hospitals (BHDDH) with the statutory authority to administer it. The hotline has been operational since July 2022 and was implemented to ensure that Rhode Island maintains compliance with the National Suicide Hotline Designation Act of 2020 and the Federal Communications Commission adopted rules to ensure that all citizens receive a consistent level of crisis behavioral health services. The Budget includes \$1.0 million in general revenue and \$5.0 million in all funds in FY2027 to run the program.

- **Pay for Success Pilot:** Section 3 of the article extends the State's Pay for Success pilot program from five to six years and allows for alternative official evaluators of the program in the future. The FY2022 Budget as Enacted authorized a five-year pay-for-success pilot program within the Executive Office of Health and Human Services (EOHHS) to provide supportive housing and additional wraparound services to a cohort of 125 individuals experiencing homelessness. Due to a lag in implementation, the program is currently in year three of operations, not year four. Under the original pilot, the Rhode Island Coalition to End Homelessness (Coalition) was designated as the pilot's official evaluator. The article provides the program increased flexibility by permitting the annual evaluation of the pilot to be conducted by another vendor other than the Coalition.
- **Ladders to Licensure:** Section 4 of the article loosens restrictions on the use of funds for the Ladders to Licensure program established in the FY2025 Budget as Enacted, by decreasing the number of grant partnerships required from three to four to at least two and eliminating the need for the grantees to be private sector organizations.

Article 11: Relating to Affordability

This article establishes the Pharmacy Benefit Manager Transparency Reporting and Study Act, reduces the motor fuel tax from \$0.40 per gallon to \$0.38 per gallon, and updates State energy laws to address affordability while supporting emissions reduction and clean energy efforts. This Article also establishes a Health Spending Accountability and Transparency Program within the Office of the Health Insurance Commissioner and authorizes HealthSource RI to establish and regulate a new State affordability program.

- **Pharmacy Benefit Managers:** Article 11 establishes the Pharmacy Benefit Manager Transparency Reporting and Study Act which requires Pharmacy Benefit Managers to provide the Office of the Health Insurance Commissioner with a transparency report detailing financial business information related to practices amongst pharmacy benefit managers in RI. The Office will utilize this information to conduct its own study on PBM's and make recommendations for industry regulations to the General Assembly.
- **Reduction to the Motor Fuel Tax Rate:** The article amends RIGL 31-36-20 to lower the motor fuel tax rate to \$0.38 per gallon at the start of FY2027, reflecting a \$0.02 reduction from the enacted rate of \$0.40 per gallon. Currently, the State assesses a \$0.40 per gallon tax on motor fuel, of which \$0.02 funds debt service for the State's motor fuel bonds. The Office of Management and Budget indicates that the current series of bonds was defeased in December 2025 and the revenue is no longer needed to service their debt. The proposal does not have a fiscal impact for FY2026 but creates revenue losses of \$8.6 million in FY2027 and \$8.5 million in FY2028.
- **Ratepayer Relief:** Sections 3 through 11 amend the State's energy policy in response to increasing electricity costs and recent federal clean-energy incentive changes which have introduced uncertainty into energy markets. Also, according to the Governor's recommendation, these sections attempt "to preserve long-term decarbonization objectives while moderating near-term cost pressures borne by ratepayers and aligning State policy more closely with regional practice." The Governor's projection is these changes will save state ratepayers \$151.0 million in FY2027 and \$1.0 billion over the next 5-years, leaving the average household with an annual savings of \$180 off the energy bills.
 - **Energy Efficiency Programs:** Sections 3 and 5 propose to modernize the State's energy efficiency programs through administrative and budgeting framework adjustments which may reduce administrative costs.

The \$225.0 million cap on the triennial Energy Efficiency Program should reduce annual collections from \$96.0 million to \$75.0 million, a ratepayer savings of approximately \$21.0 million each year.

The Governor proposes to reduce the annual ratepayer-funded energy efficiency allocation to Rhode Island Infrastructure Bank (RIIB) from \$5.0 million to \$2.5 million. This reduction is intended to be offset by increases in other resources available for similar purposes. The Office of Energy Resources (OER) is anticipated to administer alternative compliance payment revenues, and additional funding is expected to be provided through the proposed Green Economy and Clean Energy Bonds included in Article 6.

The Governor proposes to extend the annual \$2.25 million Renewable Energy Fund program through the end of December 2031, and it is intended to support the full deployment of remaining federal solar energy funds leveraged through the State program.

- **ISO New England Membership:** Section 4 will require all eligible electric distribution companies located in Rhode Island, to join or be a member of ISO New England. According to the Budget Office this change is anticipated to result in the elimination of the 50-basis-point Return on Equity incentive associated with such companies' voluntary participation in the regional transmission organization (RTO). The Budget Office estimates this change could result in approximately \$175,000 in annual ratepayer savings.
- **Accounting Standards:** Section 6 requires that public utilities and utility facilities apply generally accepted accounting principles and is intended to ensure reliance upon applicable Federal Energy Regulatory Commission guidance. According to the Budget Office, compliance with this requirement may reduce near-term ratepayer charges, with estimates suggesting \$16.0 million in ratepayer savings in 2027 and approximately \$60.0 million over five years.
- **Renewable Energy Standards:** Sections 7 and 8 make various changes to the State's Renewable Energy Standard (RES) with the goals of reducing upward pressure on renewable energy certification (REC) prices during periods of elevated electricity costs, which may otherwise be passed through to ratepayers, while maintaining the Act on Climate objective of reaching net-zero emissions by 2050. Preliminary third-party estimates provided by OER suggest the proposed changes to the State's RES could reduce ratepayer costs by approximately \$63.8 million in calendar year 2027, and by \$572.2 million over five years.
- **Contracting Requirements:** Section 9 removes a long-term contracting incentive that was originally intended to support early-stage renewable development. Preliminary third-party estimates prepared for OER and provided to the Budget Office suggest this change could reduce annual ratepayer costs by approximately \$2.46 million.
- **Net Metering:** Section 10 makes various changes to the State's net-metering program, by which Rhode Island customers with solar or other on-site generation currently receive bill credits, often near the full retail rate, for excess electricity they export to the grid. Preliminary third-party estimates provided to the Budget Office suggest that the proposed grid access fee could contribute approximately \$20.0 million toward ratepayer relief annually.
- **Regional Power Purchase Agreement:** Section 11 repeals RIGL 39-31-11 of the Affordable Clean Energy Security Act and terminates the regional purchased power agreement incentive for utilities.
- **Health Spending and Transparency Program:** Article 11 establishes the Health Spending and Transparency Program within the Office of the Health Insurance Commissioner to address health care affordability, specifically codifying the cost growth target program. The program was originally launched in 2019 by Executive Order 19-03 and has successfully controlled Rhode Island's health care spending. However, the Office reviewed other State's cost target programs and found that successful cost growth target programs share common statutes.
- **Rhode Island Marketplace Affordability Program Act:** Article 11 establishes the Rhode Island Marketplace Affordability Program, which is a State based subsidy program, appropriating \$9.5 million in general revenue for half a fiscal year which will partially replace the expired advanced premium tax

credits (APTC). The program prioritizes households with incomes below 200.0 percent of the federal poverty line in the first year of the program and is estimated to aid approximately 20,000 individuals.

Article 12: Relating to Effective Date

This article provides that the Act would take effect on July 1, 2026, except as otherwise provided therein.

Article 1: Relating to Making Revised Appropriations in Support of FY2026

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 13,266.8 FTE positions reflecting a net decrease of 2,655.0 FTE positions as compared to the authorized level set in the FY2026 Budget as Enacted. These figures reflect the Governor's recommendation to eliminate the authorized FTE cap of 2,292.2 FTE positions for the University of Rhode Island and 378.8 FTE positions for the URI sponsored research positions. If the recommendation is not accepted, then the total authorized cap would be 15,937.8 reflecting a net increase of 16.0 FTE positions.
- 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 reallocated to FY2026. In addition, the Office of the Postsecondary Commissioner shall provide \$7.5 million be allocated to the Rhode Island Promise Scholarship program, and \$5.2 million to support the Rhode Island Hope Scholarship Program, \$455,000 to support the Onward We Learn, \$100,000 to the Rhode Island School for Progressive Education, \$151,410 to support the State's membership in the New England Board of Higher Education, and \$75,000 to Best Buddies Rhode Island.
- 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 the Judiciary to provide \$500,000 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.
- 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.
- Requires the Rhode Island Health and Educational Building Corporation to transfer \$2.5 million to the State Controller by June 30, 2026.
- Requires the Rhode Island Infrastructure Bank (RIIB) to transfer \$2.0 million to the State Controller by June 30, 2026.
- Requires the Department of Revenue to transfer \$5.0 million from the Marijuana Trust Fund restricted receipt account to the State Controller by June 30, 2026.

Summary Tables

GENERAL REVENUE SURPLUS

	FY2024 Audited	FY2025 Preliminary Audit	FY2026 Enacted	FY2026 Governor	FY2027 Governor
Opening Surplus					
Free Surplus	\$412,262,973	\$326,355,037	\$230,213,058	\$241,634,407	\$96,181,104
Adjustment to Opening Surplus	\$23,811,475	\$703,083			
Reappropriated Surplus	45,152,130	34,569,423		38,796,839	
Subtotal	\$481,226,578	\$361,627,543	\$230,213,058	\$280,431,246	\$96,181,104
Total Revenues					
To Cash Stabilization Fund	(175,124,919)	(178,800,524)	(179,903,885)	(181,936,032)	(184,190,037)
From Cash Stabilization Fund					
Total Available Resources	\$5,724,805,500	\$5,794,839,460	\$5,816,892,267	\$5,921,395,214	\$5,955,477,873
Total Expenditures	5,236,111,578	5,535,537,980	5,809,363,121	5,825,010,910	5,954,722,537
Total Surplus	488,693,922	259,301,480	7,529,146	96,384,304	755,336
Intrafund Transfers to restricted receipts	(91,000,000)	(520,212)	(6,500,000)	(203,200)	
Transfer to Retirement System	(21,649,978)				
Transfer to Supp. State Budget Reserve Fund	(21,649,978)				
Repeal of surplus transfer to Supp. State					
Budget Reserve Fund	6,530,494	21,649,978			
Reappropriations	(34,569,423)	(38,796,839)			
Free Surplus	\$326,355,037	\$241,634,407	\$1,029,146	\$96,181,104	\$755,336
Rainy Day Fund	\$291,874,865	\$298,000,873	\$299,839,808	\$303,226,720	\$306,983,395

ALL FUND EXPENDITURES

Category	Program	FY2025 Actual	FY2026 Enacted	FY2026 Governor	Change from Enacted		Change from Enacted
					Enacted	FY2027 Governor	FY2027 Governor
General Government	Department of Administration	\$410,279,819	\$430,628,941	\$632,781,841	\$202,152,900	\$410,362,416	(\$20,266,525)
	Office of Energy Resources	34,120,326	76,312,027	77,585,536	1,273,509	86,655,825	10,343,798
	Department of Business Regulation	37,359,398	39,094,954	41,618,151	2,523,197	35,868,911	(3,226,043)
	Rhode Island Cannabis Control Commission	-	7,303,563	7,286,530	(17,033)	7,964,425	660,862
	Executive Office of Commerce	137,981,850	58,832,824	91,112,322	32,279,498	54,812,983	(4,019,841)
	Executive Office of Housing	103,768,250	45,079,456	164,747,560	119,668,104	52,363,302	7,283,846
	Department of Labor and Training	601,344,640	632,267,683	658,098,987	25,831,304	693,131,740	60,864,057
	Department of Revenue	811,353,592	873,248,086	857,652,897	(15,595,189)	857,291,680	(15,956,406)
	General Assembly	55,738,104	61,424,920	69,899,506	8,474,586	64,066,257	2,641,337
	Office of Lieutenant Governor	1,331,545	1,519,219	1,532,262	13,043	1,574,369	55,150
	Secretary of State	13,994,944	15,291,522	15,260,041	(31,481)	16,259,559	968,037
	Office of the General Treasurer	21,181,844	25,974,916	26,893,862	918,946	26,318,147	343,231
	Board of Elections	5,260,823	4,474,931	4,981,278	506,347	9,147,157	4,672,226
	Rhode Island Ethics Commission	2,244,872	2,419,632	2,460,415	40,783	2,556,898	137,266
	Office of the Governor	8,906,789	9,334,918	9,369,511	34,593	9,630,312	295,394
	Rhode Island Commission for Human Rights	2,736,646	2,772,687	2,784,080	11,393	2,801,879	29,192
	Public Utilities Commission	11,695,026	15,508,274	15,668,120	159,846	16,017,352	509,078
	Total	\$2,259,298,468	\$2,301,488,553	\$2,679,732,899	\$378,244,346	\$2,346,823,212	\$45,334,659
Health and Human Services							
	Executive Office of Health and Human Services	\$3,871,970,408	\$4,226,436,784	\$4,225,285,801	(\$1,150,983)	\$4,408,951,714	\$182,514,930
	Department of Children, Youth, and Families	359,199,617	394,390,394	414,392,515	20,002,121	405,887,233	11,496,839
	Department of Health	321,416,140	295,526,774	312,014,186	16,487,412	277,471,021	(18,055,753)
	Behavioral Healthcare, Developmental Disabilities and Hospitals	691,045,544	716,698,599	744,860,579	28,161,980	755,707,755	39,009,156
	Department of Human Services	815,113,344	837,388,626	806,558,477	(30,830,149)	800,099,703	(37,288,923)
	Commission on the Deaf & Hard of Hearing	719,769	929,154	976,952	47,798	954,081	24,927
	Governor's Commission on Disabilities	1,922,578	1,806,042	2,707,966	901,924	1,829,581	23,539
	Office of the Child Advocate	1,714,775	2,264,613	2,185,010	(79,603)	2,405,487	140,874
	Office of the Mental Health Advocate	752,370	1,117,164	932,441	(184,723)	1,111,709	(5,455)
	Total	\$6,063,854,545	\$6,476,558,150	\$6,509,913,927	\$33,355,777	\$6,654,418,284	\$177,860,134
Education							
	Elementary and Secondary Education	\$1,960,310,243	\$2,009,450,142	\$2,011,078,704	\$1,628,562	\$2,007,385,663	(\$2,064,479)
	Office of the Postsecondary Commissioner	53,426,973	55,263,498	60,538,773	5,275,275	57,022,951	1,759,453
	University of Rhode Island	1,033,888,301	1,111,723,299	1,109,249,900	(2,473,399)	1,123,709,806	11,986,507
	Rhode Island College	205,841,522	216,421,110	234,118,548	17,697,438	232,598,905	16,177,795
	Community College of Rhode Island	187,176,442	214,486,829	212,311,622	(2,175,207)	223,699,060	9,212,231
	Rhode Island Council on the Arts	3,727,324	4,242,454	4,210,701	(31,753)	4,513,141	270,687
	Rhode Island Atomic Energy Commission	1,608,029	1,714,495	1,693,277	(21,218)	1,726,858	12,363
	Historical Preservation and Heritage Commission	2,473,365	3,448,631	3,526,513	77,882	3,651,691	203,060
	Total	\$3,448,452,199	\$3,616,750,458	\$3,636,728,038	\$19,977,580	\$3,654,308,075	\$37,557,617
Public Safety							
	Office of Attorney General	\$47,498,066	\$52,487,807	\$52,926,307	\$438,500	\$51,846,935	(\$640,872)
	Department of Corrections	321,820,728	366,351,458	368,154,957	1,803,499	350,675,878	(15,675,580)
	Judiciary	154,200,054	159,224,433	160,371,965	1,147,532	165,514,856	6,290,423
	Military Staff	34,688,260	41,647,731	88,502,180	46,854,449	58,396,032	16,748,301
	Rhode Island Emergency Management Agency	24,207,935	43,657,584	57,047,129	13,389,545	63,576,710	19,919,126
	Department of Public Safety	177,563,293	197,868,181	215,335,876	17,467,695	174,797,031	(23,071,150)
	Office of Public Defender	16,688,667	18,263,714	18,274,809	11,095	18,850,924	587,210
	Total	\$776,667,003	\$879,500,908	\$960,613,223	\$81,112,315	\$883,658,366	\$4,157,458
Natural Resources							
	Coastal Resources Management Council	\$5,676,231	\$14,860,746	\$14,668,481	(\$192,265)	\$19,191,896	\$4,331,150
	Department of Environmental Management	134,490,572	164,424,187	164,123,546	(300,641)	165,868,480	1,444,293
	Total	\$140,166,803	\$179,284,933	\$178,792,027	(\$492,906)	\$185,060,376	\$5,775,443
Transportation							
	Department of Transportation	\$860,487,189	\$882,795,591	\$1,202,286,909	\$319,491,318	\$1,134,754,347	\$251,958,756
	Grand Total	\$13,548,926,207	\$14,336,378,593	\$15,168,067,023	\$831,688,430	14,859,022,660	\$522,644,067
	<i>Totals may vary due to rounding.</i>						

GENERAL REVENUE EXPENDITURES

PERSONNEL

	FY2025 Actual	FY2026 Enacted	FY2026 Governor	Change from Enacted	FY2027 Governor	Change from Enacted
General Government						
Administration	683.6	684.6	683.6	(1.0)	682.6	(2.0)
Office of Energy Resources	-	17.0	17.0	-	21.0	4.0
Business Regulation	181.0	155.0	155.0	-	157.0	2.0
RI Cannabis Control Commission	-	26.0	26.0	-	28.0	2.0
Executive Office of Commerce	5.0	5.0	5.0	-	5.0	-
Housing	38.0	38.0	38.0	-	38.0	-
Labor and Training	461.7	461.7	461.7	-	461.7	-
Revenue	599.5	605.5	605.5	-	605.5	-
Legislature	298.5	298.5	298.5	-	298.5	-
Lieutenant Governor	8.0	8.0	8.0	-	8.0	-
Secretary of State	62.0	62.0	62.0	-	62.0	-
General Treasurer	91.0	92.0	92.0	-	93.0	1.0
Board of Elections	13.0	13.0	13.0	-	13.0	-
Ethics Commission	12.0	12.0	12.0	-	12.0	-
Office of the Governor	45.0	45.0	45.0	-	45.0	-
Commission for Human Rights	15.0	15.0	15.0	-	15.0	-
Public Utilities Commission	57.0	57.0	57.0	-	57.0	-
Total	2,570.3	2,595.3	2,594.3	(1.0)	2,602.3	7.0
Human Services						
Office of Health and Human Services	233.0	243.0	243.0	-	252.0	9.0
Children, Youth, and Families	714.5	713.5	719.5	6.0	719.5	6.0
Health	572.6	572.6	572.6	-	572.6	-
Human Services	1,079.0	1,079.0	1,089.0	10.0	1,128.0	49.0
BHDDH	1,221.4	1,223.4	1,223.4	-	1,223.4	-
Office of the Child Advocate	13.0	13.0	13.0	-	13.0	-
Governor's Commission on the Deaf	4.0	4.0	4.0	-	4.0	-
Governor's Commission on Disabilities	5.0	5.0	5.0	-	5.0	-
Office of the Mental Health Advocate	6.0	6.0	6.0	-	6.0	-
Total	3,848.5	3,859.5	3,875.5	16.0	3,923.5	64.0
Education						
Elementary and Secondary Education	340.1	342.1	342.1	-	343.1	1.0
Public Higher Education*	3,895.5	3,972.5	3,972.5	-	3,972.5	-
Council on the Arts	10.0	10.0	10.0	-	10.0	-
Atomic Energy Commission	8.6	8.6	8.6	-	8.6	-
Historical Preservation and Heritage Commission	15.6	15.6	15.6	-	15.6	-
Total	4,269.8	4,348.8	4,348.8	-	4,349.8	1.0
Public Safety						
Attorney General	264.1	268.1	268.1	-	268.1	-
Corrections	1,461.0	1,461.0	1,461.0	-	1,461.0	-
Judiciary	745.3	749.3	749.3	-	749.3	-
Military Staff	93.0	93.0	93.0	-	93.0	-
Emergency Management	38.0	38.0	38.0	-	38.0	-
Public Safety	633.0	634.0	635.0	1.0	638.0	4.0
Public Defender	104.0	104.0	104.0	-	105.0	1.0
Total	3,338.4	3,347.4	3,348.4	1.0	3,352.4	5.0
Natural Resources						
Environmental Management	439.0	439.0	439.0	-	440.0	1.0
Coastal Resources Management Council	32.0	32.0	32.0	-	32.0	-
Total	471.0	471.0	471.0	-	472.0	1.0
Transportation						
Transportation	755.0	755.0	755.0	-	757.0	2.0
Higher Education Sponsored Research						
Office of Higher Education	1.0	1.0	1.0	-	1.0	-
CCRI	89.0	89.0	89.0	-	89.0	-
RIC	76.0	76.0	76.0	-	76.0	-
URI	353.8	378.8	378.8	-	378.8	-
Total	519.8	544.8	544.8	-	544.8	-
Grand Total	15,772.8	15,921.8	15,937.8	16.0	16,001.8	80.0

FY2027 DIRECT AID TO MUNICIPALITIES

Municipality	FY2026 Enacted	Payment in Lieu of Taxes	Distressed Communities Relief Fund*		Library Aid	Motor Vehicle Excise Tax	Tangible Property	FY2027 Governor	Change from FY2026
			Communities	Relief Fund*					
Barrington	\$6,478,976	\$19,206	-	\$376,927	\$6,013,312	\$83,638	\$6,493,083	\$14,107	
Bristol	4,734,981	1,272,090	-	251,792	2,970,720	147,284	4,641,886	(93,095)	
Burrillville	5,513,841	45,450	-	235,858	5,150,845	72,656	5,504,808	(9,032)	
Central Falls	2,826,937	-	283,906	36,269	2,132,210	351,907	2,804,291	(22,646)	
Charlestown	1,118,678	-	-	69,649	1,030,171	18,324	1,118,144	(534)	
Coventry	7,430,108	-	1,581,883	276,371	5,989,355	365,715	8,213,323	783,215	
Cranston	28,893,537	3,594,530	-	836,564	22,783,506	1,738,596	28,953,196	59,659	
Cumberland	7,089,657	-	-	365,928	6,204,972	505,178	7,076,077	(13,579)	
East Greenwich	4,126,790	961,042	-	153,754	2,467,614	546,636	4,129,046	2,256	
East Providence	14,378,249	308,356	-	558,389	11,667,263	1,883,783	14,417,791	39,542	
Exeter	2,398,565	-	-	69,070	2,275,955	53,418	2,398,442	(123)	
Foster	1,822,667	-	-	44,766	1,677,019	100,687	1,822,472	(195)	
Glocester	2,723,047	-	-	98,664	2,419,699	203,566	2,721,929	(1,118)	
Hopkinton	1,888,497	-	-	46,228	1,653,062	189,737	1,889,027	530	
Jamestown	792,228	-	-	121,561	646,850	23,473	791,884	(344)	
Johnston	12,118,006	-	-	142,931	10,589,179	1,391,119	12,123,230	5,224	
Lincoln	6,553,419	-	-	261,987	5,797,695	483,036	6,542,718	(10,701)	
Little Compton	467,654	-	-	46,549	383,319	35,997	465,865	(1,789)	
Middletown	2,493,346	-	-	178,976	2,012,423	300,020	2,491,420	(1,926)	
Narragansett	2,159,666	-	-	232,183	1,868,679	77,223	2,178,084	18,419	
Newport	4,176,187	1,526,284	-	497,037	2,275,955	304,205	4,603,481	427,293	
New Shoreham	698,075	-	-	113,857	167,702	14,181	295,740	(402,335)	
North Kingstown	6,182,145	55	-	365,353	5,486,249	329,980	6,181,637	(508)	
North Providence	12,252,416	-	1,165,297	257,982	9,822,542	907,238	12,153,059	(99,356)	
North Smithfield	5,027,718	-	-	99,527	4,480,037	449,370	5,028,935	1,216	
Pawtucket	20,769,987	2,793	1,930,433	514,187	16,842,066	1,377,212	20,666,690	(103,297)	
Portsmouth	2,780,836	-	-	140,557	2,467,614	168,858	2,777,029	(3,807)	
Providence	90,430,001	37,144,858	7,781,873	1,465,947	34,834,087	6,101,330	87,328,096	(3,101,905)	
Richmond	1,620,422	-	-	30,870	1,485,360	104,948	1,621,179	757	
Scituate	2,305,263	-	-	146,121	2,012,423	146,895	2,305,439	177	
Smithfield	10,247,066	1,802,349	-	374,151	7,235,141	1,331,050	10,742,690	495,624	
South Kingstown	4,681,483	169,364	-	275,273	4,000,889	211,379	4,656,905	(24,577)	
Tiverton	2,079,600	-	-	155,476	1,772,849	153,001	2,081,326	1,726	
Warren	2,391,924	-	-	76,419	2,132,210	179,960	2,388,590	(3,334)	
Warwick	31,533,887	1,756,150	-	911,167	25,778,183	3,080,934	31,526,434	(7,453)	
Westerly	6,609,017	125,925	-	456,644	5,893,525	485,171	6,961,265	352,249	
West Greenwich	1,760,990	-	-	75,672	1,365,573	163,578	1,604,823	(156,167)	
West Warwick	8,386,711	-	1,198,228	231,924	5,797,695	829,938	8,057,785	(328,926)	
Woonsocket	11,944,597	320,690	942,838	251,637	9,511,095	834,588	11,860,848	(83,749)	
SRL ¹	1,169,541	-	-	1,169,541	-	-	1,169,541	(0)	
ILG ²	81,264	-	-	81,264	-	-	81,264	-	
LCA ³	2,115,628	-	-	2,097,515	-	-	2,097,515	(18,113)	
Fire Districts	617,851	-	-	-	455,191	162,660	617,851	(0)	
Total	\$345,871,455	\$49,049,142	\$14,884,458	\$14,192,538	\$239,550,236	\$25,908,469	\$343,584,842	(\$2,286,613)	

¹SRL: Statewide Reference Library Resources Grant²ILG: Grant-in-Aid to Institutional Libraries³LCA: Library Construction Aid

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

FY2027 INDIRECT AID TO MUNICIPALITIES

Municipality	FY2026 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees ¹	FY2027 Governor	Change from FY2026 Enacted
Barrington	\$430,383	\$206,352	\$6,873	\$281,110	\$0	\$494,335	\$63,952
Bristol	1,201,108	269,103	161,100	801,378	-	1,231,580	30,472
Burrillville	514,262	195,861	516	294,898	-	491,276	(22,986)
Central Falls	617,116	271,080	1,170	320,579	-	592,829	(24,287)
Charlestown	526,481	96,671	268,683	259,064	-	624,418	97,937
Coventry	1,285,556	431,165	191,284	665,528	-	1,287,977	2,421
Cranston	4,184,768	996,394	60,192	3,203,509	-	4,260,095	75,327
Cumberland	1,279,526	438,798	1,655	779,299	-	1,219,752	(59,774)
East Greenwich	1,383,160	173,723	6,733	1,250,385	-	1,430,841	47,681
East Providence	2,270,623	566,374	126,558	1,679,317	-	2,372,249	101,626
Exeter	274,139	85,613	1,350	177,634	-	264,597	(9,542)
Foster	90,892	54,033	2,991	19,366	-	76,390	(14,502)
Glocester	282,293	121,390	5,064	152,845	-	279,299	(2,994)
Hopkinton	188,489	101,542	4,447	62,622	-	168,612	(19,877)
Jamestown	307,389	66,863	140,693	173,551	-	381,107	73,718
Johnston	1,568,353	356,428	27,126	1,201,332	-	1,584,886	16,533
Lincoln	1,729,578	272,166	393,528	1,110,953	25,034	1,801,680	72,102
Little Compton	168,025	43,422	94,956	56,254	-	194,632	26,607
Middletown	3,430,337	204,025	2,593,214	1,299,284	33,482	4,130,004	699,667
Narragansett	1,817,611	175,326	889,905	1,104,390	-	2,169,621	352,010
Newport	9,214,191	301,805	7,068,495	3,995,573	-	11,365,874	2,151,683
New Shoreham	1,947,477	9,996	1,782,646	623,945	44,684	2,461,271	513,794
North Kingstown	1,612,691	334,446	259,295	1,014,938	56,332	1,665,012	52,321
North Providence	1,228,862	409,255	5,602	840,835	-	1,255,693	26,831
North Smithfield	676,771	151,728	9,838	521,728	-	683,295	6,524
Pawtucket	2,589,203	907,742	176,210	1,476,912	-	2,560,864	(28,339)
Portsmouth	784,614	213,913	64,861	509,946	-	788,720	4,106
Providence	15,097,309	2,293,639	4,074,276	9,274,083	-	15,641,998	544,689
Richmond	400,790	97,756	101,734	267,594	-	467,084	66,294
Scituate	272,914	125,610	16,995	118,763	-	261,368	(11,546)
Smithfield	1,915,720	266,185	394,819	1,377,553	25,034	2,063,591	147,871
South Kingstown	2,224,279	385,923	651,746	1,354,785	-	2,392,454	168,175
Tiverton	718,649	196,066	15,363	502,337	-	713,766	(4,883)
Warren	752,157	134,304	6,077	638,133	-	778,514	26,357
Warwick	7,977,295	999,275	2,257,851	4,495,213	769,903	8,522,242	544,947
Westerly	3,412,062	281,173	2,337,721	1,528,633	55,567	4,203,094	791,032
West Greenwich	454,390	79,560	227,031	187,099	-	493,690	39,300
West Warwick	1,243,790	374,106	280,726	627,595	-	1,282,427	38,637
Woonsocket	1,531,942	519,395	105,599	894,003	-	1,518,998	(12,944)
Total	\$77,605,195	\$13,208,207	\$24,814,923	\$45,142,968	\$1,010,036	\$84,176,133	\$6,570,938

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

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

EDUCATION AID**FY2027 Governor Recommended Education Aid - Change to Enacted¹**

Districts	FY2026 Enacted	FY2027 Governor Recommendation	Change
Barrington	\$11,652,398	\$12,869,938	\$1,217,540
Burrillville	14,088,567	14,146,969	58,402
Charlestown	1,516,739	1,457,309	(59,430)
Coventry	29,493,104	30,785,307	1,292,203
Cranston	83,029,655	84,840,078	1,810,423
Cumberland	28,462,994	30,583,929	2,120,935
East Greenwich	6,299,984	6,027,412	(272,572)
East Providence	40,628,084	41,953,536	1,325,452
Foster	1,271,209	1,388,009	116,800
Glocester	3,181,190	3,135,404	(45,786)
Hopkinton	7,205,980	8,207,572	1,001,592
Jamestown	581,057	541,550	(39,507)
Johnston	25,447,965	26,624,876	1,176,911
Lincoln	21,424,959	21,134,896	(290,063)
Little Compton	321,589	416,696	95,107
Middletown	6,762,203	6,501,493	(260,710)
Narragansett	1,922,447	2,177,067	254,620
Newport	15,333,020	15,574,279	241,259
New Shoreham	98,506	199,991	101,485
North Kingstown	13,387,762	13,643,312	255,550
North Providence	31,616,254	32,588,272	972,018
North Smithfield	9,562,204	9,370,594	(191,610)
Pawtucket	113,322,518	115,941,144	2,618,626
Portsmouth	3,694,460	3,819,034	124,574
Providence	305,657,515	303,647,980	(2,009,535)
Richmond	6,406,497	6,075,433	(331,064)
Scituate	4,451,016	4,134,705	(316,311)
Smithfield	10,967,892	11,968,442	1,000,550
South Kingstown	5,935,724	5,477,798	(457,926)
Tiverton	5,977,672	5,975,411	(2,261)
Warwick	50,112,362	52,577,222	2,464,860
Westerly	8,761,700	8,589,257	(172,443)
West Warwick	42,823,516	44,035,750	1,212,234
Woonsocket	89,505,313	88,677,429	(827,884)
Bristol-Warren	14,885,027	14,618,269	(266,758)
Exeter-West Greenwich	9,607,263	9,695,080	87,817
Chariho	3,440,265	3,446,713	6,448
Foster-Glocester	6,614,764	6,958,123	343,359
Central Falls	54,768,079	53,847,527	(920,552)
District Total	\$1,090,219,455	\$1,103,653,806	\$13,434,351
Charter School Total	195,272,457	201,778,325	6,505,868
Davies	18,532,152	21,082,757	2,550,605
Met School	12,966,926	14,669,329	1,702,403
Nowell Academy	2,664,112	2,399,520	(264,592)
Urban Collaborative	2,296,446	1,949,354	(347,092)
Youth Build Academy	1,818,245	1,962,532	144,287
Total	\$1,323,769,794	\$1,347,495,623	\$23,725,829

¹ Based on October 2025 adjusted for projected 2026-27 PSOC.

Source: Rhode Island Department of Education

STATE DESIGNATED GRANTS

Agency	Grant Recipient	FY2026 Enacted	FY2026 Governor	Change from Enacted	FY2027 Governor	Change from Enacted
Executive Office of Commerce	Polaris Manufacturing Technical Assistance Program	\$500,000	\$500,000	\$0	\$500,000	\$0
Executive Office of Commerce	Chafee Center at Bryant	476,200	476,200	-	476,200	-
Executive Office of Commerce	Urban Ventures	140,000	140,000	-	140,000	-
Executive Office of Commerce	East Providence Waterfront Commission	50,000	50,000	-	50,000	-
Executive Office of Commerce	Blackstone Valley Visitor Center	75,000	75,000	-	75,000	-
Secretary of State	Rhode Island Historical Society	125,000	125,000	-	125,000	-
Secretary of State	Newport Historical Society	18,000	18,000	-	18,000	-
Secretary of State	RI Council for the Humanities	100,000	100,000	-	100,000	-
Secretary of State	We the People Civics Challenge	50,000	50,000	-	50,000	-
Secretary of State	RI Black Heritage Society	25,000	25,000	-	25,000	-
OHHS	Thundermist	500,000	500,000	-	-	(500,000)
OHHS	Planned Parenthood	-	-	-	600,000	600,000
Health	Gloria Gemma Breast Cancer Research	50,000	50,000	-	50,000	-
Health	Psychiatry Resource Network	750,000	750,000	-	750,000	-
Housing	Sojourner House	100,000	100,000	-	100,000	-
Human Services - Healthy Aging	Diocese of Providence - Elder Services	325,000	325,000	-	325,000	-
Human Services - Healthy Aging	Alliance for Long Term Care Ombudsman Services	40,000	40,000	-	40,000	-
Human Services - Healthy Aging	Elderly Nutrition	50,000	50,000	-	50,000	-
Human Services - Healthy Aging	Meals on Wheels	680,000	680,000	-	680,000	-
Human Services - Healthy Aging	Senior Services Support	1,600,000	1,600,000	-	1,800,000	200,000
Human Services	Coalition Against Domestic Violence	400,000	400,000	-	400,000	-
Human Services	Project Reach - Boys and Girls Club	450,000	450,000	-	450,000	-
Human Services	Day One	300,000	300,000	-	300,000	-
Human Services	RI Community Food Bank	950,000	950,000	-	1,950,000	1,000,000
Human Services	New Bridges for Haitian Success	-	-	-	25,000	25,000
Human Services	Crossroads Rhode Island	500,000	500,000	-	500,000	-
Human Services	Crossroads Women's Shelter	360,000	360,000	-	360,000	-
Human Services	Institute for the Study and Practice of Nonviolence	250,000	250,000	-	250,000	-
Human Services - Veterans Services	Operation Stand Down	50,000	50,000	-	50,000	-
Human Services - Veterans Services	Veterans' Organizations	200,000	200,000	-	200,000	-
Human Services - Veterans Services	Veterans Services Officers Program	100,000	100,000	-	100,000	-
Human Services	Community Action Fund	600,000	600,000	-	600,000	-
Human Services	United Way's 211 System	200,000	200,000	-	200,000	-
Human Services	Higher Ground International	125,000	125,000	-	150,000	25,000
Human Services	Oasis International	-	-	-	25,000	25,000
Human Services	Refugee Dream Center	50,000	50,000	-	50,000	-
Human Services	Substance Use and Mental Health Leadership Council of RI	150,000	150,000	-	150,000	-
Human Services	Center for Southeast Asians	25,000	25,000	-	25,000	-
Education	Hasbro Children's Hospital - Hospital School	90,000	90,000	-	90,000	-
Education	Child Opportunity Zones	395,000	395,000	-	395,000	-
Education	City Year - Whole School Whole Child Program	130,000	130,000	-	130,000	-
Office of Postsecondary Commissioner	Onward We Learn	455,000	455,000	-	455,000	-
Office of Postsecondary Commissioner	Best Buddies Rhode Island	75,000	75,000	-	75,000	-
Office of Postsecondary Commissioner	RI School for Progressive Education	100,000	100,000	-	100,000	-
University of Rhode Island	Small Business Development Center	700,000	700,000	-	700,000	-
University of Rhode Island	Institute for Labor Studies and Research	125,000	125,000	-	125,000	-
University of Rhode Island	Special Olympics Rhode Island	50,000	50,000	-	50,000	-
Arts Council	WaterFire Providence	400,000	400,000	-	400,000	-
Arts Council	Other Grants	200,000	200,000	-	200,000	-
Historical Preservation	Fort Adam's Trust	30,000	30,000	-	30,000	-
Historical Preservation	Rhode Island Slave History Medallions	25,000	25,000	-	25,000	-
Historical Preservation	Other Grants	17,000	17,000	-	17,000	-
Corrections	Crossroads Rhode Island	1,050,000	1,050,000	-	1,050,000	-
Judicial	Rhode Island Coalition Against Domestic Violence	500,000	500,000	-	500,000	-
Judicial	Rhode Island Legal Services	90,000	90,000	-	90,000	-
Public Safety	Family Services of RI GO Team Program	400,000	400,000	-	400,000	-
Environmental Management	Wildlife Rehabilitators Association of RI	100,000	100,000	-	100,000	-
Environmental Management	Marine Mammal Response Activities	-	-	-	-	-
Environmental Management	Conservation Districts	180,000	180,000	-	180,000	-
Total		\$15,476,200	\$15,476,200	\$0	\$16,851,200	\$1,375,000

STATE FISCAL RECOVERY FUNDS

Project	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Enacted	FY2026 Governor	Change to Enacted	FY2027 Governor	Total
9-8-8 Hotline	-	\$238,583	\$1,598,759	\$1,099,981	-	\$2,412,677	\$2,412,677	-	\$5,350,000
Adult Education Providers	-	-	3,320,361	2,140,276	128,373	1,539,362	1,410,989	-	5,000,000
Affordable Housing Predevelopment Program	-	2,500,000	7,500,000	0	-	-	-	-	10,000,000
Aid to the Convention Center	-	10,000,000	-	-	-	-	-	-	10,000,000
Assistance to Impacted Industries	8,000,000	5,000,000	(0)	658,037	-	1,341,963	1,341,963	-	14,999,999
Auto-Enrollment Program	-	337,478	1,110,525	166,065	-	-	-	-	1,614,068
Bioscience Investments	-	-	2,000,600	18,810,122	-	24,189,278	24,189,278	-	45,000,000
Butler Hospital Short Term Stay Unit	-	600,180	7,399,820	-	-	-	-	-	8,000,000
Certified Community Behavioral Health Clinics	-	4,903,960	16,931,614	5,256,004	205,295	1,908,422	1,703,127	-	29,000,000
Child Care Support	12,624,421	9,849,160	16,836,629	1,683,972	-	1,004,309	1,004,309	-	41,998,489
Community Learning Center Programming Support Grant	-	-	-	-	-	2,000,000	2,000,000	-	2,000,000
COVID-19 Operational Support	-	-	19,963,772	12,003,969	-	229,342	229,342	-	32,197,083
Crisis Intervention Trainings	-	-	550,114	432,380	-	1,217,506	1,217,506	-	2,200,000
Destination Marketing	-	899,632	2,100,368	0	-	-	-	-	3,000,000
Development of Affordable Housing	14,740,825	-	25,203,299	20,053,875	-	40,002,001	40,002,001	-	100,000,000
Down Payment Assistance	-	10,000,000	20,000,000	-	-	-	-	-	30,000,000
Early Intervention Recovery	4,051,215	5,498,785	1,450,000	-	-	-	-	-	11,000,000
Electric Heat Pump Grant Program	-	-	10,366,288	13,336,272	-	697,440	697,440	-	24,400,000
Enhanced Real Jobs	-	9,605,558	14,451,386	5,877,548	-	65,508	65,508	-	30,000,000
Foster Home Lead Abatement & Fire Safety	-	-	-	-	-	-	-	-	-
Fresh Start Scholarship	-	-	1,997,253	1,803,460	-	1,199,287	1,199,287	-	5,000,000
Health Care Facilities	-	77,500,000	(0)	10,000,000	-	-	-	-	87,500,000
Home Repair and Community Revitalization	-	-	6,997,899	7,763,906	-	9,738,194	9,738,194	-	24,500,000
Homelessness Assistance Program	-	5,557,603	10,146,558	14,084,979	-	9,010,861	9,010,861	-	38,800,000
Homelessness Infrastructure	-	3,714,912	23,669,137	13,430,375	-	4,185,576	4,185,576	-	45,000,000
Housing Related Infrastructure	-	-	-	1,072,036	-	1,927,964	1,927,964	-	3,000,000
Minority Business Accelerator	-	1,000,060	2,593,278	2,406,662	-	(0)	(0)	-	6,000,000
Municipal Homelessness Support Initiative	-	-	312,535	1,168,361	-	719,104	719,104	-	2,200,000
Municipal Planning	-	-	-	260,498	-	1,658,224	1,658,224	-	1,918,722
Municipal Public Safety Infrastructure	-	-	3,666,232	2,933,532	-	4,400,236	4,400,236	-	11,000,000
Municipal Roads Grant Program	-	-	3,816,585	11,761,698	-	11,421,717	11,421,717	-	27,000,000
Nonprofit Assistance	-	20,000,000	-	-	-	-	-	-	20,000,000
Ongoing COVID-19 Response	-	-	-	-	-	-	-	-	-
Out of School Time Education Providers	-	-	-	1,952,762	-	2,047,238	2,047,238	-	4,000,000
Pandemic Recovery Office	6,093,604	3,800,863	2,208,150	1,368,995	1,436,547	1,225,167	(211,380)	682,154	15,378,933
Pediatric Recovery	5,965,100	5,336,890	3,697,881	-	-	-	-	-	14,999,871
Personnel and Operating Support	-	-	20,000,000	-	-	-	-	-	20,000,000
PFAS Water Treatment	-	-	-	-	-	-	-	-	-
Port of Davisville	-	6,000,000	13,364,010	45,635,712	-	279	279	-	65,000,000
Predevelopment and Capacity Building	78,609	531,660	632,906	215,633	-	41,192	41,192	-	1,500,000
Preservation of Affordable Housing Units	-	-	-	500,000	-	-	-	-	500,000
Proactive Housing Development	-	-	-	700,000	-	700,000	700,000	-	1,400,000
Provider Workforce Stabilization	6,827,796	7,814,659	7,849,546	1,371,672	-	257,093	257,093	-	24,120,766
Psychiatric Residential Treatment Facility	-	2,425,448	892,598	(779,168)	-	6,561,123	6,561,123	-	9,100,000
Public Health Clinics	-	279,882	2,736,091	984,027	-	-	-	-	4,000,000
Public Health Response Warehouse Support	-	380,993	1,868,381	928,411	-	1,000,562	1,000,562	-	4,178,347
Rhode Island College Foster Care Youth Scholarship	-	-	-	1,021,859	-	-	-	-	1,021,859
Rhode Island Community Food Bank	-	-	3,000,000	0	-	-	-	-	3,000,000
RI Reconnect	-	-	803,079	2,596,536	-	4,600,385	4,600,385	-	8,000,000
RIC Cybersecurity Center	-	-	404,678	1,120,316	-	475,006	475,006	-	2,000,000
RIPTA Operating Subsidy	-	-	-	15,000,000	-	-	-	-	15,000,000
RIPTA R-Line Free Service Pilot	-	2,500,000	750,000	-	-	-	-	-	3,250,000
Site Acquisition	6,000,000	9,000,000	9,999,100	-	-	900	900	-	25,000,000
Small Business Assistance	18,613,433	10,798,715	(569,664)	2,457,517	-	-	-	-	31,300,000
SNAP Retail Incentive Pilot	-	-	-	4,498,650	-	1,350	1,350	-	4,500,000
South Quay Marine Terminal	-	-	-	-	-	-	-	-	-
Statewide Broadband Planning and Mapping	269,200	230,800	-	-	-	-	-	-	500,000
Statewide Housing Plan	-	-	38,649	943,838	-	1,017,513	1,017,513	-	2,000,000
Support for Survivors of Domestic Violence	-	-	1,121,318	4,782,893	29,753	4,530,962	4,501,209	64,827	10,500,000
Targeted Housing Development	-	-	-	7,998,097	-	18,001,903	18,001,903	-	26,000,000
Turnpike and Bridge Authority – Safety Barriers Study	-	134,808	973,428	461,178	-	-	-	-	1,569,414
Unemployment Insurance Trust Fund Contribution	-	100,000,000	-	(1,196)	-	1,196	1,196	-	100,000,000
Washington Bridge Project	-	-	-	18,030,089	-	16,895,328	16,895,328	74,583	35,000,000
Workforce Housing	-	-	3,672,503	8,002,401	-	8,325,097	8,325,097	-	20,000,000
ERP Implementation Support	-	-	-	-	-	563,506	563,506	-	563,506
Totals	\$83,264,203	\$316,440,627	\$275,425,665	\$267,994,227	\$1,799,968	\$187,114,770	\$185,314,802	\$821,564	\$1,131,061,056

Senate Fiscal Office

Stephen H. Whitney
Senate Fiscal Advisor

Emmery Brakke-Lautman
Legislative Fiscal Analyst I

Arts Council
Behavioral Healthcare, Developmental Disabilities, and Hospitals
Children, Youth, and Families
Child Advocate
Department of Housing
Mental Health Advocate
RIHMFC (RI Housing)

Robert C. Bromley
Senior Legislative Fiscal Analyst

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

Kelly M. Carpenter
Senior Legislative Fiscal Analyst

Coastal Resources Management Council
Elementary and Secondary Education
Environmental Management
Executive Office of Health and Human Services
Health & Educational Building Corporation
Judiciary
Narragansett Bay Commission
Resource Recovery Corporation
RI Infrastructure Bank

MaKenzie Pratt
Legislative Fiscal Analyst I

Atomic Energy Commission
Business Regulation
Commission on Deaf and Hard of Hearing
Ethics Commission
Health
HealthSource RI
Higher Education
Human Services
Student Loan Authority

David Schultz
Legislative Fiscal Analyst I

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

David Tremblay
Deputy Senate Fiscal Advisor

Executive Office of Commerce
Legislature
Revenue
RI Commerce Corporation