



SENATE FISCAL OFFICE

**FY2024 Budget as Passed by the House of Representatives  
(2023-H-5200 Substitute A as amended)**

JUNE 9, 2023

The following report provides a summary of the floor amendments to 2023-H-5200 Substitute A, as passed by the House of Representatives. The table below summarizes the FY2023 and FY2024 appropriations as included in the amended legislation.

Expenditures by Source	FY2023	FY2023	FY2023	Change to	FY2024	FY2024	Change to
	Enacted	Governor	Supp.	Governor	Governor	Budget	Governor
General Revenue	\$5,042.2	\$5,266.6	\$5,174.2	(\$92.4)	\$5,302.8	\$5,425.1	\$158.5
Federal Funds	5,708.4	5,951.3	5,825.9	(125.4)	5,526.0	5,643.0	(308.3)
Restricted Receipts	453.5	470.1	475.9	5.9	386.8	392.1	(78.0)
Other Funds	2,398.4	2,450.0	2,378.8	(71.1)	2,535.4	2,550.6	100.6
<b>Total</b>	<b>\$13,602.5</b>	<b>\$14,138.0</b>	<b>\$13,854.9</b>	<b>(\$283.0)</b>	<b>\$13,751.1</b>	<b>\$14,010.8</b>	<b>(\$127.2)</b>
<b>FTE Authorization</b>	<b>15,455.5</b>	<b>15,463.5</b>	<b>15,463.5</b>	<b>-</b>	<b>15,591.5</b>	<b>15,636.9</b>	<b>45.4</b>

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

**GENERAL REVENUE BUDGET SURPLUS STATEMENT**

	FY2022 Audited	FY2023 Enacted	FY2023 Supplemental	FY2024 Budget
<b>Opening Surplus</b>				
Free Surplus	\$374,425,433	\$10,345,571	\$209,649,745	\$368,706,714
Reappropriated Surplus	8,446,365		19,442,046	
Adjustment to Opening Surplus		278,859,677	37,664,293	
Adjustment to Fund Balance	155,277,927	0	243,669,100	5,055,846
<b>Subtotal</b>	<b>\$538,149,725</b>	<b>\$289,205,248</b>	<b>\$510,425,184</b>	<b>\$373,762,560</b>
<b>Revenues</b>				
Enacted/Actual/Estimated	5,204,244,069	4,901,451,905	4,901,451,905	4,892,968,406
Governor			309,799,723	382,466,893
Assembly			(12,051,628)	839,989
<b>Total Revenues</b>	<b>\$5,204,244,069</b>	<b>\$4,901,451,905</b>	<b>\$5,199,200,000</b>	<b>\$5,276,275,288</b>
To Cash Stabilization Fund	(167,360,085)	(147,353,924)	(162,265,492)	(169,349,460)
From Cash Stabilization Fund				
<b>Total Available Resources</b>	<b>\$5,575,033,709</b>	<b>\$5,043,303,229</b>	<b>\$5,547,359,692</b>	<b>\$5,480,688,388</b>
<b>Expenditures</b>				
Actual/Enacted/Current Svcs.	5,239,941,918	5,042,159,928	5,042,159,928	5,064,100,172
Governor			224,410,565	238,678,553
Assembly			(92,361,959)	122,361,704
<b>Total Expenditures</b>	<b>\$5,239,941,918</b>	<b>\$5,042,159,928</b>	<b>\$5,174,208,534</b>	<b>\$5,425,140,429</b>
<b>Total Surplus</b>	<b>335,091,791</b>	<b>1,143,301</b>	<b>373,151,158</b>	<b>55,547,959</b>
Transfers	(106,000,000)		(4,444,444)	(55,000,000)
Transfer from Rainy Day Fund				
Reappropriations	(19,442,046)			
<b>Free Surplus</b>	<b>\$209,649,745</b>	<b>\$1,143,301</b>	<b>\$368,706,714</b>	<b>\$547,959</b>
<b>Rainy Day Fund</b>	<b>\$278,933,475</b>	<b>\$245,589,874</b>	<b>\$270,442,487</b>	<b>\$282,249,100</b>

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**ARTICLE 1: RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY2024 (LC000750/14)**

The Budget includes changes to the FY2024 appropriation to the following departments:

***Department of Administration***

**Office of Energy Resources:** The Budget adds \$3.0 million in restricted receipts reflecting the transfer of Regional Greenhouse Gas Initiative (RGGI) unallocated auction proceeds to the Executive Climate Change Coordinating Council (EC4) restricted receipt account, to maintain funding for the existing electric vehicle and electric bicycle incentive programs and to support other projects.

***Department of Human Services***

**Preserving Head Start Classrooms:** The Budget adds \$3.0 million in federal funds within Central Management within the Department of Human Services (DHS), to preserve Head Start classrooms to prevent classroom closures and ensure implementation of high-quality programs.

**Expanding CCAP Eligibility to Child Care Workers:** The Budget adds \$4.0 million in federal funds within the Rhode Island Works program to support policy changes implemented in Article 9, which allows early childhood educators, and staff at child care facilities receive free child care, so long as their income is at or below 300.0 percent of the federal poverty level (FPL).

**Expands Eligibility to Pregnant Individuals from Onset of Pregnancy:** The Budget includes \$250,000 in federal funds to support extending Rhode Island Works eligibility to pregnant individuals from the onset of pregnancy. Of these funds, \$200,000 will be located in Individual and Family Support for implementation costs, and \$50,000 are located in the Rhode Island Works Program for payments to beneficiaries.

***Elementary and Secondary Education***

In a technical amendment, the Budget adds \$202,066 in general revenue to correct an error in education aid calculation.

***Department of Environmental Management***

The Budget adds \$219,458 to fund 2.0 FTE forestry staff positions within the existing FTE cap.

**ARTICLE 4: RELATING TO TAXES AND REVENUES (LC000753/6)**

The amendment temporarily lifts the penalty for non-compliance with the mandate that individuals must have minimum health insurance for those Rhode Islanders who are discharged from Medicaid through reimplemention of the redetermination process through December 2023.

The amendment also makes a technical statutory construction correction related to the tangible property tax exemption initiative.

**ARTICLE 5: RELATING TO ENERGY AND ENVIRONMENT (LC000754/2)**

This amendment requires, for FY2023 only, the Office of Energy Resources to transfer \$3.0 million from Regional Greenhouse Gas Initiative (RGGI) unallocated auction proceeds to the Executive Climate Change Coordinating Council (EC4). The funds will be used for the existing electric vehicle and electric bicycle incentive programs and to support other projects.

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort by Northeastern and Mid-Atlantic states that requires member states to reduce carbon dioxide (CO<sub>2</sub>) emissions from large fossil fuel-fired electric power plants to help address climate change. Central to this initiative is the implementation of a

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multi-state “cap-and-trade” program with a market-based emissions trading system. The annual RGGI proceeds fluctuate based upon the pricing from the quarterly competitive auctions with regulated energy users within New England and Mid-Atlantic States.

**ARTICLE 6: RELATING TO HOUSING (LC000755/2)**

The House Finance Committee originally amended Article 6 to remove eminent domain from the enumerated powers and authority of the Secretary and Department of Housing. In doing so however, it inadvertently left in a reference to “taking” of property in a different section. This amendment removes this reference.

The amendment also clarifies that an “original” tax credit certificate must be submitted with a taxpayer’s return when claiming a state low-income housing tax credit.

**ARTICLE 7: RELATING TO ECONOMIC DEVELOPMENT (LC000756/3)**

The House Finance Committee originally amended Article 7 to establish a new public corporation called the Rhode Island Life Science Hub. Included in the authorizing legislation is a requirement that that the Hub’s books and records be audited annually by the Rhode Island Auditor General. The amendment removes the Auditor General and substitutes an outside audit firm to conduct the annual audit pursuant to the quasi-public auditing statute (RIGL 35-7-13). It also requires that the Hub pay for the audit. Lastly, the amendment makes a number of technical and drafting corrections throughout Section 2 of the Article, all related to the Hub.

**ARTICLE 8: RELATING TO EDUCATION (LC00757/7)**

The amendment makes several adjustments to the article including the following:

**Rhode Island Hope Scholarship Pilot Program:** The amendment adds language, consistent with the Rhode Island Promise Scholarship Program, to ensure access and reasonable accommodations for students with disabilities.

**Education Aid:** The amendment makes various technical corrections to the article language.

**ARTICLE 9: RELATING TO HUMAN SERVICES (LC000758/2)**

The Budget includes the following changes to Article 9:

**Expanding CCAP Eligibility to Child Care Workers:** The Budget proposal extends child care to early childhood educators and staff for a duration of one year, August 1, 2023 through July 31, 2024. Eligible participants income must be at or below 300% of the Federal Poverty Line. According to the Department of Health and Human Services (HHS), the average family of three who earns 300% of the Federal Poverty Line grosses about \$74,580 a year. The amendment exempts eligible staff and educators from copayments, and may select any childcare facility of their choosing. The amendment also mandates the Department of Human Services (DHS) to compile participant data and outcomes, which will be submitted no later than November 1, 2024. The Budget includes an additional \$4.0 million in Temporary Assistance to Needy Families (TANF) funds to support this initiative.

**Extending Eligibility to Pregnant Individuals from Onset of Pregnancy:** The Budget extends RI Works eligibility to pregnant individuals for the onset of pregnancy. Current law provides benefits for pregnant individuals who are six months pregnant, therefore, this amendment will provide an extra six months of

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coverage for pregnant individuals. The Budget includes \$250,000 in Temporary Assistance to Needy Families (TANF) funds to support this initiative.

**ARTICLE 10: RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY2023 (LC000759/6)**

The amendment includes changes to the FY2023 appropriation to the following departments:

***Executive Office of Commerce***

The amendment reduces federal State Fiscal Relief Funds by \$327,999 in FY2023, correcting an erroneous overstatement of current year spending within the Assistance to Impacted Industries initiative. Total federal funds and all funds within the agency are adjusted accordingly.

**ARTICLE 11: RELATING TO LEASE AGREEMENTS (LC000760/2)**

Amendment makes minor technical and drafting corrections.

**ARTICLE 12: RELATING TO PENSIONS (LC000761/4)**

This article modifies laws to replace the current pension COLA suspension and interim COLAs with a fractional annual COLA of 25.0 percent of the COLA declared in the plan year for retired teachers, state employees, and municipal employees.

As originally drafted, the Article was effective upon passage. Had the legislation been effective in June 2023, only eligible pensioners whose retirement anniversaries occur between June and December would be entitled to the quarter COLA during calendar year 2023 per existing law. Consequently, pensioners whose retirement anniversaries occur between January and May would not receive a quarter COLA during calendar year 2023. In effect, this means certain retirees will receive one more adjustment simply because of the month of their retirement anniversary.

The amendment clarifies the legislation changing the effective date for this provision of Article 12 to January 1, 2024. This would ensure all covered pensioners begin to receive a quarter COLA during the same calendar year.

Section 5 requires the General Treasurer to convene a working group to analyze and review the impacts of the Rhode Island Retirement Security Act of 2011 (RIRSA) on the State Retirement System remains effective upon passage of the article.