

SENATE FISCAL OFFICE
REPORT

FY2027 BUDGET AS ENACTED

2026-H-7127 SUBSTITUTE A AS AMENDED

BUDGET ANALYSIS

SEPTEMBER 23, 2026

State House Room 117 ■ Providence, Rhode Island 02903 ■ (401) 222-2480 ■ www.rilegislature.gov/sfiscal

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EXECUTIVE SUMMARY

Executive Summary

The Budget represents the $15.2 billion spending plan for the State for the fiscal year ending June 30, 2027, (FY2027). Also included is the revised spending plan for the current fiscal year ending June 30, 2026, (FY2026). The Budget Reserve and Cash Stabilization Account (Rainy Day Fund) would be fully funded $313.4 million. The following document summarizes key budget initiatives and changes.

Expenditures by Source	FY2026 Enacted	FY2026 Governor	FY2026 Supp.	*Change to Enacted*	FY2027 Governor	FY2027 Budget	*Change to Enacted*
General Revenue	$5,809.4	$5,825.0	$5,837.5	*$28.1*	$5,954.7	$6,079.1	*$269.7*
Federal Funds	5,108.5	5,508.9	5,454.6	*346.1*	5,506.0	5,734.6	*626.1*
Restricted Receipts	458.5	557.1	550.4	*91.8*	459.8	464.7	*6.2*
Other Funds	2,960.0	3,277.1	3,228.4	*268.4*	2,938.5	2,964.7	*4.7*
Total	**$14,336.4**	**$15,168.1**	**$15,070.9**	***$734.5***	**$14,859.0**	**$15,243.2**	***$906.8***
FTE Authorization	**15,921.8**	**15,937.8**	**15,946.8**	***25.0***	**16,001.8**	**15,997.2**	***75.4***

$ in millions. Totals may vary due to rounding.

GENERAL REVENUE SURPLUS STATEMENT

	FY2024 Audited	FY2025 Preliminary Audit	FY2026 Supplemental	FY2027 Budget
Opening Surplus				
Free Surplus	$412,262,973	$326,355,037	$241,634,407	$222,742,168
Adjustment to Fund Balance	23,811,475	703,083	18,000,000	
Reappropriated Surplus	45,152,130	34,569,423	38,796,839	
Subtotal	**$481,226,578**	**$361,627,543**	**$298,431,246**	**$222,742,168**
Total Revenues	**$5,418,703,841**	**$5,612,012,441**	**$5,973,000,000**	**$6,045,714,927**
To Cash Stabilization Fund	(175,124,919)	(178,800,524)	(186,979,032)	(188,053,713)
From Cash Stabilization Fund				
Total Available Resources	**$5,724,805,500**	**$5,794,839,460**	**$6,084,452,214**	**$6,080,403,382**
Total Expenditures	**5,236,111,578**	**5,535,537,980**	**5,837,506,846**	**6,079,105,738**
Total Surplus	488,693,922	259,301,480	246,945,368	1,297,644
Transfers	(91,000,000)	(520,212)	(24,203,200)	
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**	**$222,742,168**	**$1,297,644**
Rainy Day Fund	$291,874,865	$298,000,873	$311,631,720	$313,422,855

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REVENUE CHANGES:

- **Supplemental Rainy Day Fund:** Shifts $24.0 million of revenue to the Supplemental State Budget Reserve Account (Supplemental Rainy Day Fund), bringing its balance to $55.0 million, or a full 1.0 percent of state revenue. The Supplemental Rainy Day Fund allows the state to keep a greater amount of funds in reserve. The two accounts together represent a total of 6.0 percent of available revenue.
- **High-Income Surtax Phase-In:** Phases in increased taxation on income over $1.0 million by providing for a high-income surtax of 1.0 percent for TY2027 and then increasing by another 1.0 percentage point per year over the next two tax years. The phasing-in of the high-income surtax results in an increase of $22.1 million in FY2027.
- **Refundable Child Tax Credit:** Establishes a new $330 per child refundable tax credit (CTC) for certain eligible taxpayers to be used to offset personal income taxes or, in certain circumstances, increase personal income. The credit is for taxpayers with dependents 18 years old or younger with an income less than $125,000 if married and filing jointly, or less than $100,000 for all other types of filers. The credit is phases out at $88,500 and $110,640 respectively for the two categories of filers described above. The CTC is estimated to result in a revenue loss of $23.1 million in FY2027 and $46.6 million in FY2028.
- **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 to generate $26.3 million in additional one-time revenue.
- **Social Security Income Modification Expansion:** Expands the current personal income tax modification for social security by eliminating the "full retirement age" eligibility requirement. This is estimated to benefit 9,200 resident and 1,900 non-resident filers and reduce revenue by $3.0 million in FY2027.
- **Decoupling from Sections of HR-1:** Decouples state policy from certain new federal rules related to how business income is determined for tax purposes. These include rules on research and development (R&D) expensing, business interest limitations, and small business stock gains. This is estimated to preserve $23.6 million in FY2027.

STATEWIDE

The Budget includes a total statewide reduction of 220.0 full-time equivalent (FTE) positions to reflect long-standing unfunded vacancies in several agencies. This reduction lowers the authorization FTE position limit to more closely align with the historical experience on filled and funded positions while maintaining flexibility for immediate needs.

Agency	Avg. # of Vacancies Past 6 years	FTE Position Reduction
Administration	50.0	(25.0)
Labor and Training	43.3	(20.0)
CCRI	100.0	(40.0)
RIC	185.0	(50.0)
Corrections	94.0	(50.0)
Transportation	60.0	(35.0)
Total	**532.3**	**(220.0)**

GENERAL GOVERNMENT

- **Office of Inspector General:** Establishes a new Office of Inspector General (OIG) with the purpose of investigating the management and operation of agencies as it relates to prevention and detection of fraud, waste, abuse, and mismanagement in the expenditure of public funds that harms the public

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interest. The Budget provides $1.3 million for personnel and operating expenditures in FY2027 for the OIG representing half a year of operations. It also authorizes 12.0 FTE positions.

- **Marijuana Trust Fund Transfer:** The Budget 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. The budget documents 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.
- **Cultural Economy Bond:** Question 4 if approved would allow the issuance of $50.0 million in Cultural Economy bonds to be allocated as follows: $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; $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.
- **SOS Address Confidentiality Program Manager position:** Funds a new Address Confidentiality Program Manager position within the Elections Division. The Address Confidentiality Program (ACP) enables victims of domestic violence, abuse, stalking, sexual assault, or human trafficking to keep their personal information safe from their abuser. The Department of State operates a mail forwarding service, where survivors can use a Department P.O. Box as a substitute address, and the Department ensures that the person's actual addresses is not listed in public information, such as the voter registration file.
- **Cannabis Control Commission:** The Budget includes $7.6 million in restricted receipts for the Cannabis Control Commission in FY2027, a net $315,778 increase over the enacted level. The increase is primarily related to expenses associated with increases to the Department's operating expenditures.
- **Contractor's Registration and Licensing Board – FTE Positions:** The Budget includes $211,235 in restricted receipts to support 2.0 new FTE positions 1.0 Enforcement Aide and 1.0 Administrative Officer, for the Contractor's Registration and Licensing Board located within the Department of Business Regulation, to aid in the implementation of the new Residential Construction and Structural Remodeling Licensing program enacted in 2025.

HOUSING, ECONOMIC, AND WORKFORCE DEVELOPMENT:

- **Housing and Community Opportunity Bond:** Includes 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, and up to $10.0 million may be used to support public housing development.
- **LIHTC Fund:** Adds $520,000 in restricted receipts to the Low-Income Housing Tax Credit (LIHTC) restricted receipt fund in anticipation of the first redemption of LIHTC funds since the authorization of the program in 2023.
- **Reauthorization of Incentives:** Reauthorizes 10 economic development incentives.
- **Main Street Coordinating Program:** Reserves $150,000 out of the Executive Office Commerce general revenue appropriation for the Main Street Coordinating Program (MSCP) that was established by the General Assembly in 2025 to promote economic activity and is administered by Grow Smart RI.
- **Economic Development Bond:** Includes a $115.0 million general obligation bond authorization to be placed on the November 2026 ballot to fund industrial facilities infrastructure improvements. $45.0 million is designated for infrastructure, projects, and investment in the state's ocean, defense, life sciences, data analytics, and related industries. $70.0 million is designated for site development

including land acquisition, remediation, infrastructure and utility construction, and industrial site preparation and development.

- **Real Jobs:** Includes $6.1 million of general revenue to fund the Real Jobs Rhode Island program in FY2026 and FY2027. According to the Real Jobs Rhode Island CY2025 Performance Overview Report, the program has trained over 51,000 workers, placed over 20,300 jobseekers into employment and served 6,800 unique businesses since inception in 2015.
- **FIFA World Cup Security:** The FY2026 Revised Budget includes $250,000 of general revenue for expenses related to the upcoming 2026 Fédération Internationale de Football Association (FIFA) World Cup. The State expects to have a state public safety presence at The Graduate Hotel in Providence, as well as at Bryant University in Smithfield.

EDUCATION:

- **Education Aid – Funding Formula:** Adds $47.1 million in education aid funding to support the March 2026 enrollment update with the student success factor weight at 43.0 percent for all districts, an additional $2.5 million to fully fund the transportation categorical, and an increase of $2.5 million in High-Cost Special Education reimbursements. In addition, the Budget adds $1.0 million in career and technical education support. Article 7 continues to require that an estimate of education aid using expanded direct certification with Medicaid be submitted with the Department's FY2028 budget request.
- **CF Schools to Local Control:** Returns Central Falls School District to local control beginning in FY2027. The City will contribute to the district the sum of 1.0 percent of the prior year total tax levy, the city's prior year contribution, and $500,000 from the school district's fund balance in FY2027 reduced by $50,000 annually until balance meets target end point. The article also enables the City to exceed the minimum tax levy under RIGL 44-5-2 as needed to meet its contribution obligations if certified by the Department of Revenue.
- **Blue Ribbon Commission: R**equires the Department of Elementary and Secondary Education, in collaboration with the Office of Management and Budget and the Division of Municipal Finance, to submit a report comparing the Blue Ribbon Commission's December 2025 education funding proposal to the current system, using validated FY2025 Uniform Chart of Accounts data. The report must be submitted by October 1, 2026, and include comparisons of state and local contributions, recommendations for proposed weights, and an analysis of the statutory recommendations.
- **RI Auditory Oral Education Program (RIAOP)**: Includes $1.2 million in general revenue to support contract professional services at the RI Auditory Oral Education Program (AOEP), which was established in 2005 to provide students with cochlear implants and their families with an educational option focused on the use of the implants and the therapies needed to optimize success.
- **Support and Access to Bilingual Education Act:** Provides that $750,000 in general revenue will be used for the Support and Access to Bilingual Education (SABE) fund established through Article 7 to provide grants to traditional public school districts, community-based organizations in collaboration with public school districts, or higher education institutions in collaboration with public school districts that establish and expand bilingual instruction program models.
- **RI Vision Education Services Program (RIVESP):** Provides $684,600 in general revenue to replace federal IDEA Part B funds to support the RIVESP at the Sherlock Program at Rhode Island College (RIC). The Center provides teaching and consultation services to children who are blind or visually impaired, their families, and educational staff within the school environment.
- **RI Surrogate Parent Program**: Adds $150,000 in general revenue ($247,156 in total general revenue) for the program that provides an educational surrogate parent to make education decisions for students

with disabilities aged 3 to 22 who are in DCYF custody and whose parents are unable to act on their behalf.

- **Learn365RI:** Provides $2.0 million for the Learn365RI initiative in FY2027, an increase of $700,000 from the FY2026 enacted level to provide high-quality, out-of-school time programs focused on critical skill development.
- **School Construction Prospective Payment Schedule Revision:** Supports the Governor's interpretation of current statutory language related to projects funded from capital reserves and bonds to push a portion of the current service reimbursements from FY2027 into FY2028 and FY2029 but implements the changes to in FY2028 instead of FY2027 and restores $14.2 million to support construction aid reimbursements under current practice.
- **School Construction Aid from FY2026:** 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), and moves the effective data back to effective July 1, 2025, instead of 2026. Consequently, the Budget shifts $5.9 million in savings from project delays from FY2026 into FY2027.
- **Local Tuition Reduction Cap:** Caps the reduction in local tuition to charter schools and mayoral academies at 14.0 percent; however, Article 7 removes the cap in FY2027 only for mayoral academies serving students from less than four school districts that have been approved by the Department as sending.
- **Higher Education Bonds:** Approves the issuance of $275.0 million in general obligation bonds to support projects constructing or improving higher educational facilities including: The University of Rhode Island Integrated Health Building, the Rhode Island College Adams Library, and the Community College of Rhode Island Workforce Innovation Center.
- **Public Higher Education RICAP:** Appropriates $111.9 million in State support for various RICAP projects amongst State Institutions.
- **Onward We Learn (GEAR UP):** Provides $4.8 million in federal funds from the Gaining Early Awareness and Readiness for Undergrad Program (GEAR UP), which supports Onward We Learn. The Budget allocates an additional $100,000 from Learn365 to OWL, providing a total of $4.9 million in all funds.
- **Hope Scholarship:** Extends the Hope Scholarship Pilot Program, a state-funded scholarship program for Rhode Island College juniors and seniors, for three more years with a sunset of June 30, 2033. Reporting requirements remain.
- **Promise Scholarship Program:** Expands eligibility for the Rhode Island Promise Scholarship at CCRI to students who enrolled in a postsecondary institution immediately after graduating high school or receiving an equivalency diploma but only remained in that institution for one semester and enrolled in CCRI the following semester. The article also allows eligible students to defer enrollment in CCRI for one semester.

LOCAL/MUNICIPAL ISSUES AND AID:

- **State Library Aid:** Provides an additional $450,882 in general revenue to fully fund Resource Sharing State Library Aid at $12.5 million, which reflects the current law level of 25.0 percent of the second prior fiscal year's local tax expenditure for library services.
- **PILOT State Aid Program:** Fully funds the state's payment in lieu of taxes (PILOT) state aid program, at $49.0 million. The program provides municipalities up to 27.0 percent of the tax that would have been owned on property that is otherwise exempted from taxation by the state.

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- **Distressed Communities State Aid Program:** Provides $15.8 million for the state's Distressed Community Relief state aid program. This is $940,571 more than the FY2026 enacted level, to accommodate the addition of East Providence to the program. The program assists municipalities with the highest property tax burdens relative to the wealth of taxpayers.
- **Sales Tax Adjustment – Car Tax State Aid Program:** Preserves the annual 2.0 percent sales tax growth adjustment that is provided to municipalities as part of the Motor Vehicle Excise Tax State Aid program (Governor had proposed to eliminate it.)

HEALTH AND HUMAN SERVICES:

- **Rural Health Transformation Program (federal funds)**: Adds the new federal Rural Health Transformation Program (RHTP) grant to be distributed in yearly tranches in federal FY2026 through FFY30 over six state agencies with 10.0 percent available for administrative expenses.

GBA 6 - Rural Health Transformation Program (RHTP) - Grant Year 1

Department	FY2026	FY2027	Total
Business Regulation	$0.4	$21.4	$21.8
Labor and Training	0.4	7.0	7.4
Executive Office of Health and Human Services	5.6	68.8	74.5
Health	2.8	27.3	30.1
Behavioral Healthcare, Development Disabilities and Hospitals	0.5	4.1	4.5
Elementary and Secondary Education	1.1	4.8	5.9
Total	**$10.7**	**$133.5**	**$144.2**
Funds to be appropriated in FY2028			13.4
Total			**$157.6**

$ in millions

- **RIPIN Dual Ombudsman:** Includes a general revenue increase of $152,000 to continue navigation assistance for Medicare-Medicaid dual eligibility cases, contracted through the Rhode Island Parent Information Network, within the OHIC budget.
- **RIPIN- Hospital Care Transition Initiatives to OHA:** Includes a general revenue increase of $500,000 to support the RIPIN's Hospital Care Transition program, which assists seniors, older adults, and patients with complex or chronic health needs who are Medicare or Medicaid eligible after they are discharged from hospitals.
- **Academic Institute Reorganization**: The Budget includes 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.
- **Nursing Home Minimum Staffing:** The Budget includes 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.
- **My License Office Replacement:** The Budget includes $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 Budget includes a $1.1 million general revenue increase ($1.9 million in all funds) for the new State Health Laboratory operating expenses.

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- **Durable Medical Equipment Contract:** The Budget includes $500,000 in 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.
- **HR-1 Response:** The Budget includes 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 Budget includes $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 Budget includes $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 Budget includes $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 26 | GOVERNOR'S FY2027 AND FY2026 SUPPLEMENTAL BUDGETS 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.
- **HR-1 SNAP Administrative Cost Share:** The Budget includes $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.
- **Senior Centers:** The Budget includes $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 Budget includes $102,960 in all funds to transition the child support enforcement case management system off the mainframe platform.
- **Weatherization Assistance Program Transfer**: The Budget includes 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 programing.
- **Rhode Island Veterans Home Foxtrot Neighborhood Reopening**: The Budget includes $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.
- **Long-Term Services and Supports:** The Budget adds $3.9 million in general revenue and $5.3 million in federal funds to support additional participants due to increasing the resource threshold for Medicaid beneficiaries. Article 8 increases resource limits, effective January 1, 2027, for Community Medicaid, long-term-service and supports (LTSS), and medically needy beneficiaries to $8,000 for individuals and $12,000 for couples, up from $2,000 and $3,000 for non-LTSS elderly and adults with disabilities and $4,000 and $6,000 for LTSS and the medically needy.
- **DCYF Federal Match Shortfall:** Appropriates $3.0 million in current year and $5.5 million in FY2027 to cover federal funds shortfall and operating support.

- **Independent Rate Model Provider Support:** Includes $2.0 million in general revenues ($4.0 million all funds) to support providers transitioning to Medicaid direct billing. This funding is intended to assist providers with the infrastructure expenses necessary to prepare for the implementation of the new rate model and ensure service delivery is not disrupted.
- **Ryan White HIV Care Program:** Provides $2.0 million in FY2027, and $1.5 million in FY2026, to support increased pharmaceutical costs for Ryan White HIV Care Program.
- **Eat Well Be Well Extension:** The Budget increases general revenue spending by $4.1 million to support a one-year extension of the Eat Well Be Well program, which was enacted to encourage healthy habits by reimbursing beneficiaries $0.50 for every $1.00 spent on eligible foods such as fruits and vegetables.
- **GLP-1 coverage:** Ends GLP-1 Medicaid coverage except for Type II Diabetes treatment, saving $20.3 million ($6.3 million general revenue).
- **RI Community Food Bank:** The Budget provides $1.9 million to the RI Community Food Bank for food collection and distribution, including $1.0 million in one-time funding for FY2027.
- **988 Hotline:** Codifies the state's 988 National Suicide Prevention Hotline program and provides the BHDDH with the statutory authority to administer it. The Budget includes $1.0 million in general revenue and $5.0 million in all funds in FY2027 to run the program.

Provider Rates

- **OHIC Rate Recommendations:** Funds the biennial rate adjustments recommended by the OHIC Rate Review pursuant to RIGL 42-14.5 starting October 2026. This provides $116.6 million more for provider rates in FY2027 than in the current year ($155.5 million full year value).

OHIC Biennial Rate Adjustments - FY2027 Budget as Enacted

Department	General Revenue	Federal funds	Total
BHDDH	$14,780,297	$20,220,779	$35,001,076
DHS	403,324	552,648	955,972
EOHHS	30,865,323	49,817,912	80,683,235
Total	$46,048,944	$70,591,339	$116,640,283

- **Disproportionate Share Hospital (DSH) Payments:** Adds $25.0 million, including $10.5 million in general revenue and $14.5 million in federal funds, for Pool D hospitals over the FY2026 Budget as Enacted and an increase of $15.0 million over the Governor's FY2027 recommendation.
- **Hospital Rate Increase to Statutory Level:** Adds $486,250 in general revenue and $1.0 million in federal funds to support the hospital rate increase provided in current law.
- **Nursing Facilities Rate Increase at Current Law**: Includes $2.1 million in general revenue and $3.0 million in federal funds to fund the nursing facility rate increase at current law.
- **Nursing Home Assisted Living – Tier C Rate Increase:** Includes $92,300 in general revenue and $126,075 in federal funds to support a 13.0 percent increase in the assisted living Tier C reimbursement rate effective January 1, 2027, bringing the rate to about $170 a day.
- **Nursing Home Behavioral Health Per-Diem:** Includes $357,301 in general revenue ($846,885 in all funds) to implement and update the behavioral health per-diem add-on program for particularly complex patients. The estimate assumes a start date of April 1, 2027, and the admission of 20 new residents.

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- **Primary Care Assessment Sunset:** Due to the restrictions in HR-1 on new provider taxes, the Budget sunsets the Primary Care Assessment enacted in the FY2026 Budget on October 1, 2026. The assessment was estimated to generate $30.0 million annually to support primary care and other critical healthcare programs.

Children's Health

- **Early Intervention Program:** Adds $50,000 in general revenue and $150,000 in federal funds to ensure that children diagnosed with developmental disabilities whose third birthday is between May 1 and August 31 continue to receive early intervention (EI) services through September 1 after the child's third birthday. Article 10 also requires private and public health insurers to cover the extended EI option.
- **Psychiatric Resource Network (PRN):** Provides $450,000 in general revenue funding to support the PediPRN programs. The Budget also mandates that the Department manage all funds available to effectuate coverage the PediPRN and MomsPRN programs.
- **Birthing Centers**: Article 12 sets forth legislative findings that establish a review and information disclosure process to avoid the closure of a birthing center. The Budget provides $1.6 million in funding to support the Newport Birthing Center.
- **Child Care Eligibility Increase** Beginning January 1, 2027, the Budget increases the income limit for eligible families from 261.0 percent to 285.0 percent of the federal poverty level (FPL).
- **TANF Protective Services Category:** Article 10 establishes a new 'protective services category' which includes foster or kinship children served through DCYF.
- **Child Support Pass Through:** Increases the child support pass through from $50 regardless of the number of children to $100 for one child and $200 for more than one child.
- **Child Care Rate Increase by 5.0 Percent:** Increases reimbursement rates for infants at center-based childcare providers by 5.0 percent.
- **Home Visiting:** Fully funds the Maternal, Infant, and Early Childhood Home Visiting program, a federal initiative that supports pregnant women and young children through home visits and other services. The maximum match is $787,000, bringing $2.4 million in federal funds to Rhode Island.

Health Care Capacity and Affordability

- **Hospital Financing Support:** Revised Budget adds $18.0 million in general revenue reflecting action taken by the General Assembly enacted as Public Law 2026, Chapter 001 that authored the State Controller to transfer $18.0 million from the Supplemental Budget Reserve Fund to general revenue to establish the Hospital Financing Support Debt Service Reserve, to assist in the sale, and thereby facilitating the continued operation of the Roger Williams Medical Center and Our Lady of Fatima Hospital.
- **Pharmacy Benefit Manager Transparency Reporting and Study Act:** 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.
- **Rhode Island Marketplace Affordability Program Act:** The article establishes the Rhode Island Marketplace Affordability Program, which is a State-based subsidy program, appropriating $19.0 million in general revenue 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 level in the first year of the program and is estimated to aid approximately 20,000 individuals.

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- **Health Spending Accountability and Transparency Program:** 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 Budget provides $50,000 to support the program.
- **Health Professional Loan Repayment Program:** Includes $400,000 for the health professional loan repayment program. The program provides loan repayment assistance to health professionals such as licensed primary care, dental, and mental health clinicians, working for a minimum of two years at an approved health professional shortage area.
- **Primary Care Training Sites:** Supplemental budget includes $2.5 million in all funds to support the Primary Care Training Sites.
- **URI Medical School:** Appropriates $5.0 Million for start-up and operating costs related to the RI Medical School. The University indicates that it would require $5.0 million in FY2027, $7.0 million in FY2028, and $8.0 million in FY2029 for operating costs alone. The Legislative Commission charged with studying the medical school's overall impacts towards Rhode Island reported increased access to primary care professionals, and a $196 million return on investment.
- **Ryan White HIV Care Program:** Provides $2.0 million in FY2027, and $1.5 million in FY2026, to support escalating pharmaceutical costs for Ryan White HIV Care Program.
- **Newport Hospital Birthing Center**: Includes $1.6 million as a state directed grant to the Newport Hospital Birthing Center and, through Section 12 of Article 12, the Budget amends the hospital conversion act, establishing the Rhode Island birthing center access, transparency, and financial accountability act of 2026, which prohibits the closure or significant reduction of services of a birthing center without a review process to determine whether the closure was unavoidable

PUBLIC SAFETY:

- **Domestic Violence Calendar (3.0 new FTE positions):** Adds $635,000 and 3.0 new FTE positions to support the creation of a new Domestic Violence Calendar within the Superior Court to improve efficiency, victim safety, and enforcement of bail conditions, no-contact orders, and projective orders.
- **Rhode Island State Police Southern Public Safety Complex:** Provides $29.0 million of RICAP funds in FY2026 to finish constructing the Southern Public Safety Complex (Southern Barracks) project for the State Police in West Greenwich. The staff and resources currently deployed at the Wickford and Hope Valley barracks will be reassigned to the new Southern Barracks. The total cost for the project is $41.4 million, all of which are RICAP funds.
- **GO TEAM Expansion:** Provides $760,000 of general revenue to the Family Service of Rhode Island's GO TEAM in FY2027 and $558,089 in FY2026. The GO TEAM is comprised of trauma experts who correspond with the State Police and provide 24/7/365 joint response services for victims of crime, with a particular focus on children exposed to traumatic events. The GO TEAM played a critical role in coordinating on-scene crisis response and trauma support following the recent mass violence incidents at Brown University and the Dennis M. Lynch Arene in Pawtucket.
- **1.0 FTE Assistant Public Defender Position:** Provides $187,176 of general revenue and authorizes 1.0 new Assistant Public Defender FTE position for the Office of the Public Defender in FY2027. 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.
- **Fire Academy Expansion Completion:** Includes $962,000 in capital plan funds for projects related to updating the Fire Academy. The General Assembly appropriated a total of $11.0 million to expand the Fire Training Academy auditorium, expand the Confined Space and Trench Rescue Training Simulators, and re-use of an existing State-owned building as an evidence repository.

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- **State Police Officer Pension Reform:** Provides a net increase of $2.6 million in all funds to support the impact of two revisions to the State Police pension calculations included in Article 3. The first revision reduces the number of years included in the calculation of pension benefits for State Police personnel. The calculation currently utilizes compensation based on the highest five consecutive years of service, which is reduced to the highest three consecutive years. This is a technical change related to a drafting error in the FY2026 Budget as Enacted and reflects changes made for other state employees. The second revision increases the benefit accrual rate from 2.0 percent to 3.0 percent after 20 years of service for members hired before July 1, 2007, and to 3.0 percent after 25 years of service for members hired on or after July 1, 2027.

ENERGY/ENVIRONMENT:

- **EC4 Funding:** Level-funds Executive Climate Change Coordinating Council (EC-4) with $1.5 million of Regional Greenhouse Gas Initiative auction proceeds. The Council will develop its spending plan in the fall and submit for approval with the Governor's budget submission next year.
- **Energy Standards:** Amends state energy laws to address affordability while supporting emissions reduction and clean energy efforts. It revises the Virtual Net Metering (VNM) program for large-scale solar projects; adds large scale hydroelectric and nuclear as zero emission resources that have no direct emissions of greenhouse gases; lowers the Virtual Net Metering cap that was set in 2023 from 275 megawatts to 175 megawatts; and, requires the Public Utility Commission (Commission) to commence a comprehensive review on or before January 1, 2027, on the State's progress in meeting the renewable energy standard, the progress of meeting the greenhouse gas reduction requirements and carbon reduction goals, and the estimated cost of complying to the renewable energy standard.
- **Green Economy Bonds:** Authorizes $55.0 million in bonds supporting green economy, $5.0 million more than recommended by the Governor.
- **Replacement of Forestry Fire Hoses:** Provides $50,000 to purchase fire hoses for the Division of Agriculture and Forest Environment. The current hoses are about 40 years old and recent fires have highlighted the need for new equipment.
- **Online Permitting Application Portal:** Includes $752,000 in general revenue to support the maintenance and operating costs of DEM's online application portals for construction permitting and business licensing.
- **Permit and Enforcement Database:** Restores the $50,000 placeholder for a permit and enforcement database at CRMC that is required by the federal government until the database costs are finalized. The initial build and implementation of the database is currently estimated at $2.0 million.

TRANSPORTATION/TRANSIT:

- **RIPTA Statutory Funding:** The Budget provides $85.6 million in statutory funding to the Rhode Island Public Transit Authority (RIPTA) in FY2027, including $54.9 million in gas tax receipts and $30.7 million in Rhode Island Highway Maintenance Account (HMA) funds. The HMA funding reflects a $14.5 million increase from the previous year, primarily due to the allocation revision in Article 2. Article 2 increases RIPTA's percentage share of the HMA from 10.0 percent to 25.0 percent and removes the Authority's fixed share. The following table compares RIPTA's HMA and gas tax receipts included in the FY2026 Final and FY2027 Budget as Enacted to the funding included in the FY2026 Budget as Enacted.

Statutory Funding to RIPTA

HMA Receipts	FY2026 Enacted*	FY2026 Final†	*Change*	FY2027 Budget†	*Change*
Percentage Transfer	$11,181,588	$11,579,237	*$397,649*	30,667,188	*19,485,600*
Fixed Transfer	5,000,000	5,000,000	-	-	*(5,000,000)*
Subtotal	**$16,181,588**	**$16,579,237**	***$397,649***	**$30,667,188**	***$14,485,600***
Gas Tax Receipts					
Statutory Gas Tax	$49,041,146	$49,382,145	*$340,999*	$49,260,938	*$219,791*
Office of Healthy Aging‡	3,443,778	3,467,724	*23,946*	3,459,213	*15,434*
Environmental Protection Fee	2,179,607	2,194,762	*15,156*	2,189,375	*9,769*
Subtotal	**$54,664,531**	**$55,044,631**	***$380,100***	**$54,909,525**	***$244,994***
Total	**$70,846,119**	**$71,623,868**	***$777,748***	**$85,576,713**	***$14,730,594***

**Based off the FY2026 Budget as Enacted projections from ORA*

† Based off May 2026 projections from ORA

‡ Is not transferred directly to RIPTA

- **RIPTA Capital:** The Budget provides RICAP funds to support various non-operating RIPTA initiatives including $3.0 million to replace aging bus shelters and $1.6 million for the Land and Buildings project in FY2027. Additionally, the Budget provides RIPTA with a dedicated funding source of greenhouse gas emission credits to support 50.0 percent of the annual state match to purchase electric buses.
- **RIPTA Board Chair:** Prohibits the Director of RIDOT from serving as Chair of the RIPTA board.
- **Rhode Works Truck Tolling Implementation:** 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 in toll receipts collected each quarter.
- **Transportation Efficiency Study:** Directs the Office of Internal Audit and Program Integrity to commission an efficiency and performance audit of the Department of Transportation (DOT) by March 15, 2027. The audit will evaluate the Department's asset management ability. This includes the status of pavement, bridges, and intelligent transportation systems assets, backlog replacement needs, and lifecycle cost analysis. It will also review the Department's maintenance and operations efficiency, with evaluation areas including the cost per lane-mile per district, salt and chemical usage, vehicle and equipment availability, and overtime utilization.
- **Rhode Restore:** Includes $10.0 million of gas tax receipts to fund the Rhode Restore program in FY2027 and $6.5 million in FY2026. The Rhode Restore program, previously titled the Municipal Road Grant program, provides municipalities with matching funds to improve locally owned roads and infrastructure.
- **Bridge Inspection Oversight Personnel:** Increases the Department's FTE authorization and includes $356,492 of federal funds to support the salary and benefits of 2.0 new Chief Civil Engineer positions to support the Department's bridge division on inspection oversight.

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Statewide Adjustments

Summary

The Budget includes several statewide initiatives that occur in the agency budgets. Instead of repeating these changes in each agency/program, they are summarized here. Tables are included that outline the changes in each agency budget. Statewide initiatives include personnel adjustments reflecting settled state employee wage agreements and cost of living adjustments in contracts; Accounts and Control internal service fund (ISF) charges; centralized service adjustments for information technology, capital asset management and maintenance, and human resources; cost allocations for the new Enterprise Resource Planning (ERP) system; and, Enterprise Technology Strategy and Services (ETSS) expenses. ETSS is a division within the Department of Administration led by the State's Chief Digital Officer.

Statwide Services	FY2026 Enacted	FY2026 Final	FY2027 Enacted	*Change from Enacted*
Centralized Services	$60,264,804	$60,593,768	$58,988,344	*($1,276,460)*
ERP Maintenance and Operations	7,366,332	8,952,165	8,428,938	*1,062,606*
A&C ISF Charges Support Services & Risk Management	-	-	6,294,396	*6,294,396*
ETSS Charges	49,682,257	50,323,759	52,639,420	*2,957,163*
Total	**$117,313,393**	**$119,869,692**	**$126,351,098**	***$9,037,705***

Centralized Services Adjustment (all funds) ***($1.3 million)***

The Budget decreases all fund expenditures by $1.3 million to reflect billed amounts for capital asset management and maintenance and human resources. The FY2018 Budget as Enacted authorized the Governor to establish centralized accounts for information technology, capital asset management and maintenance, and human resources. These expenditures are reflected in each agency based on actual use, thereby showing the true costs associated with a particular program or agency.

Agency	FY2026 Enacted	FY2026 Final	FY2027 Enacted	*Change from Enacted*
BHDDH	$15,756,832	$15,756,832	$15,938,323	*$181,491*
Coastal Resources Management Council	177,469	141,408	174,185	*(3,284)*
Department of Administration	8,130,428	8,382,458	9,692,749	*1,562,321*
Department of Business Regulation	1,021,945	1,021,945	967,286	*(54,659)*
Department of Children, Youth, and Families	2,101,045	2,101,045	1,819,498	*(281,547)*
Department of Corrections	9,754,241	9,754,241	7,559,293	*(2,194,948)*
Department of Environmental Management	1,250,312	1,115,312	1,181,534	*(68,778)*
Department of Health	2,629,768	2,579,768	2,648,642	*18,874*
Department of Human Services	5,020,956	5,021,356	6,434,216	*1,413,260*
Department of Labor and Training	3,029,722	3,249,022	2,354,856	*(674,866)*
Department of Public Safety	1,182,869	1,182,869	1,102,242	*(80,627)*
Department of Revenue	3,101,976	3,101,976	2,194,782	*(907,194)*
Department of Transportation	3,332,040	3,332,040	3,332,040	-
Elementary and Secondary Education	864,258	943,545	685,840	*(178,418)*
Executive Office of Commerce	9,793	9,793	8,437	*(1,356)*
Executive Office of Health and Human Services	1,529,780	1,529,780	1,472,945	*(56,835)*
Executive Office of Housing	386,672	386,672	417,732	*31,060*
Governor's Commission on Disabilities	9,597	9,597	8,437	*(1,160)*
Historical Preservation and Heritage Commission	128,391	128,391	167,793	*39,402*
Military Staff	155,909	155,909	151,866	*(4,043)*
Office of Attorney General	709	709	-	*(709)*
Office of Energy Resources	53,746	53,746	51,082	*(2,664)*
Office of the Child Advocate	76,884	76,884	106,434	*29,550*
Office of the General Treasurer	189,083	189,083	201,018	*11,935*
Office of the Mental Health Advocate	105,677	105,677	29,760	*(75,917)*
Office of the Postsecondary Commissioner	165,924	165,924	120,676	*(45,248)*
Rhode Island Commission for Human Rights	-	-	85,683	*85,683*
Rhode Island Council on the Arts	18,411	18,411	16,874	*(1,537)*
Rhode Island Emergency Management Agency	80,367	79,375	64,121	*(16,246)*
Total	**$60,264,804**	**$60,593,768**	**$58,988,344**	***($1,276,460)***

The FY2026 Budget as Enacted includes $60.3 million in all funds ($50.7 million general revenue) for centralized services, which is decreased by $1.3 million ($1.2 million general revenue) to $59.0 million in all funds in the FY2027 Budget. There are corresponding decreases of $353,909 in federal funds and $293,373 in other funds. These are offset by an increase of $603,735 in restricted receipts. The above table illustrates the all fund adjustments within each agency.

ERP Maintenance and Operations Billings (all funds) *$1.1 million*

The Budget includes a statewide all funds increase of $1.1 million ($1.5 million general revenue decrease) for costs associated with financing the maintenance and operations of the Enterprise Resource Planning (ERP) system that began January 1, 2025. The Budget includes the appropriations listed under A & C ISF Charges: ERP Maintenance and Operations and under ETSS Billings-ERP Maintenance and Operations Billing.

ERP is the replacement data management system for the State's decades-old legacy systems for human resources, payroll, grants management, and financial data systems. The current system is outdated and susceptible to various single points of failure, at-risk for security breaches, which leaves decision makers unable to receive accurate information in a timely manner. The costs to maintain the ERP system are charged per employee to state agencies, and the Budget adjusts agency budgets by providing general revenues to cover the costs.

Agency	FY2026 Enacted	FY2026 Final	FY2027 Enacted	*Change from Enacted*
BHDDH	$573,101	$551,253	$258,704	*($314,397)*
Board of Elections	8,762	10,986	10,779	*2,017*
Coastal Resources Management Council	13,769	32,077	32,338	*18,569*
Commission on the Deaf & Hard of Hearing	4,544	7,906	10,779	*6,235*
Community College of Rhode Island	-	239,423	239,423	*239,423*
Department of Administration	660,848	730,764	1,397,910	*737,062*
Department of Business Regulation	117,022	178,394	183,249	*66,227*
Department of Children, Youth, and Families	570,376	488,787	355,719	*(214,657)*
Department of Corrections	552,314	988,601	689,878	*137,564*
Department of Environmental Management	465,680	449,074	334,160	*(131,520)*
Department of Health	591,596	286,404	86,235	*(505,361)*
Department of Human Services	1,176,490	733,396	549,748	*(626,742)*
Department of Labor and Training	258,398	394,206	388,056	*129,658*
Department of Public Safety	266,299	734,552	851,569	*585,270*
Department of Revenue	375,733	458,189	409,615	*33,882*
Elementary and Secondary Education	270,408	353,578	377,277	*106,869*
Executive Office of Commerce	9,850	8,346	10,779	*929*
Executive Office of Health and Human Services	275,189	318,915	409,615	*134,426*
Executive Office of Housing	30,104	56,221	75,455	*45,351*
General Assembly	107,866	168,821	97,014	*(10,852)*
Governor's Commission on Disabilities	5,041	2,200	-	*(5,041)*
Historical Preservation and Heritage Commission	8,977	17,572	21,559	*12,582*
Judiciary	405,169	583,670	463,514	*58,345*
Military Staff	72,761	74,272	64,676	*(8,085)*
Office of Attorney General	122,147	238,232	226,366	*104,219*
Office of Energy Resources	-	31,184	43,117	*43,117*
Office of Lieutenant Governor	4,620	3,520	-	*(4,620)*
Office of Public Defender	37,926	55,407	21,559	*(16,367)*
Office of the Child Advocate	5,901	11,425	10,779	*4,878*
Office of the General Treasurer	187,294	150,225	194,028	*6,734*
Office of the Governor	17,806	24,844	10,779	*(7,027)*
Office of the Mental Health Advocate	3,193	1,760	-	*(3,193)*
Office of the Postsecondary Commissioner	33,677	47,449	53,897	*20,220*
Public Utilities Commission	-	29,903	10,779	*10,779*
Rhode Island Atomic Energy Commission	5,681	9,930	10,779	*5,098*
Rhode Island Cannabis Control Commission	-	18,438	32,338	*32,338*
Rhode Island College	-	270,100	270,100	*270,100*
Rhode Island Commission for Human Rights	9,694	6,159	-	*(9,694)*
Rhode Island Council on the Arts	12,626	10,546	10,779	*(1,847)*
Rhode Island Emergency Management Agency	38,486	108,469	161,690	*123,204*
Rhode Island Ethics Commission	6,979	23,718	32,338	*25,359*
Secretary of State	60,005	38,249	21,559	*(38,446)*
Total	**$7,366,332**	**$8,947,165**	**$8,428,938**	***$1,062,606***

The FY2026 Budget as Enacted included $7.4 million in all funds for the ERP system ($8.5 million in general revenue). The FY2026 Final Budget increases the all funds appropriation to $8.9 million, reflecting an increase of $1.6 million from the FY2026 Budget as Enacted.

The FY2027 Budget includes an all fund appropriation of $8.4 million ($7.0 million general revenue), reflecting an all funds increase of $1.1 million. The above table illustrates the adjustments in each agency.

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A & C ISF Charges: Support Services and Risk Management (all funds) *$6.3 million*

The FY2027 Budget includes three new appropriation lines for the Accounts and Control Internal Service Fund (ISF) program.

The new ISF charges each agency and represents the cost-sharing allocations for centralized administrative services provided by one state agency to others on a cost-reimbursement basis.

These statewide adjustments will fluctuate between agencies based on an agency's personnel adjustments and centralized service needs.

The FY2027 Budget includes a net all fund appropriation of $6.3 million, of which $7.6 million is general revenue.

The table to the side illustrates statewide adjustments for the A&C ISF Charges Support Services and for the A&C ISF Charges Risk Management charged to each agency.

The A&C ISF Charges ERP Maintenance and Operations adjustments are included in the previous brief highlighting individual agency charges for the Enterprise Resources Program (ERP).

Agency	FY2026 Enacted	FY2027 Enacted	*Change from Enacted*
BHDDH	$0	$643,398	*$643,398*
Board of Elections	-	19,184	*19,184*
Coastal Resources Management Council	-	30,846	*30,846*
Commission on the Deaf & Hard of Hearing	-	13,660	*13,660*
Department of Administration	-	203,318	*203,318*
Department of Business Regulation	-	114,934	*114,934*
Department of Children, Youth, and Families	-	413,232	*413,232*
Department of Corrections	-	846,560	*846,560*
Department of Environmental Management	-	280,654	*280,654*
Department of Health	-	354,922	*354,922*
Department of Human Services	-	609,640	*609,640*
Department of Labor and Training	-	244,442	*244,442*
Department of Public Safety	-	361,060	*361,060*
Department of Revenue	-	330,371	*330,371*
Elementary and Secondary Education	-	217,251	*217,251*
Executive Office of Commerce	-	14,274	*14,274*
Executive Office of Health and Human Services	-	143,782	*143,782*
Executive Office of Housing	-	32,687	*32,687*
General Assembly	-	170,788	*170,788*
Governor's Commission on Disabilities	-	14,274	*14,274*
Historical Preservation and Heritage Commission	-	20,780	*20,780*
Judiciary	-	450,058	*450,058*
Military Staff	-	66,445	*66,445*
Office of Attorney General	-	175,698	*175,698*
Office of Energy Resources	-	21,639	*21,639*
Office of Lieutenant Governor	-	16,115	*16,115*
Office of Public Defender	-	75,038	*75,038*
Office of the Child Advocate	-	19,184	*19,184*
Office of the General Treasurer	-	67,673	*67,673*
Office of the Governor	-	38,825	*38,825*
Office of the Mental Health Advocate	-	14,888	*14,888*
Office of the Postsecondary Commissioner	-	39,439	*39,439*
Public Utilities Commission	-	45,577	*45,577*
Rhode Island Atomic Energy Commission	-	16,484	*16,484*
Rhode Island Cannabis Control Commission	-	27,163	*27,163*
Rhode Island Commission for Human Rights	-	20,412	*20,412*
Rhode Island Council on the Arts	-	17,343	*17,343*
Rhode Island Emergency Management Agency	-	34,529	*34,529*
Rhode Island Ethics Commission	-	18,570	*18,570*
Secretary of State	-	49,259	*49,259*
Total	**$0**	**$6,294,396**	***$6,294,396***

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ETSS Charges (all funds) *$3.0 million*

The FY2027 Budget includes several statewide operating adjustments involving the Enterprise Technology Strategy and Services (ETSS) for services provided to state agencies. The Budget includes 19 individual ETSS appropriation lines (not including the ETSS Billing-ERP Maintenance and Operations Billings line). Each appropriation line reflects a billing for technology services provided by ETSS throughout state government. The FY2027 Budget includes an all fund appropriation of $52.6 million ($34.5 million general revenue), reflecting an all funds increase of $3.0 million ($2.2 million general revenue).

The table illustrates statewide adjustments for the ETSS Charges billed to each agency.

Agency	FY2026 Enacted	FY2026 Final	FY2027 Enacted	*Change from Enacted*
BHDDH	$4,574,885	$5,073,504	$5,604,703	*$1,029,818*
Board of Elections	159,187	161,017	158,672	*(515)*
Coastal Resources Management Council	22,923	19,347	14,838	*(8,085)*
Commission on the Deaf & Hard of Hearing	79,343	92,920	94,072	*14,729*
Department of Administration	2,749,729	2,050,165	1,399,396	*(1,350,333)*
Department of Business Regulation	1,252,795	1,241,182	1,313,927	*61,132*
Department of Children, Youth, and Families	3,792,693	3,911,651	4,434,168	*641,475*
Department of Corrections	5,654,809	6,143,479	6,683,882	*1,029,073*
Department of Environmental Management	2,762,461	2,943,965	3,259,041	*496,580*
Department of Health	4,434,267	4,275,849	4,067,538	*(366,729)*
Department of Human Services	5,225,534	5,452,163	6,446,524	*1,220,990*
Department of Labor and Training	4,831,206	4,392,753	4,804,736	*(26,470)*
Department of Public Safety	537,780	440,706	296,603	*(241,177)*
Department of Revenue	4,151,662	4,331,298	4,380,552	*228,890*
Department of Transportation	4,580,694	4,580,694	4,580,694	-
Elementary and Secondary Education	148,572	142,400	32,151	*(116,421)*
Executive Office of Commerce	55,608	72,818	70,980	*15,372*
Executive Office of Health and Human Services	2,579,915	2,710,851	2,907,326	*327,411*
Executive Office of Housing	133,561	157,207	157,828	*24,267*
General Assembly	70,745	64,243	8,340	*(62,405)*
Governor's Commission on Disabilities	46,222	52,100	49,078	*2,856*
Historical Preservation and Heritage Commission	33,266	70,441	61,747	*28,481*
Judiciary	175,325	102,875	2,994	*(172,331)*
Military Staff	58,116	54,709	21,175	*(36,941)*
Office of Attorney General	62,705	61,673	29,685	*(33,020)*
Office of Energy Resources	115,711	139,305	160,132	*44,421*
Office of Lieutenant Governor	90,041	103,286	102,295	*12,254*
Office of Public Defender	14,794	13,873	-	*(14,794)*
Office of the Child Advocate	52,450	57,508	55,444	*2,994*
Office of the General Treasurer	213,517	153,937	42,136	*(171,381)*
Office of the Governor	310,265	331,369	361,735	*51,470*
Office of the Mental Health Advocate	19,029	19,897	12,256	*(6,773)*
Office of the Postsecondary Commissioner	17,890	15,796	201	*(17,689)*
Public Utilities Commission	199,500	218,752	232,025	*32,525*
Rhode Island Atomic Energy Commission	14,855	13,980	146	*(14,709)*
Rhode Island Cannabis Control Commission	-	87,573	101,032	*101,032*
Rhode Island College	9,000	9,000	9,000	-
Rhode Island Commission for Human Rights	127,642	95,195	95,503	*(32,139)*
Rhode Island Council on the Arts	88,167	96,622	89,156	*989*
Rhode Island Emergency Management Agency	49,132	174,234	324,709	*275,577*
Rhode Island Ethics Commission	137,885	144,670	146,586	*8,701*
Secretary of State	48,376	48,752	26,414	*(21,962)*
Total	**$49,682,257**	**$50,323,759**	**$52,639,420**	***$2,957,163***

STATEWIDE- FTE VACANCY REDUCTIONS

The Budget includes a total statewide reduction of 220.0 full-time equivalent (FTE) positions to reflect long-standing unfunded vacancies in several agencies. This reduction lowers the authorization FTE position limit to more closely align with the historical experience on filled and funded positions while maintaining flexibility for immediate needs.

The reduction in the Department of Administration reflects positions in the internal service fund program allocation.

Agency	Avg. # of Vacancies Past 6 years	FTE Position Reduction
Administration	50.0	(25.0)
Labor and Training	43.3	(20.0)
CCRI	100.0	(40.0)
RIC	185.0	(50.0)
Corrections	94.0	(50.0)
Transportation	60.0	(35.0)
Total	**532.3**	**(220.0)**

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Department of Administration

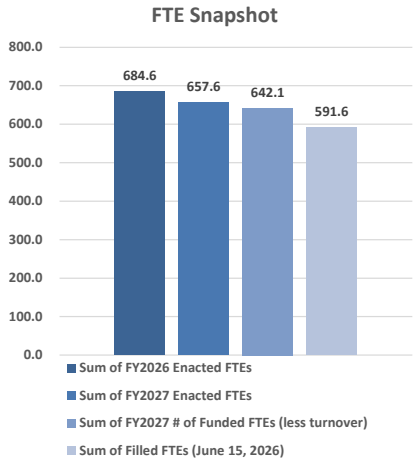
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Accounts and Control	$6.7	$8.5	$7.3	($1.1)	-13.5%	$2.5	($6.0)	-70.8%
Office of Management and Budget	12.0	14.7	14.6	(0.1)	-0.6%	14.2	(0.5)	-3.5%
Capital Asset Management and Maintenance	9.8	11.0	11.8	0.8	7.7%	12.1	1.2	10.5%
Central Management	34.1	37.6	18.4	(19.1)	-50.9%	4.9	(32.7)	-87.1%
Debt Service Payments	192.8	211.9	198.3	(13.6)	-6.4%	202.6	(9.3)	-4.4%
Energy Resources	(0.4)	-	-	-	-	-	-	-
General	102.2	87.1	269.3	182.3	209.4%	109.3	22.3	25.6%
Human Resources	0.8	0.9	1.0	0.1	9.8%	0.7	(0.2)	-21.1%
Information Technology	1.8	3.0	38.8	35.8	1191.8%	2.1	(0.9)	-29.3%
Legal Services	2.6	2.9	2.8	(0.1)	-3.1%	3.0	0.1	4.5%
Library and Information Services	3.4	3.8	3.8	0.0	0.3%	3.9	0.1	2.7%
Personnel Appeal Board	0.1	0.2	0.2	(0.0)	-6.3%	0.2	-	0.0%
Placeholder	(0.0)	-	-	-	-	-	-	-
Planning	6.0	7.2	7.2	0.1	1.0%	7.3	0.1	2.0%
Purchasing	5.7	5.9	6.3	0.4	6.1%	6.3	0.4	6.1%
Rhode Island Health Benefits Exchange (HealthSource RI)	30.7	29.9	32.0	2.1	6.9%	54.5	24.6	82.0%
Statewide Personnel and Operations	0.4	3.9	1.9	(1.9)	-	0.5	(3.4)	-
Division of Equity, Diversity, and Inclusion	1.8	2.4	1.9	(0.5)	-20.1%	2.3	(0.1)	-4.0%
Total	**$410.3**	**$430.6**	**$615.6**	**$185.0**	**43.0%**	**$426.2**	**($4.4)**	**-1.0%**
Expenditures By Source								
General Revenue	$219.5	$249.3	$249.4	$0.1	0.0%	$260.4	$11.0	4.4%
Federal Funds	54.3	47.6	100.3	52.7	110.7%	15.4	(32.2)	-67.7%
Restricted Receipts	22.9	24.1	62.7	38.6	160.1%	27.4	3.3	13.6%
Other Funds	113.6	109.6	203.1	93.6	85.4%	123.1	13.5	12.3%
Total	**$410.3**	**$430.6**	**$615.6**	**$185.0**	**43.0%**	**$426.2**	**($4.4)**	**-1.0%**
Authorized FTE Levels	683.6	684.6	683.6	(1.0)	-0.1%	657.6	(27.0)	-3.9%

$ in millions. Totals may vary due to rounding.

The Department of Administration's primary function is to provide support services to state departments and agencies. The Department of Administration was created to consolidate the finance, purchasing, and management functions of the State. There are 16 sub-programs with specific functions within the Department of Administration.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget includes an all funds appropriation of $615.6 million, reflecting a net increase of $185.0 million, a 43.0 percent increase from the FY2026 Budget as Enacted. General revenues total $249.4 million and comprise 40.5 percent of the Department's total appropriation. Federal funds total $100.3 million (16.3 percent), restricted receipts total $62.7 million (10.2 percent) and other funds total $203.1 million (33.0 percent).



The FY2027 Budget as Enacted includes an all funds appropriation of $426.2 million, reflecting a net decrease of $4.4 million (1.0 percent) from the FY2026 Budget as Enacted. General revenues total $260.4 million and comprise 61.1 percent of the Department's total appropriation. This reflects an increase of $11.0 million from the FY2026 Budget as Enacted.

Significant items in the Budget include increased general revenue appropriations of $21.9 million to establish the Rhode Island Marketplace Affordability Program, a State-based subsidy program created to partially replace expired enhanced advanced premium tax credits (eAPTCs) and an increase of $3.2 million

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for additional retirement contributions into the state retirement fund for state employees and for the state share for teachers.

These increases are offset by other significant general revenue adjustments including the shift of $5.2 million for personnel and operational funding of the Accounts and Control program to a new Enterprise Resource Program (ERP) Internal Service Fund (ISF), a decrease of $2.5 million reflecting the end of the FEMA Reserve and Contingency appropriation, a decrease of $3.9 million for various debt service costs, and a decrease of $2.2 million for personnel and operating costs in Purchasing from shifting general revenue expenses to restricted receipts through the establishment of a 0.33 percent procurement assessment fee.

Other funds total $123.1 million reflect an increase of $13.5 million from the FY2026 Budget as Enacted. The RICAP program comprises approximately 70.9 percent of the other fund appropriation which reflects capital renovation/remediation expenditures. This includes $20.0 million for continued Pastore Center Infrastructure and $17.4 million in RICAP funds for the ongoing State House Renovation project.

Federal funds total $15.4 million and comprise 3.6 percent of the Department's total appropriation. Federal funds decreased by $32.2 million from the previous year. The most significant change is the decrease of $33.0 million reflecting the end of ARPA Emergency Rental Assistance program, known as RentReliefRI.

Restricted receipts total $27.4 million and comprise 6.4 percent of the Department's total appropriation.

The FY2027 Budget includes 657.6 FTE positions, reflecting a decrease of a 27.0 FTE positions to the Department. This includes the transfer of 1.0 Programming Service Officer position from the Water Resources Board (WRB) within the Planning program to the Department of Environmental Management (DEM); and the transfer of a 1.0 Technical Support Specialist III (UNIX/Networks) position who was transferred from Division of Enterprise Technology Strategy and Services (ETSS) within Information Technology to the Department of Public Safety (DPS). The position had already been working full-time on DPS issues, and the Department transferred the position to DPS rather than having it continue to technically be an DOA/ETSS position that was fully billed to DPS.

The Budget also includes a reduction of 25.0 FTE positions in the internal service fund program allocation within the Department of Administration. This reduction reflects the Department's portion of a total statewide reduction of 220.0 full-time equivalent (FTE) positions to reflect long-standing unfunded vacancies in several agencies. This reduction lowers the authorization FTE position limit to align closer with the historical experience on filled and funded positions while maintaining flexibility for immediate needs. Over the past 6 years, the Department averaged 50.0 FTE vacancies.

ACCOUNTS AND CONTROL

Accounts and Control promotes the financial integrity and accountability of State government through administrative, accounting controls, and procedures. The program administers a comprehensive accounting and recording system which classifies department and agency transactions in accordance with the budget plan; maintains control accounts of assets for all departments and agencies; and operates financial, accounting and cost systems for all departments and agencies.

The program also prepares several publications, including the Comprehensive Annual Financial Report, Condensed State Financial Report, State Payroll Manual, Procedural Handbook of the Department of Administration, and the Consolidated Statewide Cost Allocation Plan.

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Accounts and Control	General Revenue
FY2026 Enacted	$5,804,845
Target and Other Adjustments	-
Shift to A&C ISF	(5,154,784)
FY2027 Enacted	**$650,061**

Accounts and Control	Other Fund Changes
Shift to A&C ISF (restricted receipts)	($864,518)

Shift to A&C ISF ***($5.2 million)***

The Budget shifts personnel and operational funding of the Accounts and Control program to a new Enterprise Resource Program (ERP) Internal Service Fund (ISF). This ISF charges every agency based on ERP usage and transfers these funds into the new Accounts and Control ERP ISF. The result is a reduction of $5.2 million in general revenue and a reduction of $864,518 in restricted receipt expenses.

The Budget leaves a general revenue amount of $650,061 and restricted receipts of $1.8 million for the statewide A&C ISF Charges.

OFFICE OF MANAGEMENT AND BUDGET

The Office of Management and Budget (OMB) serves as the principal agency for budget, performance management, and federal grants management. OMB includes the following functions:

- **Budget Office:** Provides advice to the Governor relating to the financial management of state government: evaluating necessary resources; analyzing state programs, priorities and alternatives; and suggesting the optimum allocation of resources to meet policy and management goals. The Budget Office also prepares fiscal notes on legislation, participates in the Revenue and Caseload Estimating Conferences, and prepares presentations to bond rating agencies.
- **Director:** Assists departments and agencies with strategic planning and continuous improvement processes to enhance management.
- **Performance Management:** Develops and monitors performance measures for each state agency.
- **Strategic Management:** Assists departments and agencies with strategic planning.
- **Regulatory Reform:** Evaluates and reforms state and local regulatory environment.
- **Office of Internal Audit and Program Integrity:** Conducts audits on any state agency, state entity, or private entity receiving state funding or grants. The OIA evaluates the efficiency of an agency's operations and internal controls and prevents or detects fraud and mismanagement.

The program also contains the Pandemic Recovery Office as the State's centralized office to oversee and ensure compliance with the rules, regulations, and guidance issued by the United States Department of the Treasury of expenditures from the federal COVID-19 related funds including the American Rescue Plan Act of 2021 (ARPA) with the $1.13 billion in State Fiscal Recovery Funds (SFRF) and Capital Projects Fund (CPF). The Pandemic Recovery Office will be responsible for submitting all reports required by the United States Department of the Treasury for the SFRF and Capital Projects Fund.

Office of Management and Budget	General Revenue
FY2026 Enacted	$11,000,012
Target and Other Adjustments	*149,401*
A&C ISF Charges (statewide adjustments)	217,905
Software Maintenance	(150,000)
ETSS Internal Agency Charges (statewide adjustments)	(111,266)
Personnel Adjustments (statewide adjustments)	194,512
Seasonal/Special Wages	(72,800)
Turnover	(70,885)
FY2027 Enacted	**$11,156,879**

Office of Management and Budget	Other Fund Changes
ARPA SFRF/ARPA CPF: Pandemic Recovery Office (federal funds)	($615,072)

Software Maintenance ***($150,000)***

The Budget includes general revenue of $148,000 for software maintenance. This reflects a decrease of $150,000 as compared to the previous fiscal year. The FY2026 Budget as Enacted included $298,000 within the Office of Internal Audit for procurement expenses related to the Workiva's financial reporting software. The Department reduced the funding for FY2027 based on expected and historical expenses.

Seasonal/Special Wages ***($72,800)***

The Budget decreases general revenue by $72,800 for seasonal employee wages. DOA/OMB occasionally uses seasonal employees and internships on an as-needed basis. The FY2026 Budget as Enacted included $72,800 in wages for the referenced positions. These positions are not filled as part of the FY2027 Budget, and the wages are not needed for the upcoming fiscal year.

Turnover ***($70,885)***

The Budget increases general revenue turnover savings by $70,885 in FY2027. The Budget reflects historical trends and anticipated turnover in personnel expenses as compared to the FY2026 Budget as Enacted.

ARPA SFRF/CPF Pandemic Recovery Office (federal funds) ***($615,072)***

The Budget includes a net decrease of $615,072 in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) and Capital Project Funds (CPF) in FY2027 to finance the administration and operations of the Pandemic Recovery Office (PRO). This reflects a decrease in federal funds of $753,879 for the PRO administrative costs offset by an increase of $138,333 to administer the Capital Projects Fund (CPF) grant from the U.S. Treasury. Although ARPA expenditures are scheduled to end December 31, 2026, the final reports for the SFRF and CPF are due to the U.S. Treasury by April 30, 2027.

CAPITAL ASSET MANAGEMENT AND MAINTENANCE

The Division of Capital Asset Management and Maintenance (DCAMM) centralizes capital assets, capital projects, and state facilities maintenance functions. The division was established under the FY2017 Budget as Enacted. The division consists of the following subprograms: Capital Asset Management and Maintenance, Office of Facilities Management and Maintenance, and the Office of Planning, Design, and Construction, and has oversight of the following areas:

- Planning, Design, and Construction (PDC) manages new construction and rehabilitation projects.
- Facilities Management and Maintenance (OFMM) maintains State facilities.
- State Fleet Operations administers the purchase, repair, and disposal of state vehicles and operates state fuel depots.

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Capital Asset Management and Maintenance	General Revenue
FY2026 Enacted	$10,990,302
Target and Other Adjustments	*65,484*
Centralized Services (statewide adjustments)	868,833
Personnel Adjustments (statewide adjustments)	192,649
A&C ISF Charges (statewide adjustments)	22,997
FY2027 Enacted	**$12,140,265**

CENTRAL MANAGEMENT

Central Management is comprised of three major functions: the Director's Office, the Central Business Office, and the Judicial Nominating Commission.

- The Director's Office provides for the overall operation of the department and assists all Executive branch agencies.
- The Central Business Office provides financial management assistance to the program areas within the Department of Administration and the Department of Revenue to ensure maximum use of state and federal resources.
- The Judicial Nominating Commission recommends candidates to the Governor to fill vacancies in the Rhode Island Judiciary. The Commission is required by statute to advertise for each judicial vacancy and to actively seek and encourage applications from qualified individuals.

Central Management	General Revenue
FY2026 Enacted	$4,359,358
Target and Other Adjustments	*(24,135)*
ERP Maintenance and Operation Billings (statewide adjustments)	(660,848)
Realignment to Enacted/Current Service Level (CSL)	193,701
A&C ISF Charges (statewide adjustments)	183,221
ETSS Charges (statewide adjustment)	(44,368)
FY2027 Enacted	**$4,006,929**

Central Management	Other Fund Changes
ARP ERA Emergency Rental Assistance (federal funds)	($33,000,000)
Centralized Services (statewide adjustments) (restricted receipts)	853,701
Realignment to Enacted/CSL (restricted receipts)	(193,701)

Realignment to Enacted/Current Service Level (CSL) ***$193,701***

The Budget increases general revenue by $193,701, reversing recoveries of indirect costs on federal grants, that were implemented in FY2026. The FY2026 Budget as Enacted contained language in Article 2 that increased the indirect cost recovery (ICR) charge provisions on restricted receipt accounts from 10.0 percent to 15.0 percent, matching the new federal rate. In FY2026, the Department had the ability to charge an additional $193,701 to restricted receipts and to remove the administrative expenses from general revenue.

The $193,701 reduction was to be a placeholder with the understanding that an amount of expenditure would be shifted from general revenue somewhere within the Department of Administration to an Indirect Cost Recovery (ISF) account. The FY2026 Final Budget identified a portion of the DCAMM ISF and HR ISF charges that can be shifted to the restricted account and recovered as overhead charges on grants. Since this was a one-time recovery, the cost shift is reversed in both the FY2026 Final Budget and FY2027 Budget as Enacted. There is a corresponding decrease of $193,701 in restricted receipts.

ARP ERA: Emergency Rental Assistance (federal funds) ***($33.0 million)***

The Budget does not include funding for emergency rental assistance, known as RentReliefRI in FY2027 resulting in a reduction of federal funds of $33.0 million as compared to the FY2026 Budget as Enacted. The State received $352.0 million from two federal Emergency Rental Assistance authorizations (ERA1 and ERA2) to provide rent and utility assistance. The program distributed over $200.0 million before its original funding had been either depleted or hit its federal expiration date.

- ERA1 (Consolidated Appropriations Act, 2021): This was originally set to expire earlier but was extended to September 30, 2022.
- ERA2 (American Rescue Plan Act): These funds had an expiration date of September 30, 2025.

Funding for the Rhode Island Federal Emergency Rental Assistance (ERA) program was appropriated past initial expiration dates primarily due to federal legislative extensions and reallocation rules that shifted deadlines. In addition, allocations were shifted over FY2024 and FY2025 so that federal obligation timelines were met while allowing actual spending to continue through December 2026.

DEBT SERVICE PAYMENTS

The Debt Service Payments program funds expenditures for both long- and short-term tax-supported debt obligations of the State. This includes debt service on general obligation bonds as well as lease payments securing certificates of participation issued by the State. The program encompasses leases or trust agreements securing revenue bonds issued by the Rhode Island Convention Center Authority, Rhode Island Refunding Bond Authority, Rhode Island Commerce Corporation, and other obligations that are part of the State's net tax-supported debt.

Debt Service Payments	General Revenue
FY2026 Enacted	$178,801,286
Target and Other Adjustments	-
Other Debt Service Changes	(3,027,932)
General Obligation Bond Changes	(1,469,000)
Certificates of Participation (COPs)	574,000
FY2027 Enacted	**$174,878,354**

Debt Services Payments	Other Fund Changes
Transportation - Debt Service (other funds)	($5,420,247)

Other Debt Service Changes ***($3.0 million)***

The Budget includes $43.6 million in general revenue for debt service expenses on five items, reflecting a decrease of $3.0 million from various adjustments from the FY2026 Budget as Enacted. The most significant adjustment reflects a $1.7 million decrease for the Convention Center Authority.

Other Debt Service	FY2026 Enacted	FY2027 Enacted	*Change from Enacted*
Central Falls School Project	$10,740,206	$10,826,488	*$86,282*
Convention Center Authority	24,508,787	22,845,851	*(1,662,936)*
EDC - Fidelity Job Rent Credits	954,054	-	*(954,054)*
Garrahy Courthouse Garage	493,339	-	*(493,339)*
Historic Structures Tax Credit	9,896,419	9,892,534	*(3,885)*
Total	**$46,592,805**	**$43,564,873**	***($3,027,932)***

Convention Center Authority: The Budget decreases general revenue by $1.7 million in FY2027 for debt service for the outstanding bonds for the Convention Center Authority. Pursuant to a lease agreement dated November 1, 1991, between the Rhode Island Convention Center Authority (Authority) and the State, the Authority leased the Convention Center facilities to the State. As part of the agreement terms, the State

obligated itself to make lease payments in an amount sufficient to pay the operating expenses and debt service of the Authority, that are not met by revenue generated by the Authority.

The FY2026 Budget as Enacted includes general revenue of $24.5 million for debt service. The FY2027 Budget includes $22.8 million reflecting a decrease of $1.7 million from the previous fiscal year.

EDC – Fidelity Job Rent Credits: The FY2027 Budget as Enacted decreases general revenues by $954,054 for debt service on the Fidelity FMR II Job Rent Credits debt service because of available reserve funds to cover remaining debt service in full.

Garrahy/Innovation District Garage: The Budget eliminates $493,339 in general revenue for debt service for the Garrahy/Innovation District Garage. The FY2016 Budget as Enacted authorized the State to enter into an agreement with the Rhode Island Convention Center Authority (Authority) to develop, construct, and operate a parking garage. The resolution authorized the issuance of up to $45.0 million in debt to fund the design and construction of a parking garage and retail space on state-owned land on the site of the existing Garrahy Courthouse surface parking lot.

The projected debt service cost in FY2027 is $3.0 million. This is offset by the projected State lease payments of $2.5 million paid by leased parking space at the garage, leaving a funding gap of approximately $493,339. The FY2027 capital plan projects that the full annual debt service amount will be paid by the leased parking revenues after FY2027. The Budget does not include further debt service payments beyond FY2026, requiring the Authority to cover the full cost of the debt service.

General Obligation Bond Changes ***($1.5 million)***

The Budget includes $126.4 million in general revenue to fund the cost of the State's general obligation debt service in FY2027, a decrease of $1.5 million as compared to the FY2026 Budget as Enacted.

General Obligation Bonds	FY2026 Enacted	FY2027 Enacted	*Change from Enacted*
G.O. Bond New Bond Issue Projected Costs	$26,310,000	$17,660,171	*($8,649,829)*
RI School Buildings	17,986,896	23,234,462	*5,247,566*
DOA - Quonset Point Debt Service	9,884,151	13,736,781	*3,852,630*
All Other G.O. Bond Adjustments	73,675,134	71,755,767	*(1,919,367)*
Total	**$127,856,181**	**$126,387,181**	***($1,469,000)***

G. O. Bond New Bond Issuance: The debt service projected in FY2027 for bonds to be approved by the voters in November 2026 includes a general revenue debt service of $18.0 million ($6.6 million for the principal and $11.0 million in interest payments) to support the scheduled FY2026 spring issuance of $224.4 million in bonds. All issuances assume a 5.0 percent annual interest rate for a 20-year term.

RI School Buildings: The FY2027 Budget includes $23.2 million in general revenue debt service for the Rhode Island School Construction bond program. This is an increase of $5.2 million in general revenue for debt service payments as compared to the FY2026 Budget as Enacted.

The Capital Budget includes $500.0 million in general obligation bond proceeds authorized by voters in November 2018 and November 2022 for the construction, renovation, and rehabilitation of the State's public schools. The bond proceeds fund the foundational school housing aid program and the School Building Authority Capital Fund. Funds from other sources, including local sources, will combine to fund $1.0 billion in school construction and renovation projects. The Budget includes $141.2 million in pre-FY2026 - FY2027 issued general obligation bond proceeds, and $108.8 million in unissued general obligation bond proceeds from FY2026 – FY2027.

DOA – Quonset Point Debt Service: The FY2027 Budget includes $13.7 million in general revenue debt service related to the increase in Quonset Point debt service due to the 2025 general obligation bond issuance that closed on June 25, 2025. This reflects an increase of $3.9 million in general revenue ($3.2

million for additional principal and $604,884 for interest debt service) as compared to the FY2026 Budget as Enacted. The related Quonset Point projects included in the 2025 general obligation bond issuance are:

- **$15.8 million for the RIReady Statewide Industrial Site Development:** Authorized under P.L. 2020 Chapter 80 for the purpose of preparing sites for development for manufacturing, assembly, distribution, and other commercial endeavors for employment creation.
- **$3.2 million for Port of Davisville Infrastructure:** Authorized under P.L. 2020 Chapter 80 to support the Quonset Point Business Park waterfront expansion including channel dredging, construction of Terminal 5 pier (which opened in September 2025), and modernization upgrades to Piers 1 and 2.
- **$5.0 million for Port of Davisville Landside Improvements:** Authorized under P.L. 2024 Chapter 117 to fund the construction of the Terminal 5 Access Road and 33 acre laydown yard to allow large project cargo, such as items related to the offshore wind work to unload and be transported to a laydown yard without the interference of overhead wiring or right-of-way obstructions.

Certificates of Participation (COPs) ***$574,000***

The Budget includes $4.9 million in general revenue to cover the debt service on three projects financed through certificates of participation (COPs). This reflects an increase of $574,000 from the FY2026 Budget as Enacted.

Certificates of Participation	FY2026 Enacted	FY2027 Enacted	*Change from Enacted*
COPS - Pastore Hospital Consolidation	$1,872,550	$1,868,550	*($4,000)*
COPS - School for the Deaf	2,479,750	2,482,750	*3,000*
COPS- CAD Cell Project	0	575,000	*575,000*
Total	**$4,352,300**	**$4,926,300**	***$574,000***

CAD Cell Project: The Budget includes general revenue of $575,000 for debt service for associated with the issuance of $23.0 million in issued certificates of participation (COPs) toward the design and construction of an additional Confined Aquatic Disposal (CAD) cell for dredge material disposal.

The total CAD cell project cost is $116.7 million of which $81.7 million will be federally funded. The State share includes the COPs funds, $11.4 million in RICAP funds, and $620,000 in dredge fund revenue for a total state share of $35.0 million. The total state share must be paid by August 2026.

The U.S. Army Corps of Engineers (USACE) is charged with maintaining the Providence River and Harbor Shipping Channel, which involves the dredging and disposal of dredged materials. Preliminary testing indicates that much of the dredge material contains contaminants that are not appropriate for disposal in open waters. After considering other alternatives, it was determined that these materials will be deposited into CAD cells. As part of the USACE dredging project, the CAD cells project will qualify for federal funding. The USACE asked the Coastal Resource Management Council (CRMC) to act as the local project sponsor for the federal action to maintain the depths of the Providence River and Harbor Shipping Channel and assume responsibility for the local share of the project funding.

CAD cells are depressions created in the bottom of a body of water for storing contaminated sediments to reduce the risk of the sediment contaminating the entire system. Currently, there are six CAD cells below the Providence River Federal Navigation Channel in the vicinity of the Port of Providence and Simms Metals that were created in the mid 1990's; however, these cells are reaching capacity.

Transportation – Debt Service (other funds) ***($5.4 million)***

The FY2027 Budget includes $26.5 million in other fund debt service for Transportation debt, reflecting a decrease of $5.4 million in operating transfers from other funds for Transportation – Debt Service, as compared to the FY2026 Budget as Enacted. This reflects a decrease in gas tax transfers for debt service.

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The State has not issued any additional Transportation debt since FY2021 (there is $4.7 million in unissued bonds remaining). Therefore, the remaining debt service is decreasing as older bond issuances such as the Series 2017 A are defeased and paid off.

GENERAL

The General program reflects funds appropriated to finance expenditures not allocated to other State departments or agencies and not specific to any one program within the Department of Administration. Grants and benefits reflect grants made to certain organizations, which are appropriated by the General Assembly.

General	General Revenue
FY2026 Enacted	$17,772,328
Target and Other Adjustments	*(18,113)*
Retirement Savings Contributions	3,169,143
Resource Sharing and State Library Aid	450,882
Tort Awards	100,000
Wrongful Conviction Awards	(100,000)
FY2027 Enacted	**$21,374,240**

General	Other Fund Changes
2.0 Risk Management FTE Positions (restricted receipts)	($413,557)

Retirement Savings Contribution *$3.2 million*

The Budget increases general revenues by $3.2 million 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. RIGL requires the Governor to include an appropriation in the budget to the retirement system equal to 20.0 percent of the proposed savings occurring in the employer contributions for State employees and for the State's share of the teacher contributions.

Retirement Contributions	FY2026 Enacted	FY2027 Enacted	*Change*
Retirement Contribution (State Employees)	$0	$2,684,417	*$2,684,417*
Retirement Contribution (State Share for Teachers)	811,678	1,296,404	*484,726*
Total	**$811,678**	**$3,980,821**	***$3,169,143***

Instituted under the FY2006 Budget as Enacted (P.L. 2005 Chapter 117 Article 7 subsection 2), the general law requires "that beginning in FY2006 and in each subsequent year that the actuarial determined employer contribution rate is lower than that of the previous fiscal year, that the Governor shall include an appropriation equal to 20.0 percent of the proposed savings occurring in the employer contributions for State employees or for the State's share of the teacher contributions, will be applied towards the actuarial accrued liability of the State retirement system."

This change was enacted to increase the assets of the State retirement system, which could lower the employer contribution rates in future years and assist the State to achieve a 100.0 percent full funding ratio of the retirement system, thereby lowering future state costs to the retirement system.

Analyst Note: This type of additional retirement payment under 36-10-2 occurs because the FY2027 state contribution rate for State employees is 1.46 percent lower and the state share for teachers is 0.51 percent lower than the revised FY2026 contribution rate, therefore 20.0 percent of the savings must be appropriated to the state retirement system in the FY2027 Budget, reflecting an estimated appropriation of approximately $3.2 million.

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Resource Sharing and State Library Aid ***$450,882***

The Budget provides an additional $450,882 in general revenue to fully fund Resource Sharing State Library Aid at $12.5 million, which reflects a current reimbursement level of 24.1 percent of the second prior fiscal year's local tax expenditures for library services.

Tort Awards ***$100,000***

The Budget includes $1.9 million in general revenue for court tort awards, an increase of $100,000 from the FY2026 Budget as Enacted. Funding in the tort account is used to pay for tort/court award judgments against the State of Rhode Island. According to the Department of Administration, "the additional funding is a contingency for possible increases, as indicated by the Office of the Attorney General." However, the Department does not have further details regarding potential awards. The State's Enterprise Resource Planning (ERP) accounting lists total FY2026 expenditures of $1.4 million as of June 30, 2026.

Torts - Court Awards	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Taxable Claims/Settlements	$504,116	$940,130	$389,681	$746,588	$1,408,221	$1,750,000	$1,500,000	*($250,000)*	$1,850,000	*$100,000*

Wrongful Conviction Awards ***($100,000)***

The Budget includes $900,000 in general revenue for the payment of awards to those who were wrongfully convicted of a crime. This reflects a decrease of $100,000 from the previous year. Authorized under Public Law 2021 Chapter 235 and 236, the law allows anyone who was wrongfully sentenced to prison for more than one year to petition the presiding justice of Rhode Island Superior Court for compensation and damages. If the court finds that the claimant was wrongfully imprisoned, the court will grant an award of $50,000 for each year served in a correctional facility. If the individual was imprisoned for less than one year, the claimant will receive 1/365 of $50,000 for each day served. The award can include damages such as attorney fees no greater than $15,000, plus compensation for reasonable costs including housing, transportation, subsistence, re-integrative services, and mental and physical health care costs. The $100,000 reduction in Wrongful Conviction Awards was based on updated projections provided by the Office of the Attorney General. The State's Enterprise Resource Planning (ERP) accounting lists no expenditures in FY2026.

2.0 Risk Management FTE positions (restricted receipts) ***($413,557)***

The Budget reduces restricted receipts by $413,557, reflecting the removal of 2.0 Risk Management FTE positions from the insurance account to avoid straining the Restoration and Replacement - Insurance Coverage account. One position was reallocated to Purchasing. The Department re-purposed the second Risk Management FTE position as one of several internal agency personnel shifts.

HUMAN RESOURCES

The Division of Human Resources is composed of eight subprograms: Administrative Services, Classification and Examinations, Equal Employment Opportunity, Outreach and Diversity, Employee Benefits, Training and Development, Employee Services, and Human Resource Service Centers. Its primary mission is to provide cost-effective human resource services to employees, labor, and management to assist them in carrying out the functions and responsibilities of state government.

Human Resources	General Revenue
FY2026 Enacted	$889,580
Target and Other Adjustments	*(27,350)*
Centralized Services (statewide adjustments)	(160,213)
ETSS Charges (statewide adjustment)	(319)
FY2027 Enacted	**$701,698**

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INFORMATION TECHNOLOGY

The Division of Information Technology (DoIT) program oversees, coordinates, and develops all information technology (IT) resources within the executive branch. All hiring and spending decisions involving IT may only be made with the advice and approval of the Chief Information Officer. Information Technology defines and maintains the architectural standards for hardware, software, networks, and services that guide state investments in IT.

The FY2018 Budget as Enacted authorized the Governor to establish centralized accounts for information technology, capital asset management and maintenance, and human resources. These expenditures are reflected in each agency based on actual use, thereby showing the true costs associated with a particular program or agency.

Information Technology	General Revenue
FY2026 Enacted	$1,838,147
Target and Other Adjustments	-
ETSS Internal Agency Charges (statewide adjustments)	(721,340)
Software Maintenance	(118,765)
FY2027 Enacted	**$998,042**

Information Technology	Other Fund Changes
Information Technology Restricted Receipt Account (restricted receipts)	*Informational*
Large Systems Initiative Fund (internal service funds)	*Informational*

Software Maintenance ***($118,765)***

The Budget includes $998,042 for software maintenance, reflecting a decrease in general revenue of $118,765 as compared to the FY2026 Budget as Enacted.

Information Technology Restricted Receipt Account (restricted receipts) ***($37,939)***

The Budget includes $1.1 million in restricted receipts for the Information Technology Restricted Receipt Account (ITRR), formerly known as the Information Technology Investment Fund (ITIF), which is a restricted receipt account for the State's technology initiatives and improvement projects. This is a net decrease of $37,939 in restricted receipts from the FY2026 Budget as Enacted, primarily reflecting the Allocation of a 1.0 Chief Data and Analytics Officer position to the ITRR at a cost of $295,025.

The ITRR/ITIF history:

- The FY2015 Budget as Enacted authorized the Tobacco Settlement Financing Trust to transfer an estimated $10.0 million to the ITIF from proceeds of the recent issuance of bonds by the Tobacco Settlement Financing Corporation. The ITIF derives funding through the sale of state property, as well as from three additional sources.
- In FY2015, 10.0 percent of the $1.00 surcharge levied on each residence and business telephone line collected to support the E-911 Uniform Emergency Telephone System is deposited into the ITIF, but this was repealed under Article 2 of the FY2020 Budget as Enacted and replaced with a new revenue source derived from 10.0 percent of a $0.50 fee imposed on land-lines and 10.0 percent of the $0.75 fee imposed on wireless phone lines. The surcharge change is projected to provide the technology investment fund $1.0 million annually.
- Article 4 of the FY2018 Budget as Enacted established a $1.50 surcharge on every DMV fee transaction. This surcharge revenue is deposited into the State's Information Technology Infrastructure Fund (ITIF). Funds generated through the surcharge are specifically used to pay the original and ongoing costs associated with the DMV's information technology system, known as the Rhode Island Modernization System, or RIMS.

- Article 7 of the FY2019 Budget as Enacted authorized a tiered set of fees for individuals to obtain copies of certain vital records. The fees established are $5 for mail-in certified records, $3 for duplicate certified records, and $2 for walk-in requests for certified records requests. The revenue generated from these fees is deposited into the Information Technology Infrastructure Fund. The proposal projects to generate $350,351 annually.
- Article 7 of the FY2020 Budget as Enacted made several changes related to the technology surcharge. The surcharge is increased by $1.00, for a total of $2.50 per DMV fee transaction. Revenue from the increase is to be deposited in a new restricted receipt within the DMV to pay for IT project-related payments and/or ongoing maintenance of and enhancements to the DMV's computer system. The remaining $1.50 is deposited into the ITIF. The article removes the existing sunset and shifts the remaining $1.50 from the ITIF to the DMV account beginning on July 1, 2022. Based on DOR projections, $4.2 million in surcharge revenue, inclusive of the fee increase, will be generated in FY2020. The ITIF will receive $2.5 million of this revenue and $1.7 million will be deposited into the DMV restricted receipt account.
- Article 5 of the FY2022 Budget as Enacted requires that $50.0 million of the total amount available in the Information Technology Investment Fund (ITIF) as of July 1, 2021, be made available to for a new Enterprise Resource Planning System (ERPS) for human resources, information systems, payroll, and financial management; and requires that $17.0 million of the total amount available in the Information Technology Investment Fund (ITIF) as of July 1, 2021, be made available to replace the Department of Children, Youth, and Families' case management information system.
- Article 7 of the FY2023 Budget as Enacted providing revisions to the FY2022 Budget, requires that $50.0 million in restricted receipts from the Information Technology Investment Fund be used for the development and implementation of an Enterprise Resource Planning System and $17.0 million be available to replace the Department of Children, Youth, and Families' case management information system.
- Article 1 of the FY2023 Budget as Enacted requires that $22.4 million in restricted receipts from the Information Technology Investment Fund be used for the development and implementation of an electronic medical records system for the state hospitals, $19.4 million be available for the replacement and modernization of the Legacy mainframe system in the Department of Labor and Training, $6.7 million for RIBridges Mobile and Childcare Tracking, $2.5 million for Blockchain Digital Identity, $2.2 million to support implementation of the Enterprise Resource Planning System, $5.8 million for the Department of Environmental Management's online permit and licensing system for fish and wildlife, commercial fishing and boating registrations, $3.3 million for Wi-Fi and Technology at the Adult Correctional Institutions, and $2.3 million for the tax modernization system.
- Article 2 of the FY2024 Budget as Enacted established the Large Systems Initiative Fund (LSIF) as well as changing the name of the Information Technology Investment Fund to the Investment Technology Restricted Receipt Account. In addition, Article 1 of the enacted budget required the State Controller to transfer $115.0 million from the Information Technology Restricted Receipt account to the Large Systems Initiatives Fund by July 14, 2023. These funds reflected balances in the Fund that were previous appropriations to capitalize the ITIF in FY2021 and FY2022.

Large Systems Initiative Fund (internal service funds) ***Informational***

The Large Systems Initiative Fund (LSIF), established under the FY2024 Budget as Enacted, is like the former Information Technology Investment Fund (ITIF) for the purpose of implementing and maintaining enterprise-wide software projects, to better account for appropriations versus expenditures on the State's financial statements and to facilitate federal participation in large information technology projects. The cost of enterprise IT projects may be allocated to federal funds provided that the allocation is in proportion to the support it provides to federally funded activities. For a capital development project, however, the costs

may only be charged to a federal fund, after the project is completed and placed in service. Then, the value of the asset is amortized over the life of the equipment with federal funds used to pay the depreciation of the product that is used in proportion with the federal fund use of the product.

The LSIF is administered by the Chief Information Officer within the Department of Administration and is used to fund the larger IT projects that were capitalized by general revenue appropriations.

The FY2024 Budget transferred $115.0 million from the ITRR account to the Large Systems Initiative Fund (LSIF). These funds reflected balances that were previous appropriations to capitalize the ITRR (ITIF) in FY2021 and FY2022. The FY2024 Budget as Enacted also included a $13.0 million general revenue appropriation for the LSIF, of which, $8.0 million for the Comprehensive Child Welfare Information System (CCWIS) information technology project; and $5.0 million to support the new Gateway to Government initiative that expands the Digital Government Pilot Program in the Department of Business Regulation. The LSIF is an internal service fund within the Department of Administration.

The FY2026 Final Budget includes an ISF appropriation of $41.9 million (10 projects) and $16.9 million in FY2027 for 4 projects. The following table illustrates the project and funding amounts covering FY2025 through FY2027. The fund balance is unknown as of this writing.

Large System Initiative Fund	FY2025 Actual	FY2026 Enacted	FY 2026 Final	*Final Chg to Enacted*	FY2027 Enacted	*Change to Enacted*
Comprehensive Child Welfare Information System	$2,706,088	$9,797,031	$15,936,639	*$6,139,608*	$5,000,000	*($4,797,031)*
DEM Legacy Modernization	2,052,325	-	875,326	*875,326*	-	-
DLT Mainframe Legacy Modernization	2,427,628	9,450,000	2,365,491	*(7,084,509)*	4,446,476	*(5,003,524)*
Electronic Medical Records System	628,373	10,960,000	16,530,570	*5,570,570*	4,918,428	*(6,041,572)*
Enterprise Resource Planning	29,955,440	3,663,746	-	*(3,663,746)*	-	*(3,663,746)*
Gateway to Government	104,938	1,800,000	1,763,337	*(36,663)*	2,504,463	*704,463*
RI Bridges Mobile Access and Child Care Tracking	69,259	-	3,102,701	*3,102,701*	-	-
RI Bridges Mobile Access CCAP State	-	-	31,423	*31,423*	-	-
RI Bridges Mobile Access CHIP State	-	-	5,985	*5,985*	-	-
RI Bridges Mobile Access SNAP	28,053	-	850,704	*850,704*	-	-
RIBridges Mobile Access Medicaid State	-	-	397,364	*397,364*	-	-
Wi-Fi and Tech at the ACI	688,822	-	-	-	-	-
Total	**$38,660,926**	**$35,670,777**	**$41,859,540**	***$6,188,763***	**$16,869,367**	***($18,801,410)***

- **Comprehensive Child Welfare Information System:** The Budget includes LSIF funds of $15.9 million in the FY2026 Final Budget and $5.0 million in the FY2027 Budget. The FY2027 Budget also includes $9.5 million in federal funds, and $1.3 million in general revenue to replace the Department of Children, Youth, and Families' case management system, RICHIST. The capital funding for this project is listed under the Department of Children, Youth, and Families (DCYF) capital budget. The total project cost is $45.6 million and the total project cost in FY2027 is $15.8 million of which $5.0 million is from the LSIF.
- **DEM Legacy Modernization:** The FY2026 Final Budget includes $875,326 in LSIF to complete the modernization of the permit application and license tracking and processing systems. The previous systems were built on obsolete technology that do not allow electronic submission of applications, e-transactions, or efficient workflow management. These permitting and licensing processes are critical to the completion of needed infrastructure investments, land development activities, commercial fishing and the state's economic recovery.
- **DLT Mainframe Legacy Modernization:** The Budget includes LSIF of $2.4 million in FY2026 and $4.4 million in FY2027 for the replacement and modernization of the Employer Tax, Temporary Disability Insurance (TDI), Business Federal Account Reporting, Mainframe Retirement, and Workforce Regulations and Safety systems. The total cost of this project from pre-FY2026 to FY2027 is $10.4 million.
- **Electronic Medical Records System:** The Budget includes LSIF of $16.5 million in FY2026 and $4.9 million in FY2027 to implement the Hospital Information System (HIS) with an Electronic Medical Records (EMR) component. The HIS EMR system will improve patient care through electronic

capturing and tracking of patient data, eliminating manual transcriptions and paper file storage, and better enabling evidence-based health care decisions. The total cost of this project from pre-FY2026 to FY2027 is $22.3 million.

- **Gateway to Government:** The Budget includes LSIF of $1.8 million in FY2026 and $2.5 million in FY2027 to support the Gateway to Government initiative, an expansion of the digital government pilot program of the Department of Business Regulation. The purpose of this initiative is to transition licensing processes toward a single paperless platform housing digital identities and credentialing information. The total cost of this project is $7.5 million with future LSIF appropriations of $3.3 million through FY2031.
- **RI Bridges Mobile Access and Child Care Tracking:** The Budget includes LSIF of $4.4 million in the FY2026 Final Budget to expand the existing HealthyRhode application to improve constituent access to their benefits including self-service capabilities to submit information through HealthyRhode. It will also enhance the current RI Bridges childcare attendance tracking to reduce administrative burden for childcare providers, enhance the department's ability to report on enrollment and attendance and reduce the time needed for DHS to process childcare payroll. The total cost of this project is $6.7 million. The pre-FY2026 appropriation was $2.3 million.

LEGAL SERVICES

Legal Services is responsible for establishing, managing and maintaining legal resources to support all departments and agencies within the executive branch. Legal Services manages and assists attorneys within the departments and agencies that provide legal services in programmatic areas.

Legal Services	General Revenue
FY2026 Enacted	$2,872,990
Target and Other Adjustments	-
Personnel Adjustments (statewide adjustments)	64,026
Turnover	35,652
ETSS Charges (statewide adjustment)	14,772
A&C ISF Charges (statewide adjustments)	11,310
FY2027 Enacted	**$2,998,750**

Turnover *$35,652*

The Budget includes no turnover savings in FY2027. This reflects a general revenue increase of $35,652 in personnel expenses as compared to the FY2026 Budget as Enacted, thus requiring additional funds for personnel costs.

LIBRARY AND INFORMATION SERVICES

The Office of Library and Information Services (OLIS) coordinates inter-library cooperation, maintains and develops the Rhode Island Library Network, operates the Regional Library for the Blind and Physically Handicapped, and promotes overall library development through various grant-in-aid programs for public and institutional libraries.

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Library and Information Services	General Revenue
FY2026 Enacted	$2,143,053
Target and Other Adjustments	*(1,569)*
Personnel Adjustments (statewide adjustments)	*38,311*
A&C ISF Charges (statewide adjustments)	*34,307*
FY2027 Enacted	**$2,214,102**

Library and Information Services	Other Fund Changes
Personnel Adjustments (federal funds) (statewide adjustments)	$22,064

PERSONNEL APPEAL BOARD

The Personnel Appeal Board hears appeals by any person with provisional, probationary, or permanent status in a position in the classified service aggrieved by an action of the Administrator of Adjudication for the Department of Administration on matters of personnel administration. The Board administers the Merit System Law governing appeals, maintenance of records, reviews, appeals from decisions rendered, and records of cases adjudicated before scheduling a public hearing. The Personnel Appeal Board consists of five members, not more than three of whom are members of the same political party.

Personnel Appeal Board	General Revenue
FY2026 Enacted	$160,838
Target and Other Adjustments	*(8,610)*
FY2027 Enacted	**$152,228**

PERSONNEL AND OPERATIONAL REFORMS

The Department of Administration has a centralized account for the statewide personnel and operating savings included in the Budget as Enacted prior to the savings being reflected within the appropriate State agency budgets. Generally, when the savings occur, the Budget Office will distribute and account for the savings within the appropriate departmental budget accounts of the State agencies.

Personnel and Operational Reforms	General Revenue
FY2026 Enacted	$3,250,000
Target and Other Adjustments	-
FEMA Reserve and Contingency	(2,500,000)
Primary Care Health Assessment State Cost	(750,000)
General Officer Transition Costs	464,000
FY2027 Enacted	**$464,000**

Personnel and Operational Reforms	Other Fund Changes
Primary Care Health Assessment State Cost (other funds)	($477,295)
Primary Care Health Assessment State Cost (federal funds)	(100,500)
Primary Care Health Assessment State Cost (restricted receipts)	(44,575)

FEMA Reserve and Contingency *($2.5 million)*

The Budget removes all general revenue funding ($2.5 million) for FEMA contingency reserve and contingency payments as funding is not required in the FY2027 Budget. Funds were included in the previous budget to be used if the federal FEMA reimbursements for COVID-19 response costs differed from the State estimation and assumptions. The intent of the reserve fund was to absorb potential discrepancies between State claims and what FEMA ultimately reimburses. This item decreases general revenue by $2.5 million as compared to the FY2026 Budget as Enacted.

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Primary Care Health Assessment State Cost ***($750,000)***

The Budget decreases general revenue by $750,000 that was included in the FY2026 Budget as Enacted as a statewide placeholder for the Primary Care Health Assessment. Due to the restrictions in HR-1 on new provider taxes, the Budget sunsets the Primary Care Assessment enacted in the FY2026 Budget on October 1, 2026. The Budget removes these funds to reflect the discontinuation of the assessment. This also reflects reductions of $477,295 in other funds, $100,500 in federal funds, and $44,575 in restricted receipts.

General Officer Transition Costs ***$464,000***

The Budget includes $464,000 in general revenue for general officer transition costs associated with the 2026 General Election. These costs may occur every four years depending on changes in the general officers. The FY2023 Budget as Enacted included general revenue of $350,000 for general officer transition costs following the 2022 General Election.

PLANNING

The Division of Planning is responsible for preparing, adopting, and amending strategic plans for the physical, economic, and social development of the state. The Division is comprised of three subprograms: Statewide Planning, Strategic Planning and Economic Development, and the Water Resources Board.

- Statewide Planning staffs the State Planning Council, which is comprised of state and local government officials, public members, and federal officials in an advisory capacity. The State Planning Council serves as the State's Metropolitan Planning Organization, responsible for planning and prioritizing state and federal transportation funding.
- Strategic Planning and Economic Development uses policy analysis and the planning process to prepare issue briefs and draft strategic plans that address current topics of special interest.
- The Water Resources Board (WRB) manages the planning and development of twenty-nine major water supply systems and the Big River Management Area.

Planning	General Revenue
FY2026 Enacted	$1,222,229
Target and Other Adjustments	*3,501*
Big River Management Area Administration Transfer	(130,456)
Personnel Adjustments (statewide adjustments)	30,774
FY2027 Enacted	**$1,126,048**

Planning	Other Fund Changes
State Transportation Planning Match (other funds)	$160,000

Big River Management Area Administration Transfer ***($130,456)***

The Budget decreases general revenue by $130,456 reflecting the transfer of the administrative and regulatory authority over the Big River Management Area (BRMA) reservoir lands from the Water Resources Board (WRB) to the Department of Environmental Management (DEM).

Article 3 contains language clarifying 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". Currently, DEM is managing the property through a Memorandum of Understanding (MOU) with the WRB and is thereby responsible for issues with the property including access and public safety. Given DEM's current role with the management areas and their experience with land management across the State, the Governor recommended the transfer of administrative and regulatory authority. The Budget also includes the transfer of 1.0 Programming Service Officer position.

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The Big River Management Area is an 8,600-acre protected open space located primarily in the Town of West Greenwich. Approximately 200 homes and businesses were originally condemned by the State in the 1960s to create a reservoir which was never constructed. As property becomes vacant the State demolishes the structures to return the land to a natural condition. There are approximately 39 residences remaining with 3 to 5 five original families still on the property as tenants of the State, a golf course, and a mobile home park.

State Transportation Planning Match (other funds) ***$160,000***

The Budget increases other funds by $160,000 reflecting gas tax receipts to be used as a match for federal highway/federal transit funds (FHWA). The gas tax receipts are received by Planning by agreement with the Rhode Island Department of Transportation (RIDOT) to provide planning services that are not performed by RIDOT staff. Planning uses gas tax receipts for subawards as a match for FHWA funding for certain approved projects, including the Municipal Training project for local officials, the new Travel Demand Model project, and the new Freight plan.

PURCHASING

The Purchasing division includes procurement, operational support services, standards and specifications development and management, vendor information, and minority business enterprises. The Procurement division solicits bids or requests for proposals for services and supplies, negotiates prices with vendors, and carries out affirmative action programs. Operational support services include purchase order production and record-keeping, bid preparation and opening, requisition tracking, and vendor files. The standards and specifications staff work with agency representatives to develop statewide standards for goods and services to be solicited.

Purchasing	**General Revenue**
FY2026 Enacted	$4,008,986
Target and Other Adjustments	-
Personnel Adjustments	(2,213,111)
A&C ISF Charges (statewide adjustments)	424,123
ETSS Internal Agency Charges (statewide adjustments)	(308,652)
FY2027 Enacted	**$1,911,346**

Purchasing	**Other Fund Changes**
Personnel Adjustments (restricted receipts)	$2,266,231
Personnel Adjustments (other funds)	34,072

Personnel Adjustments ***($2.2 million)***

The Budget includes general revenue of $1.3 million for personnel expenses within Purchasing. This is a net decrease of $2.2 million as compared to the FY2026 Budget as Enacted. The net change consists of salary and employee benefits, reflecting the statewide personnel COLA of 3.0 percent and benefit adjustments, partially offset by the change to the funding source for the Division of Purchasing, from general revenue to restricted receipts through the establishment of a procurement assessment fee, a 0.33 percent administrative fee be assessed on all state contracts beginning on January 1, 2026. There are corresponding increases of $2.2 million in restricted receipts and $34,072 in other funds for personnel costs.

Analyst Note: The FY2026 Budget as Enacted established a 0.33 percent administrative fee to be assessed on all state contracts beginning on January 1, 2026, and reduces the current 1.0 percent administrative fee on master price agreements (MPA) to 0.33 percent. Revenue from the fee would be restricted to support the Division of Purchases, such as implementing and operating technology for the submission and processing of bids, and other costs related to state procurement including staffing.

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RHODE ISLAND HEALTH BENEFITS EXCHANGE

As part of the national health care reform and the Affordable Care Act (ACA), the Rhode Island Health Benefits Exchange was created by Executive Order in 2011 as a federally-funded program within the Office of the Governor. The FY2014 Budget as Enacted transferred the program to the Department of Administration. Rhode Island's Health Benefits Exchange, or HealthSource RI (HSRI), became operational in October 2013 and is an online marketplace for individuals, families, and small businesses to compare and purchase health insurance coverage and gain access to tax credits, reduced cost-sharing and public programs such as Medicaid.

Rhode Island Health Benefits Exchange (HealthSource RI)	General Revenue
FY2026 Enacted	$1,889,227
Target and Other Adjustments	-
Rhode Island Marketplace Affordability Program	21,994,393
Shift to Health Insurance Assessment Restricted Receipts	(500,000)
FY2027 Enacted	**$23,383,620**

Rhode Island Health Benefits Exchange (HealthSource RI)	Other Fund Changes
Health Insurance Assessment (restricted receipts)	$1,507,398
Reinsurance Program (federal funds)	1,485,738
Reinsurance Program (restricted receipts)	57,232

Rhode Island Marketplace Affordability Program *$22.0 million*

Article 12 establishes the Rhode Island Marketplace Affordability Program, a State-based subsidy program created to partially replace expired enhanced advanced premium tax credits (eAPTCs). The FY2027 Budget includes $22.0 million in general revenue to partially replace the expired enhanced advanced premium tax credits (eAPTC), which will increase in the out-years.

Funding Source	FY2027	FY2028	FY2029	FY2030	FY2031
General Revenue	$9.5	$17.7	$18.7	$19.7	$20.2

$ in millions

Analyst Note: The Exchange had planned to receive $9.5 million in funds in FY2027. As of July 1, 2027, this is the current funding plan for the RIMAP program. HSRI is researching how, if at all, the program should be amended.

Article 12 Section 17 establishes the Rhode Island Marketplace Affordability Program, a State-based subsidy program created to partially replace expired enhanced advanced premium tax credits (eAPTCs). The Budget appropriates $22.0 million in general revenue to partially replace the expired eAPTC, prioritizing households with incomes below 200.0 percent of the federal poverty line in the first year of the program. The Program protects individuals from the financial and health-related costs of uninsurance and underinsurance, protects the stability of the market, and protects the healthcare system from costs associated with rising rates of uninsurance and underinsurance.

Enhanced Advanced Premium Tax Credits expired on December 31, 2025, causing significantly higher health insurance premiums in 2026. In 2021, APTCs were temporarily enhanced as part of the American Rescue Plan Act, lowering the amount Rhode Island residents must spend towards their health insurance premiums when purchasing through HSRI. The eAPTCs also offered eligibility to households earning more than 400.0 percent of the FPL. The Inflation Reduction Act, passed in 2022, extended the tax credits to 2025.

According to Health Source RI, Rhode Island's health exchange and marketplace, nearly all consumers will experience a premium increase, with the average increase being 101.0 percent more than the prior year premium cost. HSRI anticipates a reduction in HSRI user fee revenue due to enrollment losses as they expect people not to re-enroll in the upcoming periods, increasing the uninsured rates and adding additional

stress to Rhode Island's healthcare infrastructure. The Budget does not include an updated penalty revenue estimate based on enrollment changes.

Analyst Note: The General Assembly included additional funding for RIMAP. However, HSRI asserts that they are unaware of how the program will be adjusted with the additional funding. There is a possibility that the Exchange will use only $9.5 million from the funds received in FY2027, resulting in the estimated aid of approximately 20,000 individuals, and allowing Rhode Island to retain $44.0 million in base tax credits that current customers remain eligible for. If the Exchange chooses to utilize more funding in FY 2027, the Fiscal Office assumes that more individuals will receive aid and Rhode Island will retain more in base tax credits.

Health Insurance Assessment (restricted receipts) ***$1.5 million***

The Budget includes a $1.5 million restricted receipts increase to the 3.5 percent health insurance assessment to support HSRI's share to the qualified health plans operated by HSRI. The increase is primarily attributable to increased restricted receipt revenues, driven by increased enrollment. The Exchange has earmarked a portion of these funds for contracted services that could potentially be needed to navigate through changes at the federal level. Another portion of these funds support costs associated with Qualified Health Plans operated by HSRI, including increases to payroll, income verification, and contracted IT services.

The Health Reform Assessment, which was established in the FY2016 Budget as Enacted, charging the Division to establish and maintain a financing mechanism for the state-based exchange. Article 18 established a 3.5 percent fee, which was later reduced to 3.0 percent in Article 11 of the FY2020 Budget as Enacted. The assessment is used to fund the operational costs of HealthSource RI, the state-based health benefits marketplace for individual and small group health insurance and the avenue through which Rhode Islanders access federal health insurance subsidies.

Reinsurance Program (federal funds) ***$1.5 million***

The Budget includes a $1.5 million federal funds increase ($12.2 million total), with a corresponding $57,232 restricted receipts increase ($5.8 million total) to support the Reinsurance Program. The reinsurance program offsets costs associated with sicker and riskier customers by paying for a portion of high-cost claims to insurers, therefore providing relief to Rhode Islanders who don't receive financial assistance. Restricted receipt revenue is collected directly from uninsured taxpayers, allowing the State to unlock federal funds through the 1332 waiver. Rhode Island's 1332 Waiver approves reinsurance payments to carriers in the individual market, resulting in deceasing monthly premiums charged to individuals and families purchasing coverage in the marketplace.

Shift to Health Insurance Assessment Restricted Receipts ***($500,000)***

The Budget includes a $500,000 general revenue shift to restricted receipts, fully supported through the Health Reform Assessment, which was established in the FY2016 Budget as Enacted, charging the Division to establish and maintain a financing mechanism for the state-based exchange. The Health Reform Assessment raises revenue through a 3.5 percent fee on individual and small group insurers that sell insurance products through HSRI. The assessment revenue is a function of both plan enrollment and cost of insurance premiums. The assessment is used to fund the operational costs of HealthSource RI, the state-based health benefits marketplace for individual and small group health insurance and the avenue through which Rhode Islanders access federal health insurance subsidies.

THE DIVISION OF EQUITY, DIVERSITY, AND INCLUSION

The mission of the Division of Equity, Diversity, and Inclusion is to create and support a diverse and inclusive state government culture that values and reflects the changing demographics of Rhode Island by advancing equitable and fair opportunities for all Rhode Island citizens to be employed by or doing business with the State of Rhode Island.

The Division of Equity, Diversity, and Inclusion, consists of the following: Director of DEDI, the State Equal Opportunity Office, Minority Business Enterprise Compliance Office, the Outreach and Diversity Office, and an Office of Supplier Diversity.

- Director of the Division administers the office.
- The State Equal Opportunity Office ensures federal and State equal opportunity compliance for all units of state government.
- The Minority Business Enterprise Compliance Office is responsible for supporting State laws and policies to ensure full participation of Minority/Women Business Enterprises (MBE/WBEs) and Disadvantaged Business Enterprises (DBEs) in state and federally-funded construction programs and projects, and State purchases of goods and services.
    - To increase opportunities for minority- and women-owned business enterprises, disadvantaged business enterprises, and veteran business enterprises, as well as disability business enterprises, to participate in our state's procurement activities.
- The Human Resource Outreach and Diversity Office is responsible for creating a culture that values a diverse workforce through diversity training to state employees and assists in recruiting and retaining a diverse workforce.
- Office of Supplier Diversity complements the work of the Minority Business Enterprise Compliance Office.

The Division of Equity, Diversity, and Inclusion	General Revenue
FY2026 Enacted	$2,308,469
Target and Other Adjustments	*($3,867)*
Disparity Study	*(200,000)*
Personnel Adjustments (statewide adjustments)	49,323
Staff Training	25,000
ETSS Charges (statewide adjustment)	19,392
FY2027 Enacted	**$2,198,317**

Disparity Study ***($200,000)***

The Budget decreases general revenue by $200,000 reflecting lower projected costs associated with the contracted disparity study over the FY2026/FY2027 budget period. The disparity study was projected to cost $870,824 over the FY2026 and FY2027 periods. The FY2026 Budget as Enacted includes $434,824 for the study. Current estimates project the approximate costs for the study at $670,824. This results in a lower appropriation need in FY2027.

Article 3 of the FY2024 Budget as Enacted included language requiring the State to conduct a disparity study every five years to evaluate the need for the development of programs to enhance participation in State contracts for business enterprises owned by women and minorities. The last study was issued in July 2021 and was performed by Mason Tillman Associates, Ltd., a public policy consulting firm in Oakland, California.

Staff Training ***$25,000***

The Budget includes $40,000 in general revenue for staff training to explore new unspecified training opportunities for the DEDI staff. This reflects an increase of $25,000 over the FY2026 Budget as Enacted.

CAPITAL PROJECTS

The FY2026 Final Budget includes $162.5 million in Rhode Island Capital Plan (RICAP) reflecting an increase of $94.3 million from the FY2026 Budget as Enacted. The most significant increases occur with the Pastore Infrastructure project ($19.2 million) and the Zambarano Buildings Project ($18.8 million).

The FY2027 Budget as Enacted includes $87.3 million in RICAP funds for 29 various capital projects. This reflects an increase of $19.1 million from the previous fiscal year. The most significant increases occur with the State House Renovations project which increases $4.1 million in the FY2026 Final Budget and by $15.6 million in the FY2027 Budget as Enacted.

RICAP Project - Summary	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Pastore Center Capital Projects	$25,750,000	$63,678,383	*$37,928,383*	$31,500,000	*$5,750,000*
Capital Hill Campus Projects	5,609,000	13,895,361	*8,286,361*	25,779,000	*20,170,000*
Miscellaneous Capital Projects	14,982,000	21,754,424	*6,772,424*	16,343,043	*1,361,043*
Group Home Projects	10,350,000	14,254,045	*3,904,045*	5,000,000	*(5,350,000)*
RI Convention Center Authority Venues	6,980,000	6,980,000	-	4,350,000	*(2,630,000)*
Zambarano and Hospital Projects	4,500,000	41,891,525	*37,391,525*	4,300,000	*(200,000)*
Total	**$68,171,000**	**$162,453,738**	***$94,282,738***	**$87,272,043**	***$19,101,043***

Significant project changes include:

- **Pastore Center Campus Projects:** The Budget includes $31.5 million to fund various major maintenance and repairs to structures at the Pastore Government Center. This is a decrease of $5.8 million from the previous year.

Pastore Center Capital Projects	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
RICAP - Pastore Infrastructure	$15,000,000	$34,227,222	*$19,227,222*	$20,000,000	*$5,000,000*
RICAP - Pastore Center Non-Medical Buildings Asset Protection	7,750,000	18,819,333	*11,069,333*	6,250,000	*(1,500,000)*
RICAP - Pastore Center Power Plant	2,000,000	2,552,612	*552,612*	3,500,000	*1,500,000*
RICAP - Pastore Center Medical Buildings Asset Protection	1,000,000	1,988,418	*988,418*	1,750,000	*750,000*
RICAP - Pastore Center Building Demolition	-	5,545,540	*5,545,540*	-	-
RICAP - Pastore Center Master Plan	-	545,258	*545,258*	-	-
Total	**$25,750,000**	**$63,678,383**	***$37,928,383***	**$31,500,000**	***$5,750,000***

  - **Pastore Infrastructure:** The Budget includes RICAP funds of $34.2 million in FY2026 and $20.0 million in FY2027 to continue infrastructure improvements at the Pastore Campus. These improvements include the replacement of water and sewer lines, as well as work on the power plant transformer, electrical lines, heating conduits, and the campus IT system. The capital plan includes $80.0 million in RICAP out-year funding through post-FY2031.
  - **Pastore Center Non-Medical Buildings Asset Protection:** The Budget includes RICAP funds of $18.8 million in FY2026 and $6.3 million in FY2027 for various asset protection projects. This reflects a decrease of $1.5 million as compared to the FY2026 Budget as Enacted. The capital plan includes $33.9 million in RICAP out-year funding through post-FY2031.
  - **Pastore Center Power Plant:** The Budget includes RICAP funds of $2.6 million in FY2026 and $3.5 million in FY2027 towards the $10.8 million project to install a redundant generator and demolition of older sections of the building.
  - **Pastore Center Medical Buildings Asset Protection:** The Budget includes RICAP funding of $2.0 million in FY2026 and $1.8 million in FY2027 for asset protection projects at the state hospitals. The capital plan includes $10.3 million in RICAP out-year funding through post-FY2031.
- **Capitol Hill Campus Projects:** Includes $25.8 million in RICAP funds to fund various infrastructure upgrades to structures listed as the Capitol Hill Campus, including the State House, Cannon Building, Old State House, Chapin Health Lab, State Office Building (DOT), and the William Powers Building. This reflects a RICAP fund increase of $20.2 million from the previous year, primarily reflecting the renovations to the State House.

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Capital Hill Campus Projects	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
RICAP - State House Renovations	$1,759,000	$5,817,137	*$4,058,137*	$17,379,000	*$15,620,000*
RICAP - Cannon Building	150,000	197,658	*47,658*	3,925,000	*3,775,000*
RICAP - Williams Powers Building	2,500,000	4,800,453	*2,300,453*	2,600,000	*100,000*
RICAP - State Office Building	500,000	1,100,111	*600,111*	975,000	*475,000*
RICAP - Old State House	600,000	1,779,347	*1,179,347*	600,000	-
RICAP - Chapin Health Laboratory	100,000	200,655	*100,655*	300,000	*200,000*
Total	**$5,609,000**	**$13,895,361**	***$8,286,361***	**$25,779,000**	***$20,170,000***

- **State House Renovations:** The capital plan consists of $121.6 million in renovations to the State House in Providence, including RICAP appropriations of $5.8 million in FY2026 and $17.4 million in FY2027, reflecting an increase of $15.6 million from the previous fiscal year. The project includes building mechanical, plumbing and electrical improvements, asset protection, interior stairway renovations, window replacement, removing "Providence Plantations" from the building, and improvements to the grounds and walkways around the structure. The capital plan includes out-year funding of $83.8 million for continuing restoration and renovation projects from FY2028 through FY2031.
- **Cannon Building:** The capital budget includes RICAP funds of $197,658 in FY2026 and $3.9 million in FY2027 for ongoing HVAC work and asset protection. The capital budget includes out-year RICAP funding of $11.4 million through FY2031.
- **William Powers Building:** The William Powers Building, located in Providence, houses the Department of Administration, the Department of Revenue, and some smaller state agencies. The Budget includes RICAP funding of $4.8 million in FY2026 and $2.6 million in FY2027 for HVAC upgrades, bathroom renovations, window and exterior envelop repairs, and carpet and flooring replacements. The capital budget includes out-year RICAP funding of $6.2 million through FY2031.

- **Miscellaneous Capital Projects:** The Budget includes $16.3 million in RICAP funds for various major maintenance and repairs to 16 statewide projects or structures. This is an increase of $1.4 million from the previous year.

Miscellaneous Capital Projects	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
RICAP - Shepard Building Upgrades	$2,805,000	$4,468,020	*$1,663,020*	$3,920,000	*$1,115,000*
RICAP - Information Operations Center	5,550,000	4,167,005	*(1,382,995)*	6,700,000	*1,150,000*
RICAP - Community Facilities Asset Protection	225,000	715,380	*490,380*	2,025,043	*1,800,043*
RICAP - Medical Examiner Building	50,000	1,792,038	*1,742,038*	1,050,000	*1,000,000*
RICAP - Security Measures State Buildings	700,000	748,142	*48,142*	950,000	*250,000*
RICAP - State Office Reorganization & Relocation	750,000	1,762,964	*1,012,964*	250,000	*(500,000)*
RICAP - Big River Management Area	797,000	1,446,895	*649,895*	153,000	*(644,000)*
RICAP - Replacement of Fueling Tanks	430,000	1,491,480	*1,061,480*	620,000	*190,000*
RICAP - Environmental Compliance	225,000	700,605	*475,605*	225,000	-
RICAP - Washington County Government Center	100,000	127,311	*27,311*	200,000	*100,000*
RICAP - Arrigan Center	200,000	294,888	*94,888*	100,000	*(100,000)*
RICAP - Cranston Street Armory	600,000	100,000	*(500,000)*	100,000	*(500,000)*
RICAP - 560 Jefferson Blvd Asset Protection	2,050,000	1,846,420	*(203,580)*	50,000	*(2,000,000)*
RICAP - Accessibility - Facility Renovations	-	420,686	*420,686*	-	-
RICAP - Expo Center (Springfield)	500,000	1,422,590	*922,590*	-	*(500,000)*
RICAP - State Land Use Planning Study	-	250,000	*250,000*	-	-
Total	**$14,982,000**	**$21,754,424**	***$6,772,424***	**$16,343,043**	***$1,361,043***

- **Shepard Building Upgrades:** The Budget includes RICAP funds of $4.5 million in FY2026 and $3.9 million in FY2027 for asset protect and maintenance of the state-owned Shepard Building in the City Providence. This is an increase of $1.7 million in FY2026 and $1.1 million in FY2027 as

compared to last year's budget. The projects include elevator modernization, roof replacement, security improvements, bathroom renovations, as well as interior renovations.

- **Information Operations Center**: The capital budget includes RICAP funds of $4.2 million in FY2026 and $6.7 million in FY2027 for continued upgrades at the State's IT data center (Division of Enterprise Technology Strategy Service (ETSS), currently located at 50 Service Avenue in the City of Warwick. The capital plan includes out-year RICAP appropriations of $5.8 million through to FY2031. The projects include computer room air conditioner units, roof replacement, and HVAC upgrades.
- **Medical Examiner Building**: The Budget includes RICAP funds of $1.8 million in FY2026 and $1.0 million in FY2027 for repairs to the structure's roof and for the continued build-out of the new Medical Examiner's Building located at 900 Highland Corporate Drive, Cumberland (Building # 3).
- **State Office Reorganization and Relocation:** The capital budget includes RICAP funding of $1.8 million in FY2026 and $250,000 in FY2027 to redesign office space, move personnel, and relocate storage to other locations. The capital plan includes annual out-year RICAP appropriations of $1.0 million through to FY2031.
- **Cranston Street Armory:** The Budget includes RICAP funds of $100,000 for continued asset protection/structural stabilization work on the facility, design and engineering work for the structure's exterior envelope, and funds for a development agreement on the reuse of the structure. This is a decrease of $500,000 from the previous year.

- **Group Home Projects:** The Budget includes $5.0 million to fund various major maintenance and repairs or replacement of group homes. This is a decrease of $5.4 million from the previous year.

Group Home Projects	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
RICAP - Group Home Replacement	$5,000,000	$6,984,225	*$1,984,225*	$5,000,000	*$0*
RICAP - Group Homes Consolidation	5,350,000	7,130,051	*1,780,051*	-	*(5,350,000)*
RICAP - BHDDH Group Homes	-	139,769	*139,769*	-	-
Total	**$10,350,000**	**$14,254,045**	***$3,904,045***	**$5,000,000**	***($5,350,000)***

  - **Group Home Replacement:** The Budget includes RICAP funds of $5.0 million in FY2027 for the Group Home renovation or replacement program. This account will remain with DOA per the agreement with BHDDH. BHDDH will be responsible for all repairs and individual system projects, but major rehab and new construction projects will remain under DCAMM.
  - **Group Homes Consolidation:** The Budget includes RICAP funds of $7.1 million in FY2026 for the Group Home consolidation project. The Budget includes $9.7 million from FY2025 through FY2026 to repair and maintain state-owned group homes and related facilities. The FY2027 Budget transfers the responsibility of the consolidation and maintenance projects, back to the Department of Behavioral Health, Developmentally Disabled, and Hospitals (BHDDH) to streamline the approval and timeline process and accelerate asset protection work.

- **Rhode Island Convention Center Authority Venues**: The Budget includes $4.4 million in RICAP funds for continued asset protection, upgrades, renovations, and funding of the renewal and replacement bond covenant for the Amica Mutual Pavilion (Dunkin Donuts Center). This is a decrease of $2.6 million from the previous year.

RI Convention Center Authority Venues	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
RICAP - Amica Mutual Pavilion	$3,800,000	$3,800,000	*$0*	$1,250,000	*($2,550,000)*
RICAP - Rhode Island Convention Center Authority	2,800,000	2,800,000	-	2,825,000	*25,000*
RICAP - Veterans Auditorium	380,000	380,000	-	275,000	*(105,000)*
Total	**$6,980,000**	**$6,980,000**	***$0***	**$4,350,000**	***($2,630,000)***

- **Amica Mutual Pavilion (Dunkin Donuts Center):** The Budget includes RICAP funding of $3.8 million in FY2026 and $1.3 million in FY2027 for continued asset protection, upgrades and renovations of the Amica Mutual Pavilion, including arena risers, seating, and common areas. Also includes work on the HVAC system, audio/visual services, and electrical upgrades. This reflects a decrease of $2.6 million in RICAP funds from the previous year. The total recommended capital expenditures covering FY2027 through post-FY2031 is $7.1 million.
- **Rhode Island Convention Center Authority:** The Budget includes RICAP funds of $2.8 million in FY2026 and in FY2027 for continued asset protection, upgrades, and renovations to the Rhode Island Convention Center (RICC) in Providence. The total recommended capital expenditure covering FY2028 to post-FY2031 is $11.5 million in RICAP funds. The RICC is owned and operated by the Rhode Island Convention Center Authority (RICCA) but leased to the State through a sublease agreement implemented in November 1991. The Convention Center opened in December 1993 and, as the facility ages into its fourth decade, an asset protection and preventive maintenance program is required to maintain the facility.
- **Veterans Auditorium:** The Budget includes RICAP funds of $380,000 in FY2026 and $275,000 in FY2027 for audio system replacement, stage lighting upgrades, and asset protection projects for the Auditorium.

- **Zambarano and Hospital Projects:** The Budget includes $4.3 million for two projects, and no RICAP funding for the hospital consolidation. The Budget includes $2.3 million for the asset protection of buildings, utilities, roads, equipment, parking, and grounds of the Eleanor Slater Hospital and $2.0 million for the new Long-Term Acute Care Hospital (LTACH) on the Zambarano Campus.

Zambarano and Hospital Projects	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
RICAP - Zambarano Buildings	$4,500,000	$23,275,952	*$18,775,952*	$2,300,000	*($2,200,000)*
RICAP - Hospital Consolidation	-	12,175,644	*12,175,644*	-	-
RICAP - Zambarano LTACH	-	6,439,929	*6,439,929*	2,000,000	*2,000,000*
Total	**$4,500,000**	**$41,891,525**	***$37,391,525***	**$4,300,000**	***($200,000)***

  - **Zambarano Buildings**: The Budget includes RICAP funds of $23.3 million in FY2026 and $2.3 million in FY2027 for the asset protection of buildings, utilities, roads, equipment, parking, and grounds of the Eleanor Slater Hospital. The purpose of the work is to keep the hospital functioning. The capital plan includes $2.5 million in RICAP out-year funding through post-FY2031.
  - **Hospital Consolidation:** The Budget includes RICAP funds of $12.2 million and includes $1.9 million in Certificates of Participation (COPs) in FY2026, to mitigate the ligature risks in the Regan Building of the Eleanor Slater Hospital System. The FY2027 Budget as Enacted does not include any RICAP funding but continues to provide $1.9 million in COPs funding. The funds were used in conjunction with $21.1 million in certificates of participation financing in FY2024. That funding was previously approved by the General Assembly as part of the FY2019 Budget as Enacted.
  - **Zambarano LTACH:** The capital budget includes RICAP funds of $6.4 million in FY2026 and $2.0 million in FY2027 for the new Long-Term Acute Care Hospital (LTACH) on the Zambarano Campus. The total project cost is $107.1 million in RICAP funds. The capital plan includes $96.5 million in RICAP out-year funding through FY2031. The new facility will replace the Beazley Building which has been deemed unsuitable for further renovation as a medical facility.

Status Update: In February 2026, BHDDH reported that draft construction estimates had come in significantly higher than the original $108.2 million estimated budget (approximately $300.0 million). BHDDH developed a proposal including bond funding to bridge the gap; however, the Governor requested that BHDDH and the Executive Office of Health and Human Services (EOHHS) review more options. EOHHS contracted with a consultant, the Faulkner Group, to conduct a study of possible other sites. The report, submitted in May 2026, found that the Zambarano Campus is estimated to be the most expensive of the State-owned site options, with total construction costs estimated at $322.0 million. The study found the Pastore Campus to be the most affordable option, with total construction costs estimated

to range from $239.0 to $243.0 million. The RI Department of Health Laboratory and Ladd Center were also proposed as potential less costly options, with estimated construction costs of $292.0 million and $291.0-$294.0 million, respectively. The report projects an updated operational target of FY2032, with targets of pre-development in FY2027, RFP issuance in FY2028, and groundbreaking in FY2029.

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Office of Energy Resources

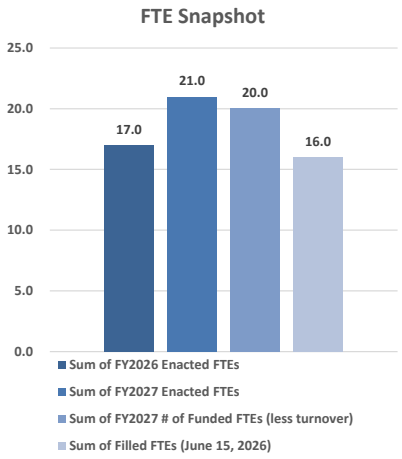
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Central Management	$34.1	$76.3	$62.6	*($13.7)*	*-18.0%*	$86.6	*$10.3*	*13.5%*
Expenditures By Source								
General Revenue	$0.2	$0.0	$0.3	*$0.3*	-	$0.0	*$0.0*	-
Federal Funds	17.7	31.6	16.5	*(15.0)*	*-47.6%*	32.5	*0.9*	*3.0%*
Restricted Receipts	14.7	39.1	37.7	*(1.4)*	*-3.5%*	38.5	*(0.5)*	*-1.4%*
Other Funds	1.5	5.7	8.1	*2.4*	*42.6%*	15.6	*9.9*	*175.1%*
Total	**$34.1**	**$76.3**	**$62.6**	***($13.7)***	***-18.0%***	**$86.6**	***$10.3***	***13.5%***
Authorized FTE Levels	0.0	17.0	17.0	-	-	21.0	*4.0*	*23.5%*

$ in millions. Totals may vary due to rounding.
FY2025 OER in Department of Administration

The Office of Energy Resources (OER) and the Energy Efficiency and Resource Management Council (EERMC) were established statutorily in 2006 to replace the former State Energy Office. The OER provides comprehensive integrated development, administration, and oversight of ongoing energy policies, plans, and programs to meet state and federal requirements and to provide policy guidance to executive leadership.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget includes $62.6 million in all funds, of which $275,313 is general revenue. Also, the Budget includes $16.5 million in federal funds, $37.7 million in restricted receipts, and $8.1 million in other funds. This reflects an all funds decrease of $13.7 million from the FY2026 Budget as Enacted.



The Final Budget includes a reappropriation of $56,111 in general revenue to maintain the Erika Niedowski Memorial E-Bike Rebate Program, and $219,202 in general revenue to fund the electric leaf blower rebate program. The FY2025 Final Budget required any unexpended balances from either of these two programs be reappropriated into FY2026.

The FY2027 Budget includes $86.6 million in all funds, of which $0 is general revenue, $38.5 million is restricted receipts, $32.5 million is federal funds, and $15.6 million is other funds. This reflects an all funds increase of $10.3 million, primarily centered on increased funding for the National Electric Vehicle Infrastructure Formula Program. The Budget does not contain funding for either the E-Bike rebate program or the electric leaf blower rebate program.

The Budget includes 17.0 FTE positions in FY2026 and 21.0 FTE positions in FY2027, reflecting the transfer of 4.0 FTE positions from the Weatherization Assistance Program at the Department of Human Services to OER.

Weatherization Program Transfer

Article 11 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 (DHS) to the Office of Energy Resources (OER). 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 reflects an increase of $10.9 million in federal funds and 4.0 FTE positions to OER.

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To implement the transfer, OER and DHS will 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.

Rhode Island Energy Resources Act

Article 11 of the FY2027 Budget as Enacted, 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 31, 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 for municipal-owned public buildings.

State Energy and Renewable Energy Programs

Article 11 Sections 2 through 9 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. These changes are projected to save state ratepayers $68.4 million in FY2027 and $539.5 million over the next 5-years.

FEDERAL FUNDING ISSUE

The Office of Management and Budget produced a report on October 30, 2025, identifying various federal budget actions through passage of HR-1 that impact federal funds including funding previously appropriated to the Office of Energy Resources (OER).

- The report identified 3 appropriation line items (programs) totaling $18.6 million in FY2026 and $63.0 million in FY2027 and beyond, that are unavailable to OER. This includes the Solar for All program, which remains in litigation.
- There are 4 appropriation line items (programs) totaling $8.4 million in FY2026 and $29.2 million in FY2027 and beyond that remain available to OER.

The impacted programs and subsequent status are:

Infrastructure and Investment Jobs Act (IIJA)

Program	Amount	FY25 Impact	FY26 Impact	Outyear Impact	Status
4010D Grid Resilience	8,425,985	-	1.0	3.7	Available
Energy Efficiency Revolving Loan Fund (EERLF)	235,161	-	0.4	-	Available
Resilient and Efficient Code Implementation (RECI)	1,600,000	-	0.6	-	Unavailable
Energy Efficiency Conservation Block Grant (EECBG)	1,675,110	0.5	1.1	-	Available

$ in millions

Source: OMB Analysis of H.R. 1

Inflation Reduction Act

Program	Amount	FY25 Impact	FY26 Impact	Outyear Impact	Status
Home Electrification and Appliances Rebate (HEAR) Program	$31,820,030	0.4	5.9	25.5	Available
Home Effciency Rebate (HER) Program	31,943,127	0.2	8.0	23.7	Unavalable
Solar for All (EPA)	49,300,000	-	10.0	39.3	Unavalable

$ in millions

Source: OMB Analysis of H.R. 1

EXECUTIVE CLIMATE CHANGE COORDINATING COUNCIL

The Budget contains restricted receipt funding of $1.5 million for the Rhode Island Executive Climate Change Coordinating Council (EC4). This is the same funding level as provided to the EC4 in the FY2026 Budget as Enacted. Funds are first appropriated under the OER and are then transferred to the agency expenditure accounts as approved by the EC4 in September of each fiscal year.

The FY2026 Final Budget includes $844,000 reflecting funds remaining within OER's account for awards approved in September. These funds have yet to be allocated to other State agencies. Once allocated the funds will show as expenditures at the approved agencies.

EC4 Appropriations	FY2024 Actual	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
EC4 Appropriations OER	$0	$419,968	$1,500,000	$844,000	*($656,000)*	$1,500,000	*$0*

The following table lists the September 2025 allocation of EC4 funds appropriated in the FY2026 Budget as Enacted and the allocation as projected in the FY2026 Final Budget. The revised allocation includes carry-forward of unused funds from the FY2025 EC4 appropriation.

Agency	FY2026 Enacted EC4 Funds	FY2026 Final	*Change*	Project	Description
RIDE	$231,000	$231,000	*$0*	School Infrastructure Readiness Initiative	To provide a framework to enhance climate resilience and energy efficiency across RI high-need public schools
Commerce	100,000	100,000	-	Energy Efficiency Grant Program	Expand the Energy Efficiency Grant Program for Small Business in 2026
RIPUC	105,000	105,000	-	Energy & Climate Policy Analyst	Funding for a contract employee
OER	41,000	41,000	-	URI Energy Fellows	Provides funding for 3 URI Fellowsin 2026
DEM	35,000	35,000	-	Coastal Resilience Project	Develop natural resources data
RIDOT	100,000	100,000	-	Evaluate GHG Emission Impacts	
RIPTA	440,000	440,000	-	Flex Service	Continue microtransit service
RIPTA	15,000	15,000	-	Van Pool Pilot	An additional $200 monthly subsidy for new van pool riders
RIPTA	55,000	55,000	-	Promoting Transit	Promoting transit for visitors to RI
EOHHS	100,000	-	*(100,000)*	Practice of Climate and Health	Portion shift to DOH
URI	193,000	193,000	-	Internships	To support paid internships in URI Environmental Education
EC4 Advisory Board	85,000	85,000	-	Outreach	Support public outreach
DOA - Planning	-	50,000	*50,000*		Carryforward from FY2025
DOH	-	51,524	*51,524*		Shift from DOH
DLT	-	56,590	*56,590*		Carry forward from FY2025
Total	**$1,500,000**	**$1,558,114**	***$58,114***		

EC4 FY2026 spending plan approved September 15, 2025

Established under the Resilient Rhode Island Act of 2014, (RIGL 42-6.2), The EC4 is a 12-member council comprised of officials from state agencies with responsibility and oversight relating to assessing, integrating, and coordinating climate change efforts.

Article 5 of the FY2024 Budget as Enacted required, for FY2023 only, the Office of Energy Resources to transfer $3.0 million from Regional Greenhouse Gas Initiative (RGGI) unallocated auction proceeds to the EC4, to maintain funding for the existing electric vehicle and electric bicycle incentive programs and to support other projects. Furthermore, the article required that commencing January 1, 2024, and thereafter, auction allowance proceeds in excess of $4.5 million, but limited to $1.5 million per year, will be transferred to OER for the purpose of funding the EC4 climate change related initiatives.

CENTRAL MANAGEMENT

Central Management	All Funds
FY2026 Enacted	$76,312,027
Target and Other Adjustments	*$122,689*
Weatherization Assistance and LIHEAP Transfer DHS/OER (federal funds)	$10,939,713
Solar For All (federal funds)	($10,000,000)
National Electric Vehicle Infrastructure Formula Program - OER Share (other funds)	9,777,140
Operating Adjustments (all funds)	727,767
BIL - Preventing Outages and Enhancing the Resilience of the Electric Grid (federal funds)	(500,000)
School Lighting Accelerator - RIDE/SBA (restricted receipts)	(500,000)
Energy Improvements in Rhode Island Schools (federal funds)	(487,489)
Personnel Adjustments (statewide adjustments) (all funds)	154,801
A&C ISF Charges (statewide adjustments) (all funds)	64,756
Internal Agency ETSS Charges (statewide adjustments) (all funds)	44,421
FY2027 Enacted	**$86,655,825**

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Weatherization Assistance and LIHEAP Transfer DHS/OER (federal funds) ***$10.9 million***

The Weatherization Assistance Program (WAP) is transferred from the Department of Human Services (DHS) back to the Office of Energy Resources (OER) as well as a portion of the federal Low-Income Home Energy Assistance Program (LIHEAP). To implement the transfer, OER and DHS will 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.

OER manages and implements all the U.S. DOE grant programs except for WAP. This budget proposal would shift the U.S. DOE WAP program and 4.0 WAP FTE positions to OER. OER's goal and objective with the WAP proposal (also proposed and supported by DHS) is to have a holistic energy program structure for income eligible households with the federal Home Efficiency and Appliance Rebate Program, federal Home Efficiency Rebate Program, RGGI and Clean Heat RI (heat pump rebates) program that OER administers. There are only six states in the U.S that administers WAP in a state Department of Human Services type agency.

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. The transfer includes $603,022 in personnel costs for 3.0 Senior Resource Specialists and a 1.0 Assistant Administrator Community and Planning Services.

Programs	Federal Funds
Weatherization Assistance Program	$4.8
LIHEAP	4.6
DOE/DHS Weatherization	1.5
Total	**$10.9**

$ in millions

Solar for All (federal funds) ***($10.0 million)***

The Budget does not include funds for the Solar for All (SFA) program resulting from passage of the federal HR-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.

The Office of Energy Resources (OER) submitted a competitive application to the U.S. Environmental Protection Agency's (EPA) Solar for All (SFA) program in the fall of 2023 and was awarded $49.3 million in April 2024. This was the largest competitive federal energy grant ever awarded to OER over the past 15 years.

The Solar for All (SFA) program was rescinded by the U.S. Department of Energy in August 2025. OER in collaboration with the RI Attorney General's Office and 23 other State Energy Offices/AG Offices across the country filed suit against the federal government to block the cancellation of the Solar for All grants on October 25, 2025. The lawsuits argue the cancellation is illegal, unconstitutional, and breaches funding agreements. In January 2026, a judge in Seattle, WA, denied a preliminary injunction to immediately stop the federal government from cutting the funding, allowing the termination to proceed while the lawsuit continues.

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National Electric Vehicle Infrastructure Formula Program – OER Share (other funds) $9.9 million

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 $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.

Analyst Note: Funding is appropriated in RI Department of Transportation's (RIDOT) federal grants budget from the Federal Highway Administration (FHWA). Expenditures are made by OER and billed back to RIDOT quarterly for reimbursement. The reimbursement triggers the drawdown of the grant funds. The reimbursements are carried out via journal entry.

Operating Adjustments (all funds) $727,767

The Budget increases all funds by $727,767 for operating adjustments. The increase includes $708,000 listed as building repairs. Many of the "Lead by Example" projects (lighting retrofits, heat pump water heaters) are categorized in budget as building repairs. Other adjustments include an increase of $50,912 for software maintenance, offset by decreases of $30,000 for dues and fees and a net decrease of $1,145 in all other operating adjustments.

Operating Adjustments	FY2026 Enacted	FY2027 Enacted	*Change*
Building Repairs	$2,002,000	$2,710,000	*$708,000*
Software Maintenance	20,000	70,912	*50,912*
Dues and Fees	104,500	74,500	*(30,000)*
All Other Operating Adjustments	2,268,994	2,267,849	*(1,145)*
Total	**$4,395,494**	**$5,123,261**	***$727,767***

BIL – Preventing Outages and Enhancing the Resilience of the Electric Grid (federal funds) ($500,000)

The Budget includes $1.5 million in federal Bipartisan Infrastructure Law (BIL) funds. This reflects a decrease of $500,000 from the FY2026 Budget as Enacted. The program is funded through the Infrastructure Investment and Jobs Act (IIJA) Grid Resilience formula grant program. The grant will subaward federal funds to eligible entities for the purpose of hardening grid infrastructure, preventing outages, and enhancing the resilience of Rhode Island's electric grid. No subawards have yet been awarded through this program.

Two utilities have submitted applications to OER under this funding opportunity, Clear River Electric and Water (Pascoag Utility District) and Rhode Island Energy (RIE). Rhode Island Energy has advanced their application to the review stage with the National Lab of the Rockies (NLR). The objective of this Program is to improve the resilience of the electric grid against disruptive events.

School Lighting Accelerator – RIDE/SBA (restricted receipts) ($500,000)

The Budget eliminates funding for the School Lighting Accelerator program reflecting a decrease of $500,000 from the FY2026 Budget. Funding was eliminated for the FY2027 Budget as well as in the FY2026 Final Budget. The funding was a one-time infusion of capital from excess funding that the Rhode Island Department of Education (RIDE) had with the option for future contributions if RIDE had funding available, rather than a commitment for steady contributions. The funding was used for lighting project upgrades in five Providence public schools and one public school in Pawtucket.

Energy Improvements in Rhode Island Schools (federal funds) ($487,489)

The federally-funded Energy Improvements in Rhode Island Schools grant was approved to enter a second budget period. The program provides support to public schools in Rhode Island, with an emphasis on underserved districts, by implementing energy-saving measures that improve building and occupants' health and safety, while also reducing energy costs.

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The FY2027 Budget as Enacted includes $2.0 million in earmarked federal funds received in the Summer of 2023 to assist school districts within five disadvantaged communities in implementing energy efficiency measures. This reflects a decrease of $487,489 from the FY2026 Budget as Enacted. The five communities are Central Falls, Pawtucket, Providence, West Warwick, and Woonsocket. The following highlights the expenditure and projects in each of these municipalities:

- **Central Falls** - allocated $1.2 million for LED Lighting with integrated controls, heat pump water heaters, and building automation systems.
- **Pawtucket** - allocated $1.7 million for LED Lighting with integrated controls.
- **Providence** - allocated $7.6 million for LED Lighting with integrated controls and building automation systems.
- **West Warwick** - allocated $3.2 million for LED Lighting with integrated controls, heat pump water heaters, and building automation systems.
- **Woonsocket** - allocated $3.9 million for LED Lighting w/ integrated controls, heat pump water heaters, and building automation systems.

Department of Business Regulation

Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$4.0	$4.4	$4.0	($0.4)	-9.5%	$4.2	($0.2)	-5.1%
Banking Regulation	2.1	2.2	2.1	(0.0)	-0.9%	2.1	(0.0)	-0.9%
Board of Accountancy	0.0	0.0	0.0	-	0.0%	0.0	-	0.0%
Commercial Licensing, Gaming & Athletics	2.2	2.3	2.6	0.3	12.9%	2.6	0.3	11.5%
Building Design & Fire Professionals	12.4	18.3	19.7	1.4	7.7%	13.6	(4.7)	-25.6%
Insurance Regulation	7.0	6.7	7.5	0.8	11.9%	7.8	1.1	16.0%
Office of Cannabis Regulation	4.9	-	-	-	0.0%	-	-	0.0%
Office of the Health Insurance Commissioner	3.9	4.2	4.6	0.4	10.2%	26.2	22.0	530.4%
Securities Regulation	0.9	1.0	1.0	(0.0)	-0.5%	1.0	0.0	3.0%
Total	**$37.4**	**$39.1**	**$41.6**	**$2.5**	**6.4%**	**$57.5**	**$18.5**	**47.2%**

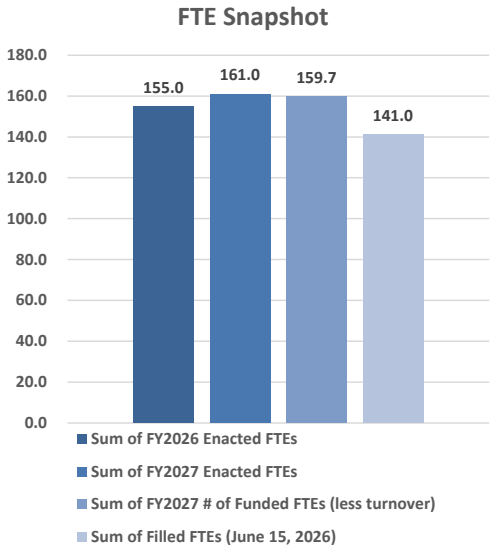
Expenditures by Source	FY2025 Actual	FY2025 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
General Revenue	$24.6	$25.8	25.5	($0.2)	-0.9%	27.0	$1.3	4.9%
Federal Funds	0.6	0.8	1.3	0.5	63.9%	22.3	21.5	2732.4%
Restricted Receipts	10.4	5.5	6.8	1.4	24.7%	7.2	1.7	31.4%
Other Funds	1.7	7.1	7.9	0.9	12.1%	1.0	(6.0)	-85.4%
Total	**$37.4**	**$39.1**	**$41.6**	**$2.5**	**6.4%**	**$57.5**	**$18.5**	**47.2%**
Authorized FTE Levels	181.0	155.0	157.0	2.00	1.3%	161.0	6.0	3.9%

$ in millions. Totals may vary due to rounding

The Department of Business Regulation (DBR) implements state laws mandating the regulation and licensing of designated businesses, professions, occupations, and other specified activities. The Department is composed of nine programs: Central Management, Banking Regulation, Board of Accountancy, Commercial Licensing and Gaming and Athletics Licensing, Division of Building, Design and Fire Professionals, Insurance Regulation, Office of the Health Insurance Commissioner (OHIC), and Securities Regulation.

MAJOR ISSUES AND TRENDS

The FY2027 Budget as Enacted includes an all funds increase of $18.5 million, or 47.2 percent, from the FY2026 Budget as Enacted. The Budget includes a general revenue increase of $1.3 million and a federal funds increase of $21.5 million as compared FY2026 Budget as Enacted. The Budget also includes the addition of 6.0 new FTE positions: 2.0 funded through general revenue, 2.0 funded through federal funds, and 2.0 funded through restricted receipts.



Pharmacy Benefit Managers (PBMs) Regulation: The Budget includes $450,000 in general revenue to support the regulation and monitoring of pharmacy benefit managers (PBMs). The General Assembly passed S-3059 Substitute B and S-3060 Substitute B. These bills establish new requirements for PBMs, including enhanced transparency, accountability, and operational duties, and require PBMs to obtain a certificate of authority from the OHIC. The legislation takes effect on January 1, 2027, and supersedes

the Pharmacy Benefit Manager Transparency Reporting and Study Act in Article 12.

Implementation of these measures is expected to require 2.0 additional full-time equivalent (FTE) positions and approximately $450,000 in general revenue funding.

RIPIN Dual Ombudsman: The Budget includes a general revenue increase of $152,000 to continue navigation assistance for Medicare-Medicaid dual eligibility cases, contracted through the Rhode Island Parent Information Network (RIPIN), within OHIC's Budget.

Currently, this program is provided through a contract with the RIPIN and the Executive Office of Human Services (EOHHS), that was totally funded with a federal grant from the Administration for Community Living (ACL). This contract and the federal grant expired on April 30, 2024; consequently, state funding is needed to continue this program.

Rural Health Transformation Program (RHTP): The Budget includes a federal funds increase of $21.4 million in FY2027 and $414,675 in FY2026 from the new federal RHTP grant. OHIC Health Insurance Commissioner will use the funds to address Initiative #11: Supporting Hospitals and Primary Care in Value-Based Payment Transition. According to the Office, $14.6 million is for a transformation fund grant program to which eligible providers can apply to receive necessary funds for Alternative Payment Models (APM) such as digital wallets and bank transfers. Of these funds, $5.0 million will support APM participation initiatives, $1.0 million will support policy consultancy, and $1.0 million for technical assistance to hospitals. Remaining funds will be used for office supplies for new staff, travel, and indirect costs.

In April 2026, the Governor requested an amendment to his recommended budget that adds 2.0 new FTE positions in FY2026 that are carried into FY2027. The positions include the following:

- **Principal Policy Analyst (Hospitals):** The Principal Policy Analyst will perform work related to hospital payment and delivery system transformation. They will serve as the subject matter expert on alternative hospital payment models and lead initiatives to support adoption of State-approved, quality-linked advanced alternative payment models (APMs), including global budgets, with a focus on rural hospital sustainability and access to care.
- **Principal Policy Analyst (Primary Care):** The Principal Policy Analyst will perform work related to primary care payment and delivery system transformation. They will serve as the subject matter expert on value-based primary care payment models and lead initiatives to support adoption of State-approved, quality-linked advanced alternative payment models (APMs), with a particular focus on primary care capitation and rural provider sustainability.

Fire Academy Expansion: The Budget includes a $6.1 million RICAP reduction related to the anticipated completion of the Fire Academy expansion project, which added an auditorium, four new classrooms, and a storage building to the existing infrastructure in Exeter.

Other Budget Initiatives: The Budget also includes general revenue adjustments to the Health and Human Services Rate Review, the Dental Loss Ratio Study, and the Primary Care Rate Review program. Other general revenue changes are primarily a result in changes in personnel expenditures, which include the 3.0 percent cost of living adjustment (COLA), which was negotiated by unions representing most State employees and extended to non-union employees. Furthermore, the Budget includes 2.0 new FTE positions to support the Contractors' Registration and Licensing Board, which will be supported through restricted receipts.

The Budget includes $41.6 million in all funds in the FY2026 Revised Budget, an increase of $2.5 million from the FY2026 Budget as Enacted. General revenues comprise 61.6 percent of the total funds, equaling $25.6 million, a decrease of $123,231 from the FY2026 Budget as Enacted.

The Budget authorizes 157.0 FTE positions for FY2026 Revised and recommends 161.0 FTE positions for FY2027.

CENTRAL MANAGEMENT

Central Management is composed of the Director's Office, and separate units for budgeting, regulatory standards, compliance, and enforcement. The specific functions include conducting administrative and rate hearings; providing legal services to the Director and Deputy Directors; compiling, submitting, and monitoring the budgets of the respective divisions; approving vouchers and contracts; and providing management services.

Central Management	General Revenue
FY2026 Enacted	$4,360,810
Target and Other Adjustments	*(2,300)*
Centralized Services (statewide adjustments)	($42,434)
Enterprise Resource Planning (statewide adjustments)	(117,022)
Accounts and Control ISF Charges (statewide adjustments)	288,198
Personnel Adjustments (statewide adjustments)	(349,016)
FY2027 Enacted	**$4,138,236**

BANKING REGULATION

Banking Regulation provides regulatory oversight of state-chartered financial institutions, credit unions, Rhode Island bank holdings companies, and licensees through financial examinations and reviews to determine compliance with st ate banking laws, financial solvency, and safety and soundness operations.

Banking Regulation	General Revenue
FY2025 Enacted	$2,107,972
Target and Other Adjustments	-
Personnel Adjustments (statewide adjustments)	(69,878)
FY2027 Enacted	**$2,038,094**

Banking Regulation	Other Funds
Travel Expenses (restricted receipts)	$43,000

Travel Expenses (restricted receipts) ***$43,000***

The Budget includes a restricted receipts increase of $43,000, bringing total travel expenses to $50,000. The FY2026 budget as enacted appropriated $7,000 in funds for travel. The increase reflects a return to in-person attendance at industry conferences and examiner training seminars.

BOARD OF ACCOUNTANCY

The Board of Accountancy is an autonomous board that is responsible for the licensing of certified public accountants, public accountants, partnerships, corporations, and sole proprietorships. It processes applications and fees and issues initial certificates and permits to regulated businesses, occupations, and professions. The Board of Accountancy is 100.0 percent funded by general revenues. The FY2015 Budget as Enacted eliminated the sole Administrative Aide position for the program. Administrative responsibilities are assigned to other staff as needed. The remaining funds in the program support operating costs, such as national Certified Public Accountant (CPA) Society dues, legal expenses, and printing and mailings.

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Board of Accountancy	General Revenue
FY2026 Enacted	$5,490
Target and Other Adjustments	-
FY2027 Enacted	**$5,490**

COMMERCIAL LICENSING, GAMING, AND ATHLETICS

The Division of Commercial Licensing and Gaming and Athletics Licensing is responsible for the licensing and regulation of auto body and auto glass repair shops, auto salvage yards, constables, health clubs, mobile food establishments, liquor enforcement, mobile and manufactured homes, real estate appraisers and agents, and other occupational licenses to protect the health, safety, and welfare of the public.

Commercial Licensing, Gaming, and Athletics	General Revenue
FY2026 Enacted	$1,268,739
Target and Other Adjustments	-
Personnel Adjustments (statewide adjustments)	33,000
FY2027 Enacted	**$1,301,739**

Commercial Licensing, Gaming, and Athletics	Other Funds
Personnel Adjustments (restricted receipts)(statewide adjustments)	$232,262

DIVISION OF BUILDING, FIRE, AND DESIGN PROFESSIONALS

The FY2019 Budget as Enacted established the Division of Building, Design, and Fire Professionals to consolidate the Office of the State Fire Marshal, the Fire Safety Code Board of Review and Appeal, the Office of the State Building Commissioner, the Board of Registration for Professional Engineers, Board of Registration for Professional Land Surveyors, Board of Examination and Registration of Architects, the Board of Examiners of Landscape Architects and the Contractors' Registration and Licensing Board. The Division provides a single point of contact for building and construction professionals seeking state approvals.

Division of Building, Design, and Fire Professionals	General Revenue
FY2026 Enacted	$8,793,216
Target and Other Adjustments	-
Personnel Adustments (statewide adjustments)	502,510
E-Permitting	200,000
Loan Repayment Fleet Revolving Loan Fund	73,300
Training Academy - Program Supplies	(60,000)
State Fleet	(60,000)
Centralized Services (statewide adjustments)	41,848
FY2027 Enacted	**$9,490,874**

Division of Building, Design, and Fire Professionals	Other Funds
2.0 CLRB FTE Positions (restricted receipts)	211,235

E-Permitting *$200,000*

The Budget includes a general revenue increase of $200,000 to support the DBR's e-permitting initiative.

In FY2026, the program was supported through a $1.0 million general revenue appropriation. However, the FY2026 Budget as Enacted included a $230,526 general revenue reduction, which supported 1.0 FTE position that enabled DBR to be compliant with current law, and expand the program to other permitting types. The FY2027 Budget restores the funding cut and the program remains level funded at $1.0 million.

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DBR did not support the FY2026 funding cut, asserting that it would be a challenge to administer the program.

The e-permitting initiative went into effect in FY2023 and supports online permitting at both the state and municipal levels. Currently, all 39 municipalities utilize the e-permitting programs. Additionally, the 2024 legislative session expanded the scope of the program, requiring all municipalities to incorporate their planning and zoning functions into e-permitting as well.

Loan Repayment Fleet Revolving Loan Fund ***$73,300***

The Loan Repayment Fleet Revolving Loan fund is used to purchase vehicles across the department as DBR's operating budget is not sufficient to support the fleet. The Office of State Fleet Operation bills agencies annually for their lease payments beginning the year following purchase. Pursuant to RIGL 42-11-2.4(d), the State Fleet revolving fund may be used by agencies to acquire vehicles. To maintain sufficient maintenance and replacement of the fleet, DBR utilized the fund, paying the SFRLF back over a 3-to-7-year period based on the price of the vehicle. The increase reflects a higher obligation to the SFRLF as the Department had to replace more vehicles than normal in the past year. There is a corresponding $60,000 general revenue decrease in the Department's state fleet account, as the Department will likely purchase all vehicles through the SFLRF going forward.

Training Academy – Program Supplies ***($60,000)***

The Budget includes a $60,000 general revenue decrease, signaling a return to current services. These funds were allocated in the FY2026 Budget as Enacted to support additional training in combatting battery fires in electric vehicles for firefighters from departments across the State. Given the increase in lithium battery fires, the Office of the Fire Marshal requested funds to prepare municipal fire departments in the event they are called to respond to a lithium battery fire. These funds trained 25 instructors, who now have the ability to train additional municipal fire fighters.

2.0 CRLB FTE Positions (restricted receipts) ***$211,235***

The Budget recommends a restricted receipt increase of $211,235, attributable to the addition of 2.0 new FTE positions funded through the existing Contractors Registration and Licensing Board (CRLB) restricted receipts account with revenues from the existing $150 contractor licensing fee and revenues from the new Residential and Commercial Structural Remodeling Licensing program. The 2025 General Assembly created the new license for contractors performing structural work on residential buildings between one and four units. This new licensing fee will be set by regulation and is anticipated to be higher than the $150 licensing fee set in statute. The Department expects many contractors will hold both licenses. These staff members are critical of implementing the new program, which was enacted without additional resources to the Department. These funds will support 1.0 FTE Enforcement Aide ($99,503) and 1.0 Administrative Officer ($111,732).

INSURANCE REGULATION

Insurance Regulation conducts financial examinations of domestic insurance companies to ensure compliance with state and federal insurance statutes and regulations. The Division also issues licenses for insurance companies, producers, adjusters and appraisers, and reviews rate and form filings of the life, accident and health, and property and casualty lines of business for compliance with state statutes and regulations. The Division monitors and introduces legislation to maintain accreditation by the National Association of Insurance Commissioners.

Insurance Regulation	General Revenue
FY2026 Enacted	$5,125,539
Target and Other Adjustments	*(14,800)*
Personnel Adjustments (statewide adjustments)	295,842
FY2027 Enacted	**$5,406,581**

Insurance Regulation	Other Funds
Actuary (restricted receipts)	$800,000

Actuary (restricted receipts) *$800,000*

The Budget includes $2.3 million in restricted receipts, an increase of $800,000 to support actuarial services to perform rate studies and review filings. According to the Department, the increase reflects the maximum value of payments under an existing contract negotiated in FY2025. As the work is unpredictable, the maximum allotted funds are allocated and adjusted after the fourth quarter of the fiscal year. Receipts are generated through insurer assessments.

OFFICE OF THE HEALTH INSURANCE COMMISSIONER

The Office of the Health Insurance Commissioner (OHIC) was established by legislation in 2004 to broaden the accountability of health insurers operating in the State of Rhode Island. Through FY2011, this sub-program was contained in the Insurance Regulation program; however, it became a stand-alone program in the FY2012 Budget as Enacted.

The Health Insurance Commissioner is appointed by the Governor with the advice and consent of the Senate. OHIC regulates health insurers and hospital/medical service corporations, including company licensure, form and rate filing for regulatory compliance, and financial and market condition examinations. The Office is also engaged in policy and legislative development, rate hearing administration, regulatory development and promulgation, consumer affairs, provider affairs, and the Social and Human Services Program review.

Office of the Health Insurance Commissioner	General Revenue
FY2026 Enacted	$3,107,152
Target and Other Adjustments	*7,215*
Pharmacy Benefit Management	450,000
RIPIN Dual Ombudsman	152,000
Health Spending Accountability and Transparency Program	50,000
Dental Loss Ratio Revalued Contract	(50,000)
Human Services Rate Review	(62,204)
Primary Care Rate Review Program	(25,000)
FY2027 Enacted	**$3,629,163**

Office of the Health Insurance Commissioner	Other Funds
Rural Health Transformation Program (federal funds)	$21,373,640
Human Service Rate Review (federal funds)	108,146

Pharmacy Benefit Management *$450,000*

On June 11, 2026, the General Assembly passed S-3059 Substitute B and S-3060 Substitute B. These bills establish new requirements for pharmacy benefit managers (PBMs), including enhanced transparency, accountability, and operational duties, and require PBMs to obtain a certificate of authority from OHIC. The legislation takes effect on January 1, 2027, and supersedes the Pharmacy Benefit Manager Transparency Reporting and Study Act established in Article 12.

Implementation of these measures is expected to require 2.0 additional full-time equivalent (FTE) Principal Policy Associates and annual contractor expenses for the creation and review of PBM certifications

applications, drafting necessary regulations, and managing PBM reporting requirements. The Budget includes $450,000 in general revenue funding to support these bills.

RIPIN Dual Ombudsman ***$152,000***

The Budget includes a general revenue increase of $152,000 to continue navigation assistance for Medicare-Medicaid dual eligibility cases, contracted through the Rhode Island Parent Information Network, within the Office of the Health Insurance Commissioner's Budget.

Previously, this program was provided through a contract with the Rhode Island Parent Information Network (RIPIN) and the Executive Office of Human Services, that was totally funded with a federal grant from the Administration for Community Living (ACL). This contract and the federal grant expired on April 30, 2024; consequently, state funding is needed to continue this program.

Health Spending Accountability and Transparency Program ***$50,000***

The Budget includes an additional $50,000 to support the Health Spending Accountability and Transparency program to provide resources necessary to reinstate OHIC's monitoring of behavioral health care utilization and spending trends, provider variation analysis, ad hoc data analyses, and stakeholder engagement. Specific focuses include annual updates to the mental health dashboard, creation of hospital price variation analyses, and analyses of commercial insurance price variation across settings of care. Total expenses for the program are $350,000.

Dental Loss Ratio Revalued Contract ***($50,000)***

The Budget includes $76,027 in general revenue, a decrease of $50,000, related to RIGL 27-82.6, the Dental Insurance Loss Ratio Reporting and Study Act which was enacted in 2024. The Act mandates the Office of the Health Insurance Commissioner provide the General Assembly with an analysis of reported information related to the incurred claims and earned premiums as reported by dental insurers, on or before October 1, 2026. The analysis will provide recommendations related to dental loss ratios and requirements for comprehensive dental benefits plans. The Act also empowers the Commissioner to establish an annual assessment against each dental health insurer totaling a maximum of $150,000.

Human Services Rate Review ***($25,000)***

The Budget includes a general revenue decrease of $25,000, with a corresponding federal funds increase of $113,146, to accommodate the biennial costs adjustment of the Social and Human Services Program Rate Review. Contracted services for this expenditure fluctuate due to the biennial cycle of the reporting requirements. The FY2026 cycle will primarily pertain to the development and reporting evaluation metrics, while the FY2027 cycle primarily focuses on rate developments. The Budget includes $659,818 in general revenue to support the rate review.

RIGL 41-14.5-3 requires the Department to present deliverables, including various assessments detailing program rates, utilization trends, eligibility standards, functions of provider networks, licensed and unlicensed personnel, wait list times, and national rates compared to Rhode Island provider rates. These deliverables are submitted to the General Assembly on a biannual basis beginning in 2023. The most extensive reporting requirements and contractual expenditure fall within odd numbered fiscal years. Programming implementation will continue to be ongoing in even numbered years; however, the bulk of contract work will be required in odd fiscal years.

The 2025 Social and Human Service Program Final Report, published on August 29, 2025, recommended a total increase of $112.8 million in all funds for FY2027 and FY2028, an increase of $56.3 million each year. The Report includes a net increase of $76.3 million related to fee-for-service expenditures, and $36.5 million in additional expenditures for managed care organizations. The Budget includes a total of $58.8 million in all funds to support the rate increases, including $23.3 million in general revenue, $2.5 million more than the OHIC recommendation to accommodate taxes and administrative fees associated with MCOs.

OHIC Rate Recommendations Estimated Fiscal Impact (FFS&MCO)

Service Category Detail	Baseline Expenditures	Proposed Rates	*Change from Baseline*	Estimated Fiscal Impact
Behavioral Health Services	$88.5	$99.30	*$10.8*	$21.7
Childrens Services	$78.6	$84.40	*$5.8*	$11.6
Health and Community Based Services	$178.8	$197.20	*$18.4*	$36.8
Intellectual and Developmental Disability Services	$212.2	$233.50	*$21.3*	$42.7
Total	**$558.1**	**$614.40**	***$56.3***	**$112.8**

Expenditure $ in millions

Source: Office of the Health Insurance Commissioner

Primary Care Rate Review Program ***($25,000)***

The Budget includes a $25,000 general revenue decrease related to cost savings in the Primary Care Rate Review Program. This program has been identified as a federal cost share resulting in savings to state funded contracting. In FY2026, the General Assembly earmarked $200,000 in general revenue for the review, with a corresponding federal funds increase of $200,000 to support a one-time report on primary care reimbursement rates, due on September 1, 2026. The review will analyze primary care rates within the State, comparing them to Rhode Island's counterparts, to provide the data required to increase primary care rates within the State. According to the Office, federal match dollars have been earmarked to support this program, resulting in $25,000 in general revenue savings.

Rural Health Transformation Program (federal funds) ***$21.4 million***

The Budget adds $21.4 million in FY2027 and $414,675 in FY2026 from the new federal RHTP grant. The Office of the Health Insurance Commissioner will use the funds to address Initiative #11: Supporting Hospitals and Primary Care in Value-Based Payment Transition. According to the Office, $14.6 million is for a transformation fund grant program to which eligible providers can apply to receive necessary funds for Alternative Payment Models (APM) such as digital wallets and bank transfers. Of these funds, $5.0 million will support APM participation initiatives, $1.0 million will support policy consultancy, and $1.0 million for technical assistance to hospitals. Remaining funds will be used for office supplies for new staff, travel, and indirect costs.

In April 2026, the Governor requested an amendment to his recommended budget that adds 2.0 new FTE positions in FY2026 that are carried into FY2027. The positions include the following:

- **Principal Policy Analyst (Hospitals):** Under the general supervision of the Director of Policy, the Principal Policy Analyst will perform work related to hospital payment and delivery system transformation. They will serve as the subject matter expert on alternative hospital payment models and lead initiatives to support adoption of State-approved, quality-linked advanced alternative payment models (APMs), including global budgets, with a focus on rural hospital sustainability and access to care.
- **Principal Policy Analyst (Primary Care):** Under the general supervision of the Director of Policy, the Principal Policy Analyst will perform work related to primary care payment and delivery system transformation. They will serve as the subject matter expert on value-based primary care payment models and lead initiatives to support adoption of State-approved, quality-linked advanced alternative payment models (APMs), with a particular focus on primary care capitation and rural provider sustainability.

SECURITIES REGULATION

Securities Regulation is responsible for the registration of certain securities, and the licensing and regulation of broker-dealers, sales representatives, certain investment advisers, and certain investment adviser representatives.

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Securities Regulation	General Revenue
FY2026 Enacted	$1,000,863
Target and Other Adjustments	-
Personnel Adjustments (statewide adjustment)	30,305
FY2027 Enacted	**$1,031,168**

CAPITAL PROJECTS

Fire Academy: The Budget includes $962,000 in capital plan funds for projects related to updating the Fire Academy. The Fire Academy experienced unprecedented demand to prepare and train future municipal firefighters. To meet the demand, the General Assembly appropriated a total of $11.0 million, including $2.2 million through FY2025, $7.0 million in FY2026, and $962,000 in FY2027. Projects include expanding the Fire Training Academy auditorium, an expansion of the Confined Space and Trench Rescue Training Simulators, and the re-use of an existing State-owned building as an evidence repository. The anticipated completion date is in FY2026. Remaining funds support the conversion of a storage building into an evidence repository that will meet all State and Federal requirements, contain flammable liquid evidence, a security system, and improvements to prevent contamination. Original estimates for the plan were around $15.8 million; however, the project was revised downward as construction proceeded and actuals costs were realized.

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Rhode Island Cannabis Control Commission

Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Cannabis Control Commission	4.9	7.3	7.3	*(0.0)*	*-0.2%*	7.6	*$0.3*	*4.3%*
Total	***$4.9***	***$7.3***	***$7.3***	***($0.0)***	***-0.2%***	**$7.6**	***$0.3***	***4.3%***

Expenditures by Source	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Restricted Receipts	**$4.9**	**$7.3**	**$7.3**	*$0.0*	*-0.2%*	$7.6	*$0.3*	*4.3%*
Total	**$4.9**	**$7.3**	**$7.3**	***($0.0)***	***-0.2%***	**$7.6**	***$0.3***	***4.3%***
Authorized FTE Levels	25.0	26.0	26.0	-	-	26.0	-	*0.0%*

$ in millions. Totals may vary due to rounding

FY2025 Actuals reflect the amounts budgeted for the Office of Cannabis Regulation within the Department of Business Regulation (DBR) and are provided to show relative expenditures across fiscal years. DBR fiscally and administratively supported the Office of Cannabis Regulation prior to FY2026.

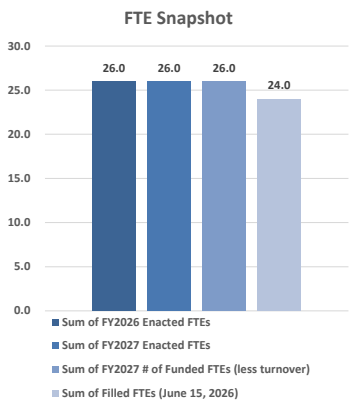
The FY2020 Budget established the Office of Cannabis Regulation (OCR) within the Department of Business Regulation. The Office currently serves as the lead regulatory agency responsible for oversight over legal cannabis in the state, which is comprised of three elements: adult use marijuana, medical marijuana, and industrial hemp.

In 2022, RIGL 21-28.11-1 established the Cannabis Office through the Rhode Island Cannabis Act, creating the foundation for the Cannabis Control Commission and the Cannabis Advisory Board. The Cannabis Control Commission (CCC) acts as the public body tasked with overseeing the regulation, licensing, and control of adult use and medical cannabis. The CCC has three voting members, all of which are appointed by the Governor, with the advice and consent of the Senate. The Board consists of 19 members, 11 of whom are voting members. The Board works in conjunction with and advises the CCC on how to best implement policies that enhance social equity and justice when considering licenses, regulations, and other policies.

The General Assembly officially established the Cannabis Control Commission in June 2023, appointing the committees' inaugural chairpersons. The 19 membered Cannabis Advisory Board were appointed and confirmed in August 2023. In November 2023, the Advisory Board established its five statutorily mandated subcommittees, which began to meet in January 2024. The Subcommittees are as follows:

- Public Health
- Cannabis Industry
- Public Safety
- Market Participation
- Social Equity

The FY2026 Budget established Rhode Island Cannabis Control Commission as a standalone agency. The Cannabis Control Commission (CCC) oversees the regulation, licensing, and enforcement of medical, and adult-use marijuana, focusing on public health, safety, and equity principles. The Budget included $7.3 million in restricted receipts, and 26.0 FTE positions to the new Commission. Section 4 of Article 3 in the FY2026 Budget transferred regulatory and licensing oversight of the Hemp program to the Commission.



In FY2027, the Budget recommends $7.6 million in restricted receipts, and 26.0 FTE positions, $315,778 more than FY2026 Enacted.

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MAJOR ISSUES AND TRENDS

Cannabis Governance

Rhode Island's cannabis policy, planning, and programatic implementation has changed numerous times since the inception of the State's cannabis programs. In 2006, Rhode Island became the 11th state to legalize medical marijuana, and the 19th state to legalize adult-use cannabis in 2022.

Since 2006, policies related to cannabis decriminalization and legalization increased in popularity. According to Regulate Rhode Island, 59.0 percent of voters support cannabis regulation, citing reasons including improved public health, inceased revenue, ending social injustice, and reducing youth involvement in illegal marijuana sales. The regulatory changes since the inception of Rhode Island marijuana programs are detailed below.

- The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act of 2005, legalized medical cannabis, and charged the Department of Health with regulatory oversight of the medical marijuana program.
- In 2009, the Rhode Island General Assembly approved an amendement to the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, allowing state-licensed medical cannabis dispensaries (compassion centers).
- Pursuant to a March 2010 report published by the Special Senate Commission to Study the Prohibition of Marijuana, the General Assembly decriminalized possession of Marijuana, establishing policy reforms similar to Massachusetts, which issued civil penalties of $100 for possession of an ounce or less of marijuana for individuals eighteen and older.
- In 2016, the Rhode Island General Assembly enacted the Hemp Growth Act, which charged the Department of Business Regulation with the authority to oversee the licensing and regulation of industrial hemp.
- Article 14 of the FY2017 Budget as Enacted significantly amended the administration and regulation of the State's medical marijuana program. Most notably, it established a tagging system for licensed growers and designating the Department of Business Regulation (DBR) as the licensing and regulatory agency for growers, the sale of tags, and tracking information. Article 14 maintained the Department of Health's regulatory and licensing authority over patients and caregivers, decentralizing the regulations and oversight of marijuana between the two agencies. The Article also established a restricted receipt account to finance the State's medical marijuana programs.
- Article 15 of the FY2020 Budget as Enacted established the Office of Cannabis Regulation (OCR) within the Department of Business Regulation, charging the office with the oversight for the licensing of the medical marijuana program and cannabidiol (CBD) products.
- In 2022, the Rhode Island General Assembly enacted the Rhode Island Cannabis Act, which legalized adult-use marijuana, and established the Cannabis Control Commission and the Cannabis Advisory Board.
- In 2026, the Rhode Island General Assembly amended the Rhode Island Cannabis Act (S-3313 & H-8544), changing the definition of applicant and providing a new process for the approval and certification for social equity and cannabis retail sale licenses. The amendment is in response to a preliminary injunction blocking the state from awarding 20retail licenses over the residency requirements included in state law.

Cannabis Control Commission Revenue

According to the Cannabis Control Commission, as of May 1, 2026, the Commission has raised a total of $73.1 million in revenue ($63.7 million in adult use revenue and $9.4 million in medical marijuana tax revenue). Tax revenues (as shown below) are deposited into the Marijuana Trust Fund and support the Commissions operations. Revenues from fees, fines, and penalties are deposited into the Social Equity

Assistance Fund. Additionally, in previous fiscal years, the General Assembly has transferred some funding from the Marijuana Trust fund to the general fund to support initiatives related to opioid abatement and developmental disabilities.

	Adult Use Sales	Adult Use Tax Revenue (20%)	Medical Marijuana Sales	Medical Marijuana Tax Revenue (11%)
FY2023*	$35,239,731	$7,047,946	$22,622,849	$2,488,513
FY2024	88,343,016	17,668,603	27,804,484	3,058,493
FY2025	96,880,137	19,376,027	21,158,380	2,327,422
FY2026**	98,050,164	19,610,033	13,763,650	1,514,002
Total	**$318,513,048**	**$63,702,609**	**$85,349,363**	**$9,388,430**

**FY2023 start date of 11/2022*

***As of May 2026*

Marijuana Trust Fund

The FY2026 Final Budget transfers $5.0 million from the Marijuana Trust Fund restricted receipt account to the State Controller. According to the Administration, these funds will support initiatives related to the Marijuana Trust Fund's intended purposes including substance abuse prevention and treatment, public health monitoring, research, data collection, education and public awareness, and other authorized uses in the Cannabis Act. The Budget allocates $1.0 million to the 988 lifeline operations, and $4.0 million to supporting certified community behavioral health clinics.

The Marijuana Trust Fund was established by the 2022 General Assembly through RIGL 21-28.11-13, to provide support for program and activities related to program administration, revenue collection, and enforcement. The fund is solely supported by revenue collected from the state cannabis excise tax and tax related penalties.

Social Equity Assistance Fund

The Social Equity Assistance Fund was established by the 2022 General Assembly through RIGL 21-28.11-31, to provide grants to approved social equity applicants, support the waiver or reduction of application and licensing fees, and implement and administer programming related to restorative justice. The fund is supported through enforcement fees, regulatory fines, and application and licensing fees. As of March 4, 2026, there is a total of $2.9 million in the account. According to the Commission, no expenditure has been made from the Equity Fund. The Commission is developing processes for issuing grant awards to social equity license holders.

Regulatory Update

The Rhode Island Cannabis Control Commission is charged with the oversight and licensure of Cannabis Dispensaries. The Rhode Island Cannabis Act authorizes a total of 33 retail licenses. With nine existing hybrid and medical marijuana retailers, the Commission will authorize an additional 24 adult-use retail licenses. Of the 24 licenses, six are reserved for social equity applicants, and six are reserved for worker cooperatives applicants (businesses owned, managed, and controlled by its employees operating on democratic "one member, one vote" principles).

In April 2026, the award of the final adult-use retail licenses has been further delayed due to a federal injunction blocking the State from moving forward with the lottery award of 20 retail licenses. The pending lawsuit, Jensen v Rhode Island Cannabis Control Commission, argued that the inclusion of residency requirement in the Cannabis Act violated the "Dormant Commerce Clause". The injunction caused the RI General Assembly to amend the RI Cannabis Act, removing the residency requirements and creating a new certification process for social equity applicants. As of July 8, 2026, the injunction is still in place. If the

injunction is lifted, the Commission would be required to recertify social equity applicants and restart the application process.

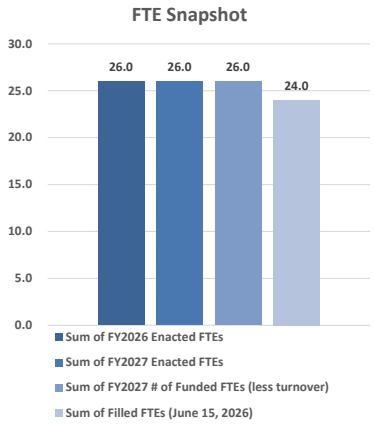
The General Assembly, along with cultivators and retail applicants, have expressed frustrations with the slow roll out of licenses. In a 2023 interview with NBC 10, former Commissioner Kim Ahern stated that 'licenses [will] start issuing at some point in 2024". Furthermore, in March 2026, Commissioner Michelle Reddish, acting in her previous roll as Cannabis Administrator, had indicated to the Finance Committee that it will begin issuing licenses in May 2026.

As of July 2026, the Commission has not awarded any new licenses. The application window closed on December 29, 2025, and the deadline to submit evidence of final zoning approval was March 2, 2026. The Commission has begun to review the information, which has a statutory duration of 45 days. The Commission received a total of 98 applications, 23 of which are social equity applicants, 56 are general retail, and 19 are worker cooperatives. The Commission has uploaded all applications and corresponding information to their website to ensure maximum transparency. Currently, the Commission has awarded 9 cannabis retailers, 57 cannabis cultivators, 9 hemp growers, 23 hemp distributors, and 176 hemp retailers.

Staff

The Budget includes 26.0 FTE level with the FY2026 Budget as Enacted.

The state-level staffing structure supporting Cannabis has evolved since the Office of Cannabis Regulation was established by the General Assembly in 2020. Article 15 of the FY2020 Budget as Enacted authorized a total of 7.0 FTE positions. The Office's FTE authorization increased to 25.0 FTE positions in FY2023, and then to 26.0 FTE positions in FY2025. The Office was overseen by 1.0 unclassified FTE position titled Deputy Director, Office of Cannabis Regulation. The Office of Cannabis has maintained a filled FTE count of 24.0.



The Cannabis Control Commission is also overseen by three Commissioner's. Each Commissioner serves a termed appointment, with the advice and consent of the Senate. As of July 2026, the three positions are filled. The Administrator position in the Cannabis Office acts as leadership but is not subject to termed appointments.

CENTRAL MANAGEMENT

Central Management program governs Rhode Island's adult-use and medical cannabis industries and hemp industries by licensing businesses, providing education and guidance, ensuring compliance, promoting equitable access, and fostering sustainable economic opportunity while maintaining balance and protecting public health and safety.

Central Management	General Revenue
FY2026 Enacted	$7,303,563
Target and Other Adjustments	*(374)*
Personnel Adjustments (statewide adjustments)	155,619
Centralized Services (statewide adjustments)	101,032
Accounts and Control (statewide adjustments)	59,501
FY2027 Enacted	**$7,619,341**

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Department of Labor and Training

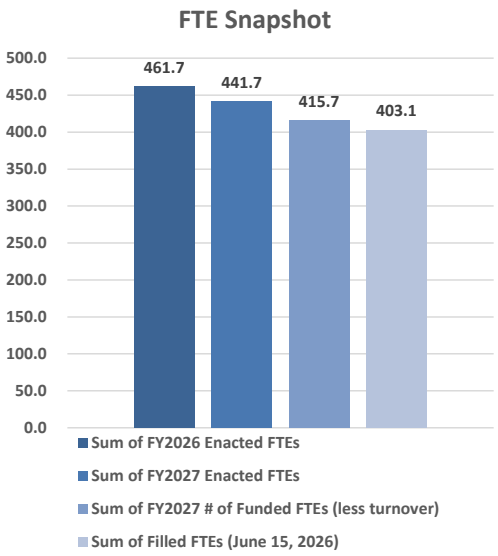
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Central Management	$1.9	$2.2	$1.9	*($0.3)*	*-13.1%*	$1.9	*($0.3)*	*-12.5%*
Workforce Development	22.6	20.0	21.6	*1.6*	*7.9%*	18.5	*(1.5)*	*-7.3%*
Workforce Regulation and Safety	5.0	5.3	5.4	*0.1*	*1.2%*	5.6	*0.2*	*4.0%*
Income Support	532.7	567.9	589.3	*21.5*	*3.8%*	628.9	*61.0*	*10.7%*
Injured Workers Services	10.7	11.2	12.4	*1.2*	*10.6%*	12.6	*1.3*	*11.9%*
Labor Relations Board	0.6	0.6	0.6	*0.1*	*13.6%*	0.6	*0.1*	*16.3%*
Governor's Workforce Board	27.9	25.1	27.7	*2.6*	*10.4%*	32.1	*7.0*	*27.7%*
Total	**$601.3**	**$632.3**	**$658.9**	***$26.7***	***4.2%***	**$700.2**	***$67.9***	***10.7%***
Expenditures By Source								
General Revenue	$19.3	$18.2	$18.9	*$0.7*	*3.8%*	$18.3	*$0.2*	*0.8%*
Federal Funds	51.0	42.0	44.5	*2.5*	*5.9%*	49.0	*7.0*	*16.6%*
Restricted Receipts	28.2	35.4	38.7	*3.3*	*9.3%*	37.0	*1.6*	*4.5%*
Other Funds	502.8	536.7	556.9	*20.2*	*3.8%*	595.9	*59.2*	*11.0%*
Total	**$601.3**	**$632.3**	**$658.9**	***$26.7***	***4.2%***	**$700.2**	***$67.9***	***10.7%***
Authorized FTE Levels	461.7	461.7	461.7	-	-	441.7	*(20.0)*	*-4.3%*

$ in millions. Totals may vary due to rounding

The Department of Labor and Training is responsible for providing a range of employment and training services to Rhode Islanders and for administering laws related to workforce regulation, safety, and labor law enforcement. The Department consists of seven divisions: Central Management, Workforce Development Services, Workforce Regulation and Safety, Income Support, Injured Workers Services, the Labor Relations Board, and the Governor's Workforce Board.

MAJOR ISSUES AND TRENDS

FY2026: The FY2026 Final Budget provides $658.9 million in all funds to the Department of Labor and Training, reflecting a $26.7 million, or 4.2 percent, increase from the FY2026 enacted level. The Budget includes $18.9 million in general revenue, reflecting an increase of $679,999, or 3.8 percent, from the FY2026 enacted level. The increase includes $645,780 of reappropriated funds from the previous fiscal year, including $565,780 for the Skills RI Healthcare Workforce Support program and $80,000 for the Firefighter's Relief Fund. Other Funds realized the largest increase, rising by $20.2 million, or 3.8 percent, from the FY2026 enacted level, primarily due to a $19.9 million increase in unemployment insurance benefits.



FY2027: The FY2027 Budget as Enacted provides $700.2 million in all funds to the Department of Labor and Training, reflecting a $67.9 million or 10.7 percent increase from the FY2026 enacted level. The Budget includes $18.3 million in general revenue for the Department, representing an increase of $152,938 from the FY2026 enacted level. Other funds realized the largest nominal increase, rising by $59.2 million from the previous year's enacted level, primarily related to a

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$46.9 million increase in unemployment insurance benefits and a $13.7 million increase in Temporary Caregivers Insurance benefits (TCI). Federal funds realized the largest percentage increase, with the Budget appropriating an additional $7.0 million or 16.6 percent above the FY2026 enacted level. The increase reflects the inclusion of the Rural Health Transformation Grant, which provides $7.0 million in FY2027 and $361,584 in FY2026 to expand the training, job matching, and career counseling currently offered through the Real Jobs Rhode Island program to support rural healthcare providers. The Budget includes a 3.0 percent Cost of Living Adjustment (COLA) related to the most recent settlement with the state employee bargaining unit, which provided members with COLA increases of 5.0 percent in FY2025, 4.0 percent in FY2026, and 3.0 percent in FY2027.

The Budget authorizes 461.7 FTE positions in FY2026, which is consistent with the previous year's enacted level and 441.7 positions in FY2027, reflecting a 20.0 FTE reduction. The 20.0 FTE reduction in FY2027 reflects a statewide initiative to remove unfunded positions to align closer with historical experience.

CENTRAL MANAGEMENT

The Central Management program is responsible for supervising, coordinating, and monitoring all departmental functions. The Central Management program provides leadership, management, strategic planning, and control of departmental activities.

Central Management	General Revenue
FY2026 Enacted	$1,661,890
Target and Other Adjustments	*1,685*
ERP Maintenance and Operations Billings (statewide adjustments)	(258,398)
A&C ISF Charges (statewide adjustments)	105,395
Centralized Services (statewide adjustments)	(52,664)
FY2027 Enacted	**$1,457,908**

WORKFORCE DEVELOPMENT SERVICES

The Workforce Development Services program administers employment and training programs that match job seekers with suitable employment opportunities. The Employment Services subprogram provides a variety of services including employment counseling, occupational exploration, career guidance, and referrals to training programs. The Workforce Innovation and Opportunity Act subprogram provides employment and training programs to prepare youth, unskilled adults, and dislocated workers for re-entry into the labor force. The Trade Adjustment Assistance (TAA) subprogram provides benefits and educational assistance to workers who have lost their jobs or whose hours have been reduced due to increased imports or a shift in production out of the United States. The Department works with the U.S. Department of Labor to file petitions on behalf of affected workers. The Alternative Trade Adjustment Assistance program provides support services to individuals who are 50 years of age and older. The RI Works program provides services to beneficiaries of Temporary Assistance for Needy Families (TANF).

Workforce Development Services	General Revenue
FY2026 Enacted	$878,758
Target and Other Adjustments	*5,436*
FY2027 Enacted	**$884,194**

Workforce Development Services	Other Fund Changes
Workforce Innovation Opportunity Act Grants (federal funds)	($1,293,953)
QUEST Grant	(1,188,414)
Job Services (federal funds)	805,375
Growing the Renewable Energy Employment Network (federal funds)	422,475

Workforce Innovation Opportunity Act Grants (federal funds) ***($1.3 million)***

The Budget provides $9.0 million in federally funded Workforce Innovation and Opportunity Act (WIOA) grants, reflecting a decrease of $1.2 million from the FY2026 enacted level, inclusive of centralized service charges. The Youth Program reflects the largest reduction, decreasing by $556,011 or 16.0 percent from the previous fiscal year's enacted level. The FY2026 Final Budget provides $10.9 million in WIOA grants, representing a $619,800 increase from the FY2026 enacted level. The following table compares the WIOA grant funding throughout the Department's primary WIOA grant programs.

Workforce Innovation Grants (WIOA)	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Youth Program	$3,470,853	$3,762,061	*$291,208*	$2,914,842	*($556,011)*
Adult Program	3,143,536	3,730,905	*587,369*	2,731,769	*(411,767)*
Dislocated Worker Program	3,684,232	3,425,455	*(258,777)*	3,358,057	*(326,175)*
Total	**$10,298,621**	**$10,918,421**	***$619,800***	**$9,004,668**	***($1,293,953)***

- **WIOA Dislocated Worker Grants:** Provides funding for significant dislocation events and is designed to help workers who have been impacted by job loss, global trade dynamics, or transitions in economic sectors return to work quickly.
- **WIOA Adult Program:** Provides funding to enable workers to obtain good jobs by providing them with job search assistance and training opportunities.
- **WIOA Youth Activities:** Provides support to help low-income youth, between the ages of 14 and 24, acquire the educational and occupational skills, training, and support needed to achieve academic and employment success and successfully transition into careers and productive adulthood.

QUEST Grant (federal funds) ***($1.2 million)***

The Budget removes $1.2 million in federal funds awarded through the Quality Jobs, Equity, Strategy, and Training (QUEST) grant in FY2027. The QUEST grant is classified as a Dislocated Worker Grant (DWG) and was available from FY2023 through FY2025.

In July 2022, the U.S. Department of Labor announced that Rhode Island's Department of Labor and Training was awarded the maximum amount of $15.0 million. Authorized by the federal Workforce Innovation and Opportunity Act, DWGs provide funding support in response to unexpected events that lead to significant job loss. The Department used the funds to provide occupational training through the industry-led Real Jobs Rhode Island program, which invests in sector-based intermediaries that serve as partners, designing and implementing initiatives to meet their industry's needs. The industries include healthcare, childcare, manufacturing, construction, transportation, logistics, information technology, and finance. The FY2026 Final Budget includes $365,000 for the initiative.

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Job Services (federal funds) ***$805,375***

The Budget includes $3.7 million of federal funds to support job services in FY2027, representing a net increase of $805,375 from the previous year's enacted level. The adjustment includes a $1.0 million increase within the non-reimbursable job services sequence. These funds, known as Wagner-Peyser grants, support the personnel working at America's Job Centers as well as the program's administration.

The Budget includes a $206,890 reduction in reimbursable job services funds, which include three federal awards: the Work Opportunity Tax Credit, the Foreign Labor Certification, and the Workforce Information Grant. The following table compares the job services appropriation provided by the FY2026 Budget as Enacted with the FY2026 Final Budget and the FY2027 Budget as Enacted.

Job Services (federal funds)	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Wagner-Peyser Funded Activities	$2,374,909	$3,286,416	*$911,507*	$3,387,174	*$1,012,265*
Reimburseable Funded Activities	527,041	313,409	*(213,632)*	320,151	*(206,890)*
Total	**$2,901,950**	**$3,599,825**	***$697,875***	**$3,707,325**	***$805,375***

Growing the Renewable Energy Employment Network (federal funds) ***$422,475***

The Budget provides $982,214 of federal funds awarded through the Growing Renewable Energy Employment Network in FY2027, representing an increase of $422,475 from the FY2026 enacted level. The Growing the Renewable Energy Employment Network grant is an H-1B job training grant to train unemployed and underemployed individuals for careers in the renewable energy sector, fully funded by the federal government. Rhode Island was awarded a total amount of $2.0 million. The FY2026 Final Budget provides $982,215 in grant funding for the initiative.

WORKFORCE REGULATION AND SAFETY

The Workforce Regulation and Safety Program comprises multiple units that enforce laws relating to professional regulation, labor standards, occupational health and safety, and certification of weights and measures. The Labor Standards unit enforces labor laws and provides worker protections. The Occupational Safety Unit enforces laws relating to safety compliance, elevators, boilers, hazardous substances, and weights and measures. The Trade Licensing Unit licenses technical professions and monitors and enforces trade laws pertaining to electricians, hoisting engineers, pipefitters, refrigeration technicians, sprinkler fitters, plumbers, sheet metal workers, and telecommunications technicians. The Registered Apprenticeship unit registers apprenticeship training programs. The Prevailing Wage unit works to prevent unfair compensation and worker exploitation.

Workforce Regulation and Safety	General Revenue
FY2026 Enacted	$5,347,291
Target and Other Adjustments	*7,597*
Intra-agency Transfer	367,717
Personnel: Salary and Benefit Adjustment	(234,614)
A&C ISF Charges (statewide adjustments)	44,938
Centralized Services (statewide adjustments)	25,799
FY2027 Enacted	**$5,558,728**

Intra-agency Transfer ***$367,717***

The Budget includes negative $409,399 in general revenue for intra-agency transfers, reflecting a general revenue increase of $367,717 from the FY2026 enacted level. Federal regulations permit the Department to maintain a restricted receipt account into which it may deposit interest and penalty revenue collected from employers that are delinquent in filing their employment taxes. Eligible expenditures of these "tardy and interest" funds are flexible and may be used to support activity outside of the program. DLT regularly

makes intra-agency transfers from tardy and interest to the Workforce Regulation and Safety program to subsidize the Division's work. The latter's budget typically receives only general revenue appropriations.

Personnel: Salary and Benefit Adjustment ***($234,614)***

The Budget includes $5.2 million of general revenue to support the salary and benefits of the personnel in the Workforce Regulation and Safety program, reflecting a decrease of $234,614 from the previous year's enacted level. The adjustment includes reductions of $148,304 in the Labor Standards Unit and $137,235 in the Professional Regulation Licensing unit, offset by a $50,925 increase in the Occupational Safety unit.

INCOME SUPPORT

The Income Support program encompasses all functions and activities related to the Unemployment Insurance program, which provides temporary income support to workers who have lost employment through no fault of their own; Temporary Disability Insurance (TDI), which provides benefits to individuals who are unable to work due to non-work related illness or injury; and, the Police and Firefighters' Relief Funds, which provide financial compensation to police officers, firefighters, or their families for death or disabling injuries.

Income Support	General Revenue
FY2026 Enacted	$3,684,566
Target and Other Adjustments	-
Police Officer's Relief Fund Adjustment	64,015
Firefighter's Relief Fund Adjustment	(11,793)
Centralized Services (statewide adjustments)	(3,010)
FY2027 Enacted	**3,733,778**

Income Support	Other Fund Changes
Unemployment Insurance Benefits Adjustment (all funds)	$46,872,195
Temporary Caregiver Insurance Adjustment (other funds)	$13,658,648
Unemployment Insurance Administration Adjustment (federal funds)	$2,187,048
Temporary Disability Insurance Adjustment (other funds)	($1,317,478)
Unemployment Insurance Benefit Statistics	Informational
Unemployment Insurance Trust Fund	Informational

Police Officer's Relief Fund Adjustment ***$64,015***

The Budget provides $913,636 of general revenue to support the Police Officer's Relief Fund in FY2027, reflecting a net increase of $64,015 from the FY2026 enacted level. The appropriation includes $856,884 in grant funding and $56,752 for administrative expenditures, excluding centralized services. The Budget increases grants by $64,937 and decreases administrative expenditures by $922. The increase partially reflects the rising cost of the college tuition benefit. The FY2026 Final Budget provides $898,456 of general revenue to support the Police Officer's Relief Fund, representing an increase of $48,835 from the previous year's enacted level. The appropriation includes $843,155 for grant assistance and $55,301 for administrative expenditures, excluding centralized services.

The State is required to provide a 40.0 percent match to federal one-time death benefit payments from the U.S. Department of Justice's Public Safety Officers' Benefits program (PSOB), which assists the beneficiaries of law enforcement officers and firefighters killed in the line of duty. Under RIGL 45-19, the spouse of a deceased police officer or firefighter receives an annual annuity of $3,600 per year, for as long as they remain unmarried, or if there is no spouse, a total sum not exceeding $10,000 is payable to the parents of the deceased police officer or firefighter. In addition, an annuity of $1,200 per year is paid to the widow or widower for each child who is under the age of 18. The children are also eligible to receive up to four years of free tuition at the University of Rhode Island, Rhode Island College, or the Community

College of Rhode Island. The tuition benefit is also extended to any firefighter or police officer permanently disabled in the line of duty.

Firefighter's Relief Fund Adjustment ***($11,793)***

The Budget provides $2.8 million of general revenue to support the Firefighter's Relief Fund in FY2027, reflecting a net decrease of $11,793 from the previous year's enacted level. The adjustment includes an $8,300 increase in grants offset by a $20,093 reduction in administrative expenditures, excluding centralized services. The FY2026 Final Budget provides $3.0 million of general revenue for the fund, reflecting a $151,283 increase from the FY2026 enacted level. The FY2026 Final Budget includes a reappropriation of $80,000 and supports the payment of an unanticipated one-time death benefit of $168,814.

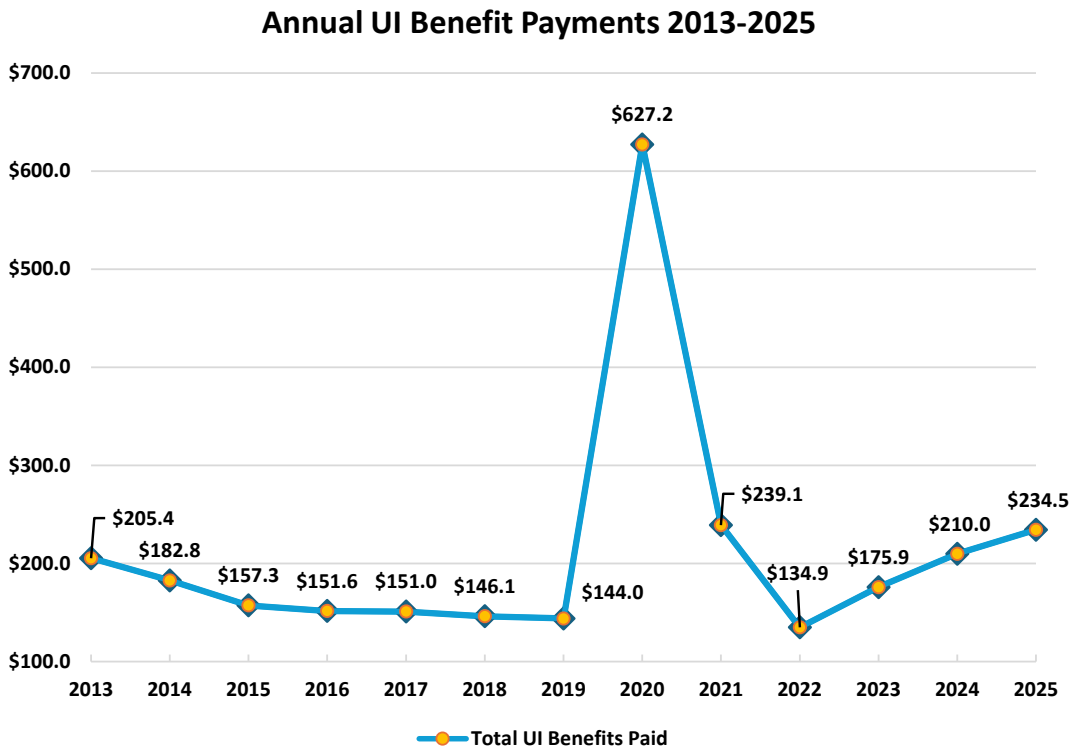
Unemployment Insurance Benefits Adjustment (all funds) ***$46.9 million***

The Budget provides $296.2 million in all funds to support unemployment insurance (UI) benefits, reflecting a $46.9 million or 18.8 percent increase from the FY2026 enacted level. The appropriation includes centralized service funds and largely reflects an additional $45.5 million in UI benefits as well as a $1.0 million increase in reimbursable employers' UI benefits.

The projections from the Department's Labor Market Information Divisions are based on historical data and known events. The Department indicates that FY2025 UI costs increased by 17.0 percent from the previous year and were up 12.0 percent in September 2025, when the projections were made, resulting in higher estimates. The following table compares the UI benefits provided by the FY2026 Budget as Enacted with the provisions included in the FY2026 Final Budget and FY2027 Budget as Enacted.

Unemployment Insurance Benefits (all funds)	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Unemployment Insurance (other funds)	$229,100,000	$249,000,000	*$19,900,000*	$274,600,000	*$45,500,000*
Reimbursable Employers UI Benefits (other funds)	11,000,000	10,000,000	*(1,000,000)*	12,000,000	*1,000,000*
Federal and Veteran Employment (other funds)	1,500,000	1,700,000	*200,000*	1,700,000	*200,000*
State Employees (other funds)	1,100,000	1,200,000	*100,000*	1,300,000	*200,000*
Trade Readjustment Act (federal funds)	100,000	71,741	*(28,259)*	72,195	*(27,805)*
Benefit Payments to Other States (other funds)	6,500,000	6,500,000	-	6,500,000	-
Total	**$249,300,000**	**$268,471,741**	***$19,171,741***	**$296,172,195**	***$46,872,195***

The United States Department of Labor's website provides quarterly data concerning the payment of UI benefits by each State. In 2020, the federal government made several changes to unemployment insurance regulations because of the pandemic, such as increasing the length of time a person may collect unemployment insurance to 79 weeks and including an additional supplemental payment for eligible individuals. The following graph illustrates Rhode Island's payment of unemployment insurance benefits from 2013 to 2025, with figures provided by the U.S. Department of Labor.



$ in millions.

Source: US Dept. of Labor/UI Data Summary

Temporary Caregiver Insurance Adjustment (other funds) ***$13.7 million***

The Budget provides $48.4 million in other funds to support the Temporary Caregiver Insurance (TCI) program in FY2027, reflecting an increase of $13.7 million or 39.3 percent from the FY2026 enacted level. The appropriation includes centralized service charges as well as a $13.7 million increase to benefit payments offset by a $41,352 reduction in administrative expenditures. The FY2026 Final Budget includes $42.4 million in other funds, reflecting a $7.6 million increase from the FY2026 enacted level, entirely within benefits. The following table illustrates the adjustment.

Temporary Caregivers Insurance (other funds)	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Benefits	$32,300,000	$40,000,000	*$7,700,000*	$46,000,000	*$13,700,000*
Administration	2,450,059	2,350,211	*(99,848)*	2,408,707	*(41,352)*
Total	**$34,750,059**	**$42,350,211**	***$7,600,152***	**$48,408,707**	***$13,658,648***

The Department's TCI projections are completed by the Labor Market Information Division and based on historical data and known events. The Department indicates that FY2025 TCI costs increased by 11.2 percent through September, resulting in a projected 10.0 percent increase for the first half of FY2026 and a 12.5 percent increase for the second half of FY2026. The mid-year increase reflects the change in the replacement rate.

Signed into law on July 11, 2013, TCI disburses payments to individuals who are unable to work because they are providing necessary care for seriously ill family members, such as children, spouses, parents, domestic partners, and grandparents. Additionally, individuals who need to bond with a newborn baby or newly adopted child are eligible to receive benefits. Eligible individuals may claim caregiver benefits for up to 8 weeks for CY2026.

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Unemployment Insurance Administration Adjustment (federal funds) ***$2.2 million***

The Budget provides $17.5 million in federal funds to support the administration of the Unemployment Insurance program, representing a $2.2 million increase from the FY2026 Budget as Enacted. The adjustment includes centralized service costs as well as $2.9 million in turnover savings and $1.4 million in intra-agency transfers of eligible administration expenditures. The program's general revenue turnover expenditures are equivalent to 21.8 FTE positions, and the increase represents 8.4 positions, as the Department's average salary per FTE is $133,023 in FY2027. The Department is permitted under federal and state regulations to transfer a portion of the employment taxes it collects from the unemployment insurance program to support additional eligible expenses other than UI payments. These include certain administrative activities related to the program.

The following table compares the funding provided by the FY2026 Budget as Enacted with the FY2026 Final Budget and FY2027 Budget as Enacted.

UI Administration (federal funds)	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Regular Wages	$8,770,411	$10,112,644	*$1,342,233*	$10,601,630	*$1,831,219*
Turnover	(1,774,269)	(3,175,082)	*(1,400,813)*	(2,895,182)	*(1,120,913)*
Transfers to Other Funds	(2,393,000)	(1,141,147)	*1,251,853*	(1,368,300)	*1,024,700*
Employer Cost Of Employee Medical Insurance	2,171,089	2,641,770	*470,681*	2,832,819	*661,730*
IT Administration	478,544	-	*(478,544)*	-	*(478,544)*
Internal Agency ETSS Charges	1,156,173	1,201,159	*44,986*	1,319,332	*163,159*
Software Maintenance	434,386	305,099	*(129,287)*	308,150	*(126,236)*
Postage and Postal Services	221,305	336,399	*115,094*	339,763	*118,458*
A&C ISF Charges: ERP Maintenance and	-	-	-	106,111	*106,111*
ERSRI Retirement Plans - Employer Contribution	2,201,619	2,183,243	*(18,376)*	2,307,730	*106,111*
Office/Computer Equipment Maintenance	80,543	13,220	*(67,323)*	13,352	*(67,191)*
All Other Adjustments	3,996,310	3,956,038	*(40,272)*	3,964,754	*(31,556)*
Total	**$15,343,111**	**$16,433,343**	***$1,090,232***	**$17,530,159**	***$2,187,048***

Temporary Disability Insurance Adjustment (other funds) ***($1.3 million)***

The Budget provides $250.1 million in other funds for the Temporary Disability Insurance (TDI) program, reflecting a decrease of $1.3 million from the FY2026 enacted level. The adjustment includes centralized service costs and is primarily administrative, as benefits are consistent with the FY2026 enacted level.

The FY2026 Final Budget provides $244.8 million in other funds for the TDI program, reflecting a $6.6 million decrease from the previous year's enacted level, $5.0 million of which reflects benefit payments. The Department requested a $5.0 million reduction in benefits based on data from the Labor Market Information unit's projections. The following table compares the funding provided by the FY2026 Budget as Enacted with the FY2026 Final Budget and FY2027 Budget as Enacted.

Temporary Disability Insurance (other funds)	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Administration ""A"" General	$9,572,648	$8,501,482	*($1,071,166)*	$8,740,979	*($831,669)*
Employer Tax	1,873,172	1,344,106	*(529,066)*	1,387,363	*(485,809)*
Payment of Benefits	240,000,000	235,000,000	*(5,000,000)*	240,000,000	-
Total	**$251,445,820**	**$244,845,588**	***($6,600,232)***	**$250,128,342**	***($1,317,478)***

Analyst Note: Effective July 1, 2026, the maximum weekly benefit rate for Temporary Disability Insurance will increase to $1,150, representing an increase of $47 from the current rate of $1,103. Additionally, the maximum weekly benefit rate for beneficiaries with 5 or more dependents (maximum) will increase to $1,552, reflecting a $63 increase from the current rate of $1,489.

Unemployment Insurance Benefit Statistics ***Informational***

Rhode Island currently ranks 14th in average unemployment insurance benefits paid nationally and 2nd in New England. The State has the 5th highest maximum weekly UI benefit payments in the nation when dependent allowances are included and ranks 12th when dependent allowances are not considered. The data

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suggests that while RI may authorize high maximum weekly benefit payments, the amount the State pays is on par with the national average. The following tables illustrate benefit payments within New England as well as nationally.

Average UI Benefits Paid

12 Months Ending 1st Quarter 2026

State	Amount	New England	National
Massachusetts	$13,178	1	1
Rhode Island	**7,433**	**2**	**14**
Connecticut	7,414	3	15
Maine	7,257	4	16
Vermont	6,455	5	26
New Hampshire	4,556	6	36

Source: US Dept. of Labor/UI Data Summary

Average Weekly UI Benefits Paid

12 Months Ending 1st Quarter 2026

State	Amount	New England	National
Massachusetts	$724	1	2
Vermont	570	2	10
Connecticut	507	4	18
Maine	501	3	20
Rhode Island	**496**	**5**	**21**
New Hampshire	378	6	34

Source: US Dept. of Labor/UI Data Summary

Maximum Weekly UI Benefit

As of January 2026

State	Amount	New England	National
Massachusetts	$1,105	1	2
Vermont	757	2	11
Rhode Island	**745**	**3**	**12**
Connecticut	721	4	13
Maine	623	5	24
New Hampshire	427	6	37

Source: US Dept. of Labor

Maximum Weekly UI Benefit with Dependents Allowance

As of January 2026

State	Amount	New England	National
Massachusetts*	$1,105	1	2
Maine	1,090	2	3
Rhode Island	**931**	**3**	**5**
Connecticut	796	4	15
Vermont†	757	5	18
New Hampshire†	427	6	38

Source: US Dept. of Labor

** No cap on dependents allowance*

† Does not have dependents allowance

Analyst Note: Effective July 1, 2026, the maximum weekly benefit rate for Unemployment Insurance will increase to $777 per beneficiary, representing an increase of $32 from the current rate of $745. Additionally, the maximum weekly benefit rate for beneficiaries with 5 or more dependents (maximum) will increase to $971, reflecting a $40 increase from the current rate of $931.

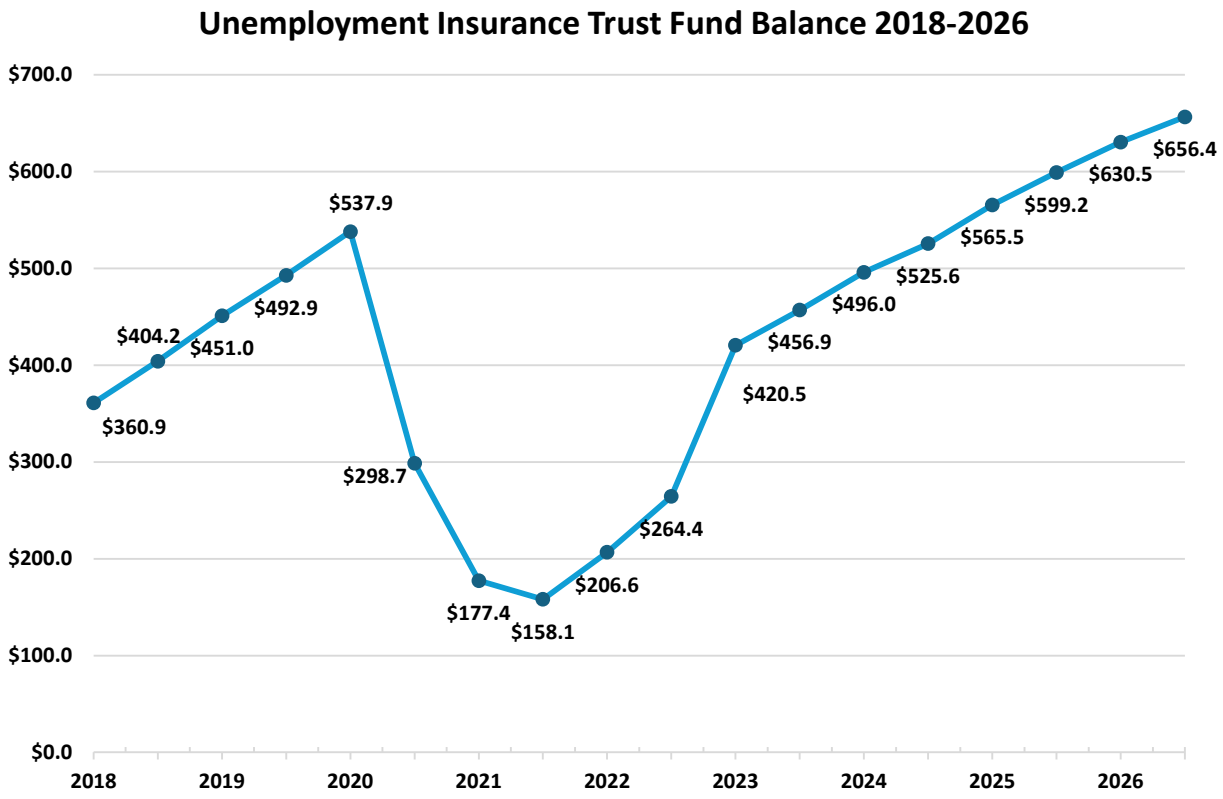
Unemployment Insurance Trust Fund ***Informational***

As of July 1, 2026, the Unemployment Insurance Trust Fund's balance is $656.4 million, reflecting an increase of $25.9 million from January of 2026 and $118.5 million above the $537.9 million pre-COVID balance in January of 2020.

For CY2026, the Department of Labor and Training determined that the unemployment insurance tax rates will change to UI Tax Schedule F, with rates ranging from 0.9 percent to 9.4 percent, reflecting a reduction from the CY2025 Schedule G rates of 1.1 percent to 9.7 percent. The Department indicates that the rates will be further reduced by 0.21 percent to offset the Job Development Assessment. The Unemployment Insurance Taxable Wage Base for most employers increased to $30,800, which reflects 46.5 percent of the average annual wage of workers employed by taxable employers. The unemployment insurance tax schedule is calculated using a statutory formula based on the reserve ratio, or the balance of the State's employment security fund to the total twelve-month payroll of employers subject to the contribution provisions of the Employment Security Act. The calculation is performed on September 30 of each calendar year, known as the computation date.

The following graph illustrates the fund balance from January 2018 through July 2026. The increase between July 2022 and January 2023 reflects the $100.0 million deposit of ARPA SFRF.

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$ in millions

Source: United States Department of Labor, figures represent the balance on January 1 and July 1 of the respective year.

INJURED WORKERS SERVICES

The Injured Workers Services program operates the State's Workers' Compensation System. The Donley/Arrigan Rehabilitation Center provides evaluations, therapy, and counseling for workers injured on the job. A Workers' Compensation Education Unit provides information to workers and employers regarding workers' compensation laws and regulations. This program does not receive any general revenue funding and is entirely funded by restricted receipts.

Injured Workers Services	Restricted Receipts
FY2026 Enacted	$11,233,092
Target and Other Adjustments	*41,203*
Personnel: Salary and Benefit Adjustment	910,086
Assistance: Second Injury Fund	275,868
Centralized Services (statewide adjustments)	61,042
A&C ISF Charges (statewide adjustments)	45,006
FY2027 Enacted	**$12,566,297**

Personnel: Salary and Benefit Adjustment (restricted receipts) ***$910,086***

The Budget provides $6.4 million of restricted receipts to support the salary and benefits for personnel within the Injured Workers Services program, reflecting a $910,086 increase from the FY2026 enacted level. The adjustment includes increases of $811,248 for the Arrigan Center and $293,385 for the Claims Monitoring and Data Processing Unit. The following table compares the restricted receipts provided by the

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FY2026 Budget as Enacted for personnel within the Injured Workers Services program with the funding included in the FY2026 Final Budget and the FY2027 Budget as Enacted.

Personnel: Salary and Benefits	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Arrigan Center Operations	$2,208,277	$2,894,022	*$685,745*	$3,019,525	*$811,248*
Claims Monitoring and Data Processing Unit	2,672,765	2,889,127	*216,362*	2,966,150	*293,385*
Education Unit	313,297	302,116	*(11,181)*	313,947	*650*
Second Injury Fund Operation	86,289	8,277	*(78,012)*	8,596	*(77,693)*
Self Insurance Operations	213,162	92,931	*(120,231)*	95,658	*(117,504)*
Total	**$5,493,790**	**$6,186,473**	***$692,683***	**$6,403,876**	***$910,086***

Assistance: Second Injury Fund (restricted receipts) ***$275,868***

The Budget provides $1.1 million of restricted receipts for Second Injury Fund benefits, reflecting a net increase of $275,868 from the enacted level. The Department indicates that this account has been under budgeted in the recent past, with costs reflected in the Claims Monitoring account. All related costs are funded by the Workers' Compensation Administration Fund. The FY2026 Final Budget includes $1.0 million in restricted receipts, representing a $175,868 increase from the FY2026 enacted level.

LABOR RELATIONS BOARD

The Labor Relations Board is a semi-autonomous body that makes public sector bargaining unit determinations, oversees collective bargaining elections, and investigates charges of unfair labor practices. The Board is comprised of seven members, one of whom is designated as the chairperson. The board members are compensated but do not participate in the State Retirement System and are not considered State employees.

Labor Relations Board	General Revenue
FY2026 Enacted	$556,737
Target and Other Adjustments	*(2,852)*
Personnel: Salary and Benefit Adjustment	104,382
Temporary Stenographic Services	(10,695)
FY2027 Enacted	**$647,572**

Personnel: Salary and Benefit Adjustment ***$104,382***

The Budget provides $549,659 of general revenue to support the salary and benefits of the Labor Relations Board personnel, reflecting an increase of $104,382 from the FY2026 Budget as Enacted. The adjustment reflects a 23.4 percent increase from the FY2026 enacted level, primarily within salaries. The Labor Review Board has 2.0 FTE positions, an Administrator and a Programming Services Officer. The Department indicates that the salary and benefits for the Administrator position were understated in previous budgets but have been corrected in the Governor's recommendations for FY2026 and FY2027. The following table compares the Labor Relations Board personnel funding included in the FY2026 Budget as Enacted with the funding provided in the FY2026 Final and FY2027 Budget as Enacted.

Personnel: Salary and Benefits	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Regular Wages	$299,218	$344,473	*$45,255*	$358,708	*$59,490*
ERSRI Retirement Plans - Employer Contribution	63,702	78,706	*15,004*	78,570	*14,868*
FICA - Employer Cost	15,758	28,986	*13,228*	30,211	*14,453*
Longevity Pay	27,849	34,574	*6,725*	36,249	*8,400*
Employer Cost Of Employee Medical Insurance	22,956	23,938	*982*	25,627	*2,671*
AFB Fund Assessment	5,979	7,381	*1,402*	8,009	*2,030*
State Emp Retiree Health Ins Contributions	6,699	8,273	*1,574*	8,213	*1,514*
Defined Contribution Plan - Employer Contribution	974	1,467	*493*	1,554	*580*
Payroll And Employee Benefits Accruals	1,200	1,476	*276*	1,532	*332*
Employer Cost Of Employee Dental Insurance	812	826	*14*	838	*26*
Medical Insurance Waiver Bonus	-	18	*18*	18	*18*
Employer Cost Of Employee Vision Insurance	130	130	-	130	-
Total	**$445,277**	**$530,248**	***$84,971***	**$549,659**	***$104,382***

Temporary Stenographic Services ***($10,695)***

The Budget provides $6,722 of general revenue for temporary stenographic services within the Labor Relations Board, reflecting a $10,695 decrease from the FY2026 Budget as Enacted. The adjustment is consistent with actual expenditures, which were $6,524 in FY2024 and $6,590 in FY2025.

GOVERNOR'S WORKFORCE BOARD

The Governor's Workforce Board (GWB) was created by the General Assembly in 2011 to be the lead coordinator for all workforce development efforts in the State. The GWB manages partnerships with workforce partners to invest in impactful workforce development, including:

- **Real Jobs Rhode Island (RJRI):** The RJRI program invests in sector-based intermediaries who serve as RJRI Partners and enables them to design and implement their initiatives to serve their industry's needs.

Article 11 of the FY2019 Budget included an adjustment to the Job Development Assessment, for tax year 2019 only, allowing the Department to divert an amount, up to 75.0 percent of the Employment Security Fund's investment earnings for 2018, to the Job Development Fund (JDF). Since 1989, Rhode Island employers have paid a Job Development Assessment (JDA) to support workforce development activities. The JDA is collected with the State's payroll and unemployment insurance taxes.

The FY2019 adjustment holds both employers and employees harmless, as it does not increase an employer's total unemployment tax liability but alters where the funds are deposited. For tax year 2019 only, less money was deposited into the Employment Security Trust Fund, and more was directed towards the Job Development Fund.

The FY2021 Budget began including the Governor's Workforce Board as a separate program, rather than a subprogram under Workforce Development Services.

Governor's Workforce Board	General Revenue
FY2026 Enacted	$6,050,000
Target and Other Adjustments	-
Real Jobs Rhode Island	Informational
FY2027 Enacted	**$6,050,000**

Governor's Workforce Board	Other Fund Changes
Rural Health Transformation Grant (federal funds)	$7,033,505

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Real Jobs Rhode Island ***Informational***

The Budget provides $6.1 million in general revenue to fund Real Jobs Rhode Island (RJRI), consistent with the FY2026 enacted level. The program provides training and placement assistance for job seekers, as well as skills training for incumbent workers, business owners, and other types of participants. Proviso language included in Article 1 requires the Department to expend $600,000 of general revenue on enhanced training for direct care and support services staff at nursing home facilities to improve the quality of care for residents.

According to the Real Jobs Rhode Island CY2025 Performance Overview Report, RJRI has trained over 51,000 workers, placed over 20,300 job seekers into employment, and served 6,800 unique businesses since inception in 2015. In CY2025, the Department reported 6,901 workers enrolled in various training programs, of which 5,092, or 73.8 percent, completed the program. Of the 3,115 job seekers enrolled in training or placement assistance programs, 2,126 completed the program and 1,152 received job placement in the field. The average annual wage for job seekers who have completed training, received placement, and maintained a work schedule of 35 hours per week was $44,024. The following table illustrates the program's performance in CY2025.

Calendar Year 2025 Activity	# Enrolled	# Completed	# Placed	% Completed	% Placed
Training and/or Placement Assistance for Job Seekers	3,115	2,126	1,152	68.3%	54.2%
Skills Training for Incumbent Workers	2,299	1,814	-	78.9%	-
Skills Training for Business Owners/Entrepreneurs	1,063	941	-	88.5%	-
Skills Training for Other Types of Participants	424	211	-	49.8%	-
Total	**6,901**	**5,092**	**1,152**	**73.8%**	**54.2%**

Source: Real Jobs Calendar Year 2025 Performance Overview

Additionally, the report provides data reflecting the self-reported average placement wages of RJRI participants, which are summarized below in the following table.

Average Placement Wage of Real Jobs Participants CY2021-CY2025

Gender	CY2021	CY2022	CY2023	CY2024	CY2025	*% Change from CY2021*	*% Change from CY2024*
Male	$40,093	$42,237	$41,941	$44,013	$45,318	*13.0%*	*3.0%*
Female	37,042	38,314	39,541	41,276	42,279	*14.1%*	*2.4%*
Self-Identified Race							
White	$40,107	$42,340	$42,424	$44,269	$46,253	*15.3%*	*4.5%*
Black	36,320	38,073	39,386	41,556	42,254	*16.3%*	*1.7%*
Asian	38,999	37,306	38,815	40,443	40,113	*2.9%*	*-0.8%*
Latinx	36,501	39,065	39,330	41,221	42,646	*16.8%*	*3.5%*
Of Multiple Races	35,830	39,722	39,328	42,900	42,106	*17.5%*	*-1.9%*

Source: Department of Labor and Training: Real Jobs RI Performance Overview CY2021-CY2025

The performance of Real Jobs is measured through two Key Performance Indicators (KPIs), which are noted in the Governor's FY2027 Budget documents produced by the Office of Management and Budget (OMB). The first KPI measures the number of jobs placed through Real Jobs Partnerships within 90 days of completion of Real Jobs activities. The following table illustrates the KPI from CY2023-CY2025 as well as the targets for CY2026 and CY2027.

KPI: Real Jobs Rhode Island- Job Placements

Calendar Year	2023	2024	2025*	2026	2027
Target	4,500	3,000	500	1,260	1,260
Actual	2,639	2,337	754		

**As of October 1, 2025*

Source: Office of Management and Budget, FY2027 Governor's Budget Recommendation

The second KPI measures the number of employers participating in Real Jobs Partnerships, defining a participating employer as one that placed an RJRI jobseeker within the calendar year. The following table illustrates the KPI from CY2023-CY2025 and indicates the targets for CY2026 and CY2027.

KPI: Real Jobs Rhode Island- Employer Engagement

Calendar Year	2023	2024	2025*	2026	2027
Target	1,000	1,200	200	400	400
Actual	1,434	1,329	558		

**As of October 1, 2025*

Source: Office of Management and Budget, FY2027 Governor's Budget Recommendation

Additionally, the Budget includes $19.0 million in restricted receipts to support the Governor's Workforce Board, $12.0 million of which are grants and assistance to Departmental programs like RJRI. Proviso language included in Article 1 requires the Department to expend $150,000 in restricted receipts for workforce training grants within the hospitality industry, specifically to fund certified food and alcohol safety training programs in multiple languages.

Rural Health Transformation Grant (federal funds) ***$7.0 million***

The Budget provides $7.0 million of federal funds to the Department of Labor and Training in FY2027 and $361,584 in FY2026 to support workforce-related activities within the Rural Health Transformation Program. The Department's primary responsibility will be managing the "Rural Workforce Program" as well as supporting the "Integrated Rural Population Health Initiative".

DLT will expand the training, job matching, and career counseling currently offered through the Real Jobs Rhode Island program to support rural healthcare providers. The Department will design and implement training programs for entry-level through advanced medical professions, including Community Health Workers, Nursing Assistants, EMTs, Peer Recovery Specialists, Dental Assistants and Hygienists, and maternal health occupations. Through partnerships with rural providers, educational institutions, and community-based organizations, the program will place trainees in clinical and community settings. This provides real-world, on-the-job training. Additionally, the program will advance the workforce through career pathway programs and by upskilling current medical professionals. The Department indicates that Real Jobs Rhode Island will "serve as the primary platform for aligning training with employer demand, supporting coordinated recruitment, and delivering flexible training pathways that respond to evolving healthcare workforce needs."

Of the $7.0 million awarded in FY2027, $335,518 is allocated for personnel salary and benefits, $108,363 for operating supplies, and $6.6 million for contracted services. The operating costs include $104,795 for indirect cost recovery associated with federal grants, $3,218 for computer and software supplies, and $350 for travel expenses. The $6.6 million for contracted services includes $6.5 million for training consultants and $89,624 for IT administration.

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CAPITAL BUDGET

The Budget provides $6.5 million of restricted receipts from the Department's Workers' Compensation Administrative Fund (WCAF) for one capital project titled the Workers' Compensation System Analysis & Modernization System. The Budget provides $500,000 in FY2027 and $6.0 million in out-years FY2028-FY2031. The Department indicates that the current Workers' Compensation System is a legacy product, written in ".net" and not fully integrated into the Department's other benefit systems. The project replaces the legacy system with a modernized system that is fully integrated with the Department's other systems. The following table illustrates the project's spending plan.

Workers' Compensation System Analysis & Modernization System

Fund Type	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	Total
Restricted Receipts	$0.0	$0.5	$1.0	$1.0	$2.0	$2.0	**$6.5**
Total	**$0.0**	**$0.5**	**$1.0**	**$1.0**	**$2.0**	**$2.0**	**$6.5**

$ in millions

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Department of Revenue

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Director of Revenue	$2.3	$3.2	$2.9	($0.2)	-7.6%	$2.9	($0.2)	-7.5%
Division of Collections	1.0	1.0	1.1	0.1	8.2%	1.1	0.1	14.1%
Lottery Division	403.2	448.0	434.1	(13.9)	-3.1%	433.8	(14.3)	-3.2%
Municipal Finance	1.7	2.0	2.0	(0.0)	-2.0%	2.1	0.0	1.1%
Office of Revenue Analysis	1.2	1.2	1.2	0.0	2.6%	1.2	0.0	2.6%
Registry of Motor Vehicles	41.9	41.3	42.8	1.5	3.7%	42.0	0.7	1.7%
State Aid	324.7	333.4	333.5	0.1	0.0%	337.1	3.7	1.1%
Taxation	35.4	43.2	40.0	(3.1)	-7.3%	42.9	(0.3)	-0.7%
	$811.4	**$873.2**	**$857.7**	**($15.6)**	**-1.8%**	**$863.0**	**($10.2)**	**-1.2%**
Expenditures By Source								
General Revenue	$402.1	$413.5	$414.5	$1.0	-	$418.7	$5.3	1.3%
Federal Funds	0.7	0.5	0.4	(0.1)	-19%	0.3	(0.2)	-39.2%
Restricted Receipts	5.3	11.1	8.5	(2.6)	-23%	10.0	(1.0)	-9.4%
Other Funds	403.2	448.2	434.3	(13.9)	-3%	433.9	(14.3)	-3.2%
Total	**$811.4**	**$873.2**	**$857.7**	**($15.6)**	**-1.8%**	**$863.0**	**($10.2)**	**-1.2%**
Authorized FTE Levels	599.5	605.5	605.5	-	-	605.5	-	-

$ in millions. Totals may vary due to rounding.

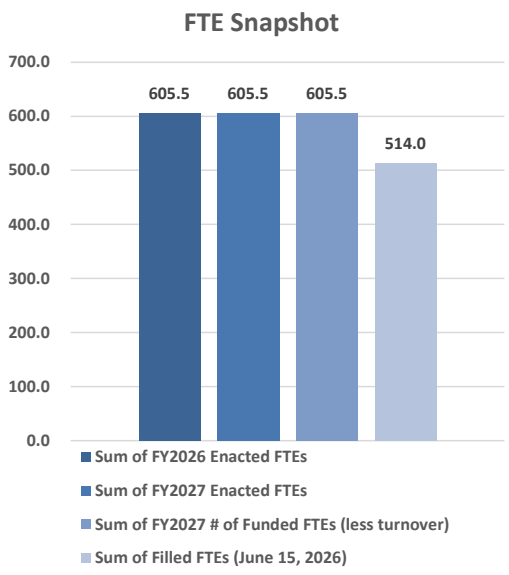
The Department of Revenue (DOR) was created as a separate department within the executive branch of government as part of the FY2007 Budget as Enacted. The Department is headed by a Director who is appointed by the Governor subject to the advice and consent of the Senate. The Department has eight program functions consisting of the Director's Office, the Division of Collections, the Lottery Division, Municipal Finance (DMF), the Office of Revenue Analysis (ORA), the Division of Motor Vehicles (DMV), the State Aid program, and the Division of Taxation.

MAJOR ISSUES AND TRENDS

The Budget includes $857.7 million from all funds in FY2026 and $863.0 million in FY2027, a 1.8 percent and 1.2 percent decrease, respectively, compared to the enacted level. The FY2026 Final Budget is a net $15.6 million less than the enacted level and is primarily related to adjustments in lottery prize payments in the current.

The FY2027 Budget is overall $10.2 million less than the enacted level. This is also related to an increase in lottery payments.

The Department has 605.5 authorized full time equivalent positions and the Budget funds 599.4 of them. As of June 2026, 514.0 positions were filled.



Important initiatives within the DOR budget include:

Taxation

- **Tax Amnesty:** Article 6 provides for 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

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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.

- **Other Revenue Initiatives:** In addition to the tax amnesty program, the Budget includes several significant revenue initiatives for FY2027 including:
  - **New High-Income Surtax:** Phasing in a new high-income surtax beginning tax year 2027 that taxes income over $1.0 million at an additional 1.0 percent per year over three years, resulting in an 8.99 percent final rate for TY2029 and beyond. This is estimated to generate $22.1 million in FY2027.
  - **Decoupling from Sections of Federal Tax Rules:** Decoupling state policy from certain new federal rules related to how a business' income is determined for tax purposes.
  - **Refundable Child Tax Credit:** Establishing 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.
  - **Social Security Income Modification Expansion:** Expanding the current social security modification by eliminating the "full retirement age" eligibility requirement. This is estimated to benefit 9,200 resident and 1,900 non-resident filers" and reduce revenue by $3.0 million in FY2027.
- **Pawtucket TIF Payment:** The Budget includes a $1.5 million other funds payment to Pawtucket related to the Tidewater Landing development and associated soccer stadium located within the City's statutorily-authorized redevelopment district. The Division of Taxation segregates economic activity taxes generated within the district and disburses them to the Pawtucket's Redevelopment Agency (PRA) to finance economic development bonds. The disbursements are made pursuant to General Assembly appropriation and to executed agreements between the Commerce Corporation, Pawtucket, and the developer. The PRA originally went to market on the financing for the stadium in February 2024, resulting in a 30-year, $54.0 million bond at 7.5 percent and total debt service of $131.7 million. This financing was renegotiated in December 2025, with borrowing costs being reduced from 8.6 percent to 4.6 percent.

State Aid

- **Tangible Property Reimbursement:** The Budget includes $25.9 million in tangible property tax relief in FY2026 and FY2027.
- **Distressed Communities Relief Fund:** The Budget includes 14.9 million in FY2026 for the Distressed Community Relief Fund and 15.8 million in FY2027. The increase is related to East Providence qualifying for the program in FY2027.
- **Payment in Lieu of Taxes (PILOT):** The Budget includes $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 at 27.0 percent of forgone tax revenue but allows for a ratable reduction if the appropriation is less than this amount. According to the Division of Municipal Finance (DMF), the budgeted amount represents 27.0 percent.
- **Motor Vehicle Excise Tax Reimbursement (MVET):** In FY2023, the General Assembly repealed the motor vehicle excise tax. Municipalities are reimbursed annually for lost revenue. The FY2027 Budget includes $244.3 million in MVET state aid.

DIRECTOR OF REVENUE

The Office of the Director is responsible for the administration of the Department. Functions include personnel management and legal support for the Department of Revenue.

Director of Revenue	General Revenue
FY2026 Enacted	$3,168,518
Target and Other Adjustments	*(49,280)*
Centralized Services (statewide adjustments)	(189,684)
FY2027 Enacted	**$2,929,554**

DIVISION OF COLLECTIONS

The Division of Collections was established in FY2019 to assist State agencies in the collection of delinquent debt. The Division enters into agreements with willing State agencies to transfer the debts to the Division, which are remitted back to the appropriate agency once successfully recovered.

Division of Collections	General Revenue
FY2026 Enacted	$994,263
Target and Other Adjustments	-
Personnel Adjustments (statewide adjustments)	95,436
Centralized Services (statewide adjustments)	44,619
FY2027 Enacted	**$1,134,318**

LOTTERY DIVISION

The Rhode Island Lottery was created in 1974 and was transferred into the Department of Revenue in 2006. The Lottery is responsible for promoting and selling games, including Daily Numbers, Keno, instant games (scratch tickets), multi-state pool games (PowerBall and MegaMillions), and the Lucky 4 Life regional game, as well as the authorization and licensing of video lottery terminals (VLTs), table games, and sports betting at Twin River Lincoln and Tiverton. In June 2023, the General Assembly authorized online gaming, which launches March 2024. No general revenues support the Division; it is entirely funded with other funds derived from Lottery sales.

Lottery Division	Other Funds Changes
FY2026 Enacted	$448,042,227
Target and Other Adjustments	*152,762*
Commission and Prize Payments	(15,064,013)
Personnel Adjustments (statewide adjustments)	628,155
FY2027 Enacted	**$433,759,131**

Commissions and Prize Payments (other funds) *($15.1 million)*

The net decrease of $15.1 million in Commissions and Prize Payments is based on the May 2026 Revenue Estimating Conference (REC) estimates of video lottery terminal (VLT) net terminal income and other lottery games. Net terminal income from VLTs is estimated to total $509.4 million, net table game revenue (NTGR) is estimated to total $119.6 million, the combined handle for sports betting is estimated at $443.1 million, and combined gaming revenue for iGaming is estimated to be $89.0 million. Gross revenue from these activities is deposited in the State lottery fund for administrative purposes with commissions distributed to Twin River and deductions made for casino operating expenses. The balance is remitted to the general fund.

DIVISION OF MUNICIPAL FINANCE

The Division of Municipal Finance (DMF) assists municipalities by providing data analysis and technical assistance as well as training on financial reporting, tax levy, and property valuation issues. The Division calculates the equalized property valuation information and State Aid distributions. The Motor Vehicle Value Commission is staffed by the Division and sets vehicle values that are subject to the motor vehicle excise tax. The Division plays an important role in administering the State's fiscal stability statutes. These

laws provide a tiered set of interventions, from budget commissions to receiverships, when a municipality experiences financial distress.

Division of Municipal Finance	General Revenue
FY2026 Enacted	$2,045,839
Target and Other Adjustments	*22,912*
FY2027 Enacted	**$2,068,751**

OFFICE OF REVENUE ANALYSIS

The Office of Revenue Analysis (ORA) analyzes the State's tax systems and revenue streams. The Office prepares the biennial Tax Expenditures Report, cost-benefit analyses of tax proposals, and fiscal notes for revenue-related legislation. The Office houses, and is the primary operator of, the State's sales tax and personal income tax models.

Office of Revenue Analysis	General Revenue
FY2026 Enacted	$1,173,041
Target and Other Adjustments	-
Personnel Adjustments (statewide adjustments)	30,643
FY2027 Enacted	**$1,203,684**

DIVISION OF MOTOR VEHICLES

The Division of Motor Vehicles (DMV) is responsible for issuing, suspending, and revoking all motor vehicle licenses and registrations and for the motor vehicle inspection program. The Division operates a main branch in Cranston, with satellite branches in Middletown, Wakefield, Warren, Westerly, and Woonsocket. Additionally, AAA offers some DMV services at select branch locations.

Division of Motor Vehicles	General Revenue
FY2026 Enacted	$35,374,576
Target and Other Adjustments	*$36,000*
Personnel Adjustments (statewide adjustments)	1,356,531
Centralized Services (statewide adjustments)	(851,146)
A&C ISF Charges (statewide adjustments)	152,330
FY2027 Enacted	**$36,068,291**

Division of Motor Vehicles	Other Funds Changes
DMV Information Technology System Maintenance (restricted receipts)	$200,000

DMV Information Technology System Maintenance (restricted receipts) $200,000

The Budget includes $5.6 million in contract professional services spending in FY2026 and FY2027 within the DMV for ongoing maintenance of its "Rhode Island Modernization System", or RIMS information technology system. This is up $200,000 from the FY2026 enacted level.

According to the DMV, the costs associated with maintaining RIMS, including upgrading to new releases, are expected to continue to grow. To address this the FY2026 Budget as Enacted increased the surcharge that the DMV is authorized to charge on every DMV fee transaction and uses to pay the original and ongoing costs associated RIMS from $2.50 to $3.50. The following shows the growth in maintenance costs since FY2016 and the revenue from the surcharge.

DMV Surcharge Revenue vs IT Expenditures

Fiscal Year	RIMS Expenditures	IT Contracted Services	Total IT Expenditures	$2.50 Surcharge Revenue	*Rev. v. Exp*	$3.50 Surcharge Revenue	*Rev. v. Exp*
FY2016	$1,804,937	$0	$1,804,937	$2,186,713	*$381,776*	$2,186,713	*$381,776*
FY2017	4,222,897	-	4,222,897	2,201,946	*(2,020,951)*	2,201,946	*(2,020,951)*
FY2018	183,735	-	183,735	2,183,401	*1,999,666*	2,183,401	*1,999,666*
FY2019	-	-	-	2,339,398	*2,339,398*	2,339,398	*2,339,398*
FY2020	1,219,689	-	1,219,689	2,533,970	*1,314,281*	2,533,970	*1,314,281*
FY2021	2,877,674	617,727	3,495,401	3,577,658	*82,257*	3,577,658	*82,257*
FY2022	2,940,400	622,683	3,563,083	3,579,341	*16,258*	3,579,341	*16,258*
FY2023	3,004,540	647,394	3,651,934	3,676,244	*24,310*	3,676,244	*24,310*
FY2024	3,070,127	581,786	3,651,913	3,874,226	*222,313*	3,874,226	*222,313*
FY2025	4,804,590	357,656	5,162,246	3,874,226	*(1,288,021)*	5,423,915	*261,669*
FY2026	4,948,728	357,656	5,306,384	3,874,226	*(1,432,159)*	5,423,915	*117,531*
FY2027	5,097,190	357,656	5,454,846	3,874,226	*(1,580,621)*	5,423,915	*(30,931)*
FY2028	5,250,105	357,656	5,607,761	3,874,226	*(1,733,536)*	5,423,915	*(183,846)*
FY2029	5,407,608	357,656	5,765,264	3,874,226	*(1,891,039)*	5,423,915	*(341,349)*

Prior to FY2023 all portions of the surcharge went to the ITIF
FY16 - FY17 DOR/DMV used surcharge revenue to pay settlement w/ Hewlett Packard resulting from RIMS litigation
FY18 - FY19 all collections were sent to ITIF
FY20 - FY22 $1.50 of the $2.50 was sent to ITIF
FY23 - All $2.50 retained

STATE AID

The Budget funds a number of State Aid payments. State aid is administered by staff in the Division of Municipal Finance.

(Additional information on the aid programs can be found in the Municipal Aid section of this report.)

State Aid	General Revenue
FY2026 Enacted	$332,365,142
Target and Other Adjustments	-
Motor Vehicle Excise Tax Reimbursement Program	4,793,822
Payments in Lieu of Tax Exempt Property	(2,268,505)
Distressed Communities Relief Fund	940,571
Property Revaluation Program	113,648
FY2027 Enacted	**$335,949,919**

Motor Vehicle Excise Tax Reimbursement Program *$4.8 million*

The Budget includes $244.3 million in FY2027 for the Motor Vehicle Excise Tax Reimbursement Program, $4.8 million above the enacted level, reflecting the annual 2.0 percent sales tax inflation adjustment.

In FY2023, the General Assembly eliminated local motor vehicle excise taxes ("car taxes") throughout the State. The final annual aid distribution amounts by municipality that year totaled $234.7 million (equal to the FY2024 levy) and are codified in RIGL 44-34.1-2.

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

Payment in Lieu of Taxes (PILOT) ***($2.3 million)***

The Budget includes $49.0 million in general revenue for the State's PILOT program in FY2027, $2.3 million less than the FY2026 enacted level. Current law requires reimbursement of 27.0 percent of foregone tax revenue but allows for a ratable reduction if the appropriation is less than this amount. The Budget's appropriates to 27.0 percent.

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

PILOT Properties by Municipality

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

Distressed Communities Aid Fund ***$940,571***

The Budget adds $940,571 to the state's Distressed Community Relief program, for a total of $15.8 million. This state aid program helps communities with the highest property tax burdens relative to the wealth of taxpayers. At the time the Governor submitted the Budget to the General Assembly in January 2026, the data needed to determine which communities are eligible for Distressed Community had not been released by the U.S. Census. The delay required the Division of Municipal Finance to use 2024 Census data to calculate a distribution estimate. Based on this data seven communities were determined eligible. The data has subsequently been updated by the U.S. Census for 2025. The new information indicates that East Providence is now eligible for the program in FY2027, and the Budget adds the funds to accommodate the eighth eligible community.

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Property Revaluation Program ***$113,648***

The Budget includes $826,038 in general revenue for the Property Revaluation program in FY2027, reflecting an increase of $113,648 relative to the FY2026 enacted level. The change is based on an increase in anticipated reimbursements. The following communities will be reimbursed for statistical updates in 2027: Burrillville, North Smithfield, Smithfield, Lincoln, Central Falls, East Providence, Warwick, West Warwick, North Kingstown, South Kingstown, and Jamestown. Woonsocket, Scituate, Providence, Bristol, Westerly, and Little Compton are scheduled for a full revaluation.

DIVISION OF TAXATION

The Division of Taxation assesses and collects taxes while also enforcing the State's tax laws. It is responsible for promulgating rules and regulations and preparing taxpayer forms and instructions; registering and recording taxpayer accounts; assessing and collecting taxes due; and enforcing non-compliance through collections, audits, and liens.

Division of Taxation	General Revenue
FY2026 Enacted	$38,331,490
Target and Other Adjustments	*$305,686*
Tax Amnesty	750,000
FY2027 Governor	**$39,387,176**

Division of Taxation	Other Funds Changes
Tax Increment Financing Disbursement to Pawtucket (restricted receipts)	Informational

Tax Amnesty ***$750,000***

The Budget includes $750,000 in operating and contract services expenditures to implement a tax amnesty program in FY2027. Article 6 of the Budget includes a tax amnesty program for a 75-day period ending February 15, 2027. A tax amnesty program is an initiative that state and local jurisdictions may periodically use to incentivize voluntary compliance with tax laws. Amnesty programs are typically for a defined period during which individuals with outstanding tax liabilities are permitted to settle the debt without facing criminal or civil penalties. In addition, the rate of interest on back taxes is typically reduced and payment plans may be offered.

Rhode Island has implemented tax amnesty programs five times, with the most recent being in 2017. That amnesty ran for 75 days (ending on February 15, 2018) and was open to non-filers and to those who had a record of a tax debt with the Division of Taxation. All major tax types were included. The initiative was authorized by the FY2018 Budget as Enacted and was estimated at the time to generate $12.5 million. It ultimately collected $22.0 million (with $11.0 million coming from personal income tax receipts). According to Taxation 10,828 amnesty applications were received. Known tax debts accounted for approximately 62.0 percent of the revenue collected, while "new debts" from non-filers accounted for approximately 38.0 percent. The amnesty waived all penalties and reduced owed interest by 25.0 percent. Taxation indicated that the total amount of penalties erased and interest reduced totaled approximately $9.9 million. Administrative costs totaled approximately $480,866.

The Article 5 proposal mirrors the 2017 program in terms of duration, applicable taxes and penalties, and implementation. It is estimated to generate $26.3 million in revenue in FY2027.

Tax Increment Financing Disbursement to Pawtucket (restricted receipts) ***Informational***

The Budget includes $1.5 million (entirely from baseline revenue generated within the TIF zone) to be made available to the Pawtucket Redevelopment Agency (PRA) for debt service payments in FY2027.

Legislation enacted in 2019 established several geographical districts within downtown Pawtucket in which any incremental tax revenues generated by new economic development would be made available to the City. Commerce RI is charged with certifying these new "economic activity tax" revenues and the Division

of Taxation segregates them into their own account. Taxation disburses these Pawtucket Redevelopment Activity Funds as directed by General Assembly appropriation. In 2021, prior to any new development taking place, DOR calculated the baseline revenues occurring within the district to be $8.9 million.

Pawtucket Redevelopment Activity Funds are in turn used to make payments on bond debt issued by the Pawtucket Redevelopment Agency (PRA). Bond proceeds are used to finance economic development projects within the district. This method of financing is called tax increment financing (TIF). Commerce RI approves which economic development projects are to receive TIF funds and in what amount. It also has the authority to pledge "baseline" revenue in addition to new economic activity tax revenue.

Soccer Stadium Financing: The largest project supported by this financing in Pawtucket is Tidewater Landing, originally a $400.0 million mixed-use development anchored by a soccer stadium. The stadium alone cost $137.0 million to build (up from its original expected cost of $128.4 million). Commerce RI has awarded the project $14.0 million in Rebuild RI tax credits and has pledged $27.0 million in baseline and incremental revenue-backed financing for the stadium beginning in FY2024 and continuing through FY2054.

In February 2024, the PRA issued $54.3 million in bonds to secure the $27.0 million (the difference between the bond issuance and the pledged funds includes the costs of issuance, administrative expenses, and a pair of reserve accounts). At that time the net debt service over the 30-year term of the bonds was $131.7 million.

According to the Office of Management and Budget, the high debt service costs were related to the lack of a guarantee that the stadium would in fact be built and put into service. This risk was eliminated when the soccer stadium opened in August 2025. At that time the PRA and the state began negotiating with the sole bond holder to buy back the bonds with the intent of reissuing them at a more favorable rate now that the stadium was built. The bond holder agreed (receiving a 30.0 percent premium on the redemption) and in December 2025, the PRA successfully reissued the bonds, lowering borrowing costs from 8.6 percent to 4.6 percent. The refinancings is estimated to save $15.1 million over the 30 years, reducing total payments from $131.7 million to $116.6 million. The following table shows the debt service comparison.

Comparison of Net Debt Service = Series 2024A vs. Series 2025A

	Series 2024A	Series 2025A
Par Value	$54,285,000.00	$59,925,000.00
Original Issue Premium (Discount)	(4,451,370.00)	4,050,720.30
Net Proceeds	**$49,833,630.00**	**$63,975,720.30**

	Series 2024A	Series 2025A	*Difference*
FY2025	-	-	-
FY2026	-	-	-
FY2027	$2,035,687.50	$1,531,975.00	*($503,712.50)*
FY2028	4,561,375.00	4,383,950.00	*(177,425.00)*
FY2029	4,608,875.00	4,383,450.00	*(225,425.00)*
FY2030	4,656,185.00	4,390,260.00	*(265,925.00)*
FY2031	4,697,931.20	4,388,881.20	*(309,050.00)*
FY2032	4,749,114.82	4,394,564.82	*(354,550.00)*
FY2033	4,793,612.12	4,396,812.12	*(396,800.00)*
FY2034	4,841,424.36	4,400,624.36	*(440,800.00)*
FY2035	4,891,802.85	4,405,752.85	*(486,050.00)*
FY2036	4,938,998.91	4,406,948.91	*(532,050.00)*
FY2037	4,987,638.89	4,409,213.89	*(578,425.00)*
FY2038	5,036,974.16	4,412,299.16	*(624,675.00)*
FY2039	5,091,256.15	4,415,956.15	*(675,300.00)*
FY2040	5,139,361.27	4,419,936.27	*(719,425.00)*
FY2041	5,190,915.99	4,423,990.99	*(766,925.00)*
FY2042	5,244,796.81	4,427,871.81	*(816,925.00)*
FY2043	5,294,880.25	4,436,330.25	*(858,550.00)*
FY2044	5,350,417.86	4,438,867.86	*(911,550.00)*
FY2045	5,399,911.21	4,440,486.21	*(959,425.00)*
FY2046	5,457,611.94	4,445,936.94	*(1,011,675.00)*
FY2047	5,511,646.68	4,452,696.68	*(1,058,950.00)*
FY2048	5,565,892.11	4,456,667.11	*(1,109,225.00)*
FY2049	5,623,849.95	4,457,587.45	*(1,166,262.50)*
FY2050	5,678,646.95	4,465,196.95	*(1,213,450.00)*
FY2051	5,733,784.89	4,468,709.89	*(1,265,075.00)*
FY2052	5,792,390.59	4,472,865.59	*(1,319,525.00)*
FY2053	868,852.90	4,477,140.90	*3,608,288.00*
Total	**$131,743,835.36**	**$116,604,973.36**	***($15,138,862.00)***

		NPV Savings	**$4.795M or 8.8%**
TIC	8.56%	4.59%	
All-in TIC	10.25%	4.65%	

Source: State Budget Office

TOC

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Legislature

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Auditor General	$7.1	$8.2	$8.3	*$0.1*	*1.8%*	$8.4	*$0.3*	*3.5%*
House Fiscal Advisory Staff	2.0	2.7	2.7	*0.0*	*0.7%*	2.7	*0.1*	*2.1%*
General Assembly	10.6	8.7	10.5	*1.8*	*20.0%*	9.0	*0.3*	*3.4%*
Joint Comm. on Legislative Services	31.7	35.8	42.1	*6.3*	*17.6%*	36.3	*0.5*	*1.3%*
Legislative Council	4.3	6.0	6.3	*0.3*	*4.5%*	6.3	*0.2*	*3.7%*
Special Legislative Commissions	0.0	0.0	0.0	*0.0*	*0.0%*	0.0	*0.0*	*0.0%*
	$55.7	**$61.4**	**$69.9**	***$8.5***	***13.8%***	**$62.8**	***$1.3***	***2.2%***
Expenditures By Source								
General Revenue	$53.4	$58.7	$67.2	*$8.4*	*14.3%*	$60.0	*$1.2*	*2.1%*
Restricted Receipts	2.3	2.7	2.7	*0.0*	*1.8%*	2.8	*0.1*	*3.5%*
Total	**$55.7**	**$61.4**	**$69.9**	***$8.5***	***13.8%***	**$62.8**	***$1.3***	***2.2%***
Authorized FTE Levels	298.5	298.5	298.5	-	-	298.5	-	-

$ in millions. Totals may vary due to rounding.

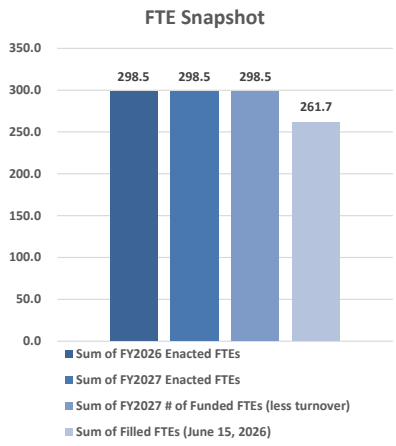
The Rhode Island General Assembly enacts laws, develops state policy, and evaluates programs through the appropriation process. The General Assembly consists of six programs which assist in executing its constitutional role:

- The General Assembly consists of two chambers, with the Senate composed of 38 members and the House of Representatives with 75 members. The General Assembly meets annually.
- The House Fiscal Advisory Staff provides fiscal research support to the House membership and the House Finance Committee.
- The Legislative Council develops legislation and researches various issues for Senate and House members.
- The Joint Committee on Legislative Services is the administrative arm of the General Assembly.
- The Office of the Auditor General conducts financial reviews and evaluations of state programs and completes annual post-audits for the State.
- Special Legislative Commissions include study commissions and task forces established by the General Assembly to analyze various public policy issues.

MAJOR ISSUES AND TRENDS

The Budget provides $69.9 million in FY2026 and $62.8 million in FY2027 for the Legislature, including $67.2 million and $60.0 in general revenue, respectively. Under RIGL 35-3-15, all unexpended balances of general revenue appropriations to the General Assembly are reappropriated in the following fiscal year for the same purposes. The General Assembly closed FY2025 with a surplus of $10.7 million; however, it only requested $8.3 million of this to be appropriated in FY2026, with the remaining $2.5 million becoming a part of the general surplus.

The table below summarizes the genera revenue budget by category for FY2026 and FY2027.



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General Revenue Expenditures by Category

Category	FY2026 Enacted	FY2026 Final	*Change from Enacted*	FY2027 Enacted	*Change from Enacted*
Salary and Benefits	$49.1	$50.1	*$1.0*	$50.1	*$1.0*
Contract Professional Services	1.6	2.0	*0.4*	1.7	*0.1*
Operating Supplies and Expenses	4.9	11.9	*7.0*	5.1	*0.2*
Assistance and Grants	2.3	2.3	*0.0*	2.3	*0.0*
Capital Purchases and Equipment	0.7	0.8	*0.1*	0.7	*0.0*
Total	**$58.7**	**$67.2**	***$8.4***	**$60.0**	***$1.2***

$ in millions

Personnel: The Budget includes $50.1 million in FY2027 for General Assembly personnel costs, $1.0 million over the enacted level. This increase is primarily related to statewide benefit adjustments and cost of living adjustments (COLAs). The Budget provides for 298.5 FTE positions for FY2026 and FY2027, consistent with the FY2026 Budget as Enacted.

General Revenue Personnel Expenditures

Category	FY2026 Enacted	FY2026 Final	*Change from Enacted*	FY2027 Enacted	*Change from Enacted*
Benefits	$19.0	$19.5	*$0.4*	$19.4	*$0.3*
Salaries	29.3	29.8	*0.5*	29.9	*0.6*
Statewide Benefit Assessment	0.8	0.8	*0.0*	0.9	*0.0*
Total	**$49.1**	**$50.1**	***$1.0***	**$50.1**	***$1.0***

$ in millions

Operating: The Budget also includes a net $198,329 increase in operating expenditures, primarily reflecting changes in agency charges for the state's Enterprise Resource Planning system, known as *Workday*. This statewide system operates as the state's payroll, grants management, and financial data system.

Auditor General: The Budget also includes $2.8 million in restricted receipts in FY2027. These funds are dedicated to the Auditor General's office. They are derived from a 0.5 percent audit fee that is assessed on all federal grants in State departments and are used to finance personnel costs associated with the Auditor General's annual Single Audit Report.

Lieutenant Governor

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Lieutenant Governor	$1.3	$1.5	$1.5	*$0.0*	*1.3%*	$1.6	*$0.1*	*4.0%*
Expenditures By Source								
General Revenue	$1.3	$1.5	$1.5	*$0.0*	*1.3%*	$1.6	*$0.1*	*4.0%*
Total	**$1.3**	**$1.5**	**$1.5**	***$0.0***	***1.3%***	**$1.6**	***$0.1***	***4.0%***
Authorized FTE Levels	8.0	8.0	8.0	-	-	8.0	-	-

$ in millions. Totals may vary due to rounding.

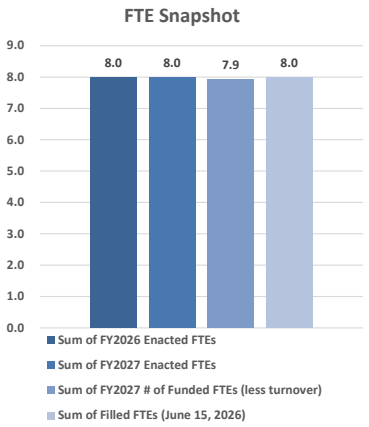
The Office of the Lieutenant Governor is one of the five general offices subject to voter election under the Constitution of Rhode Island. The Lieutenant Governor fulfills the executive responsibilities of the Governor upon his/her death, resignation, impeachment or inability to serve. The Lieutenant Governor serves on the Rhode Island Emergency Management Advisory Council (Chair); the Small Business Advocacy Council (Chair); and the Long-Term Care Coordinating Council (Chair), and the Office initiates legislation and assumes advocacy and leadership roles in several policy areas such as emergency management, veterans' affairs, education, economic development, the environment, long-term care, health care and elderly affairs. The Office also serves as a liaison between citizens and state agencies.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget includes $1.5 million in general revenue, reflecting an increase of $13,043 as compared to the enacted budget. The final Budget includes the statewide operating adjustments of $13,245 for Internal Agency ETSS Charges, offset by a decrease of $1,100 for ERP Maintenance and Operations Billings.

The FY2027 Budget as Enacted includes $1.6 million, reflecting a general revenue increase of $55,150, The enacted budget includes the statewide personnel COLA adjustment (3.0 percent COLA). Salary and benefit costs increase $43,710 inclusive of the Statewide COLA provision and medical benefit rate adjustments. The increase is offset by a reduction of $12,309 for turnover.

The Budget includes 8.0 FTE positions for FY2026 and FY2027, consistent with the enacted budget.



Lieutenant Governor	General Revenue
FY2026 Enacted	$1,519,219
Target and Other Adjustments	*(4,620)*
Personnel Adjustments (statewide adjustments)	31,401
A&C ISF Charges (statewide adjustments)	16,115
Internal Agency ETSS Charges (statewide adjustments)	12,254
FY2027 Enacted	**$1,574,369**

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Office of the Secretary of State

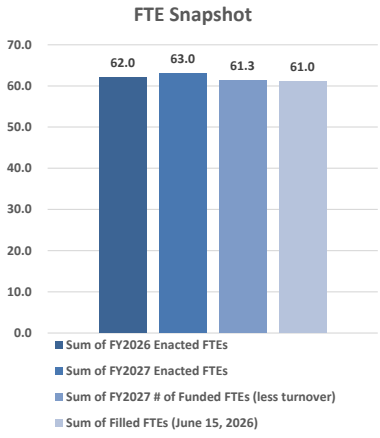
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Administration	$5.5	$6.0	$6.2	*$0.2*	*3.3%*	$6.1	*$0.1*	*2.1%*
Corporations	2.7	2.9	2.7	*(0.2)*	*-7.9%*	2.8	*(0.1)*	*-4.0%*
State Archives	0.9	0.8	0.9	*0.1*	*18.3%*	0.9	*0.1*	*14.1%*
Elections and Civics	3.6	4.1	3.8	*(0.3)*	*-8.4%*	5.2	*1.1*	*27.6%*
State Library	0.6	0.7	0.7	*(0.0)*	*-0.8%*	0.7	*0.0*	*1.8%*
Office of Public Information	0.8	0.9	0.9	*(0.0)*	*-1.2%*	0.7	*(0.2)*	*-19.2%*
Total	**$14.0**	**$15.3**	**$15.0**	***($0.3)***	***-1.7%***	**$16.4**	***$1.1***	***7.2%***
Expenditures By Source								
General Revenue	$12.7	$12.9	$12.5	*($0.3)*	*-2.4%*	$14.0	*$1.1*	*8.5%*
Federal Funds	0.9	2.0	2.0	-	-	2.0	-	*0.0%*
Restricted Receipts	0.4	0.4	0.4	*(0.0)*	*-4.3%*	0.4	*(0.0)*	*-2.6%*
Other Funds	0.0	-	0.1	*0.1*	-	-	-	-
Total	**$14.0**	**$15.3**	**$15.0**	***($0.3)***	***-1.7%***	**$16.4**	***$1.1***	***7.2%***
Authorized FTE Levels	62.0	62.0	62.0	-	-	63.0	*1.0*	*1.6%*

$ in millions. Totals may vary due to rounding.

The Secretary of State is one of five general officers subject to voter elections under the Constitution of Rhode Island. The Office of the Secretary of State prepares for state and local elections, manages the State's records, and provides public information about state government. The Office's budget consists of six divisions including Administration, Corporations, State Archives, State Library, Elections and Civics, the Office of Public Information, and one internal service funded section (Record Center).

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget has a net decrease of $312,850 in general revenue ($271,481 all funds) from the FY2026 Budget as Enacted. The decrease largely reflects a reduction of $300,000 from the statewide mailing to update the State's voter registration. The FY2026 Budget as Enacted included $750,000 in general revenues to update the State's voter registration list. The mailing was completed at a cost of $450,000, resulting in a savings of $300,000 to the budget. In addition, the final budget adds $60,000 in RICAP funds for expenditures incurred during FY2026 towards the new State Archives and History Center.



For FY2027, general revenue expenditures increase by $1.1 million. This is offset slightly by a reduction of $11,316 in restricted receipts. The change reflects the third installment of the agreed salary COLA at 3.0 percent in FY2027 and includes $1.5 million for election costs required in FY2027.

The Budget includes 62.0 FTE positions in FY2026 and 63.0 FTE positions in FY2027, reflecting the addition of a new 1.0 FTE Address Confidentiality Program Manager position within the Elections Division.

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ADMINISTRATION

The Administration program provides operational support for the Office, including personnel management; fiscal management and budget preparation; information technology support; constituent affairs response; communications and media relations; and policy development and legislative affairs.

Administration	General Revenue
FY2026 Enacted	$5,975,167
Target and Other Adjustments	*13,202*
Computer Equipment Purchase	(255,000)
Personnel Adjustments (statewide adjustments)	214,389
Turnover and Seasonal/Special Wage Adjustments	99,812
A&C ISF Charges (statewide adjustments)	70,818
ERP Maintenance and Operations Billings (statewide adjustments)	(60,005)
Contract Services	39,285
FY2027 Enacted	**$6,097,668**

Computer Equipment Purchase ***($255,000)***

The Budget removes one-time funding for the replacement of the Dell PowerEdge MX7000 modular chassis computer operating system. This is a decrease of $255,000 in general revenue for the program as compared to the previous fiscal year. The FY2026 Budget as Enacted included $255,000 to purchase and replace the Dell PowerEdge MX7000 system.

This computer operating system controls the Secretary of State's primary applications for open meetings, rules, and regulations, as well as the corporate filings, Uniform Commercial Code filings, and the Agency's public facing web sites.

Turnover and Seasonal/Special Wage Adjustments ***$99,812***

The Budget eliminates the turnover savings that had been included in the FY2026 Budget as Enacted and properly allocates the seasonal Courier/Advance position to the Administration program rather than Elections and Civics program as in the enacted budget. Together, these two items, reflect an increase of $99,812 in general revenue within the Administration program.

Contract Services ***$39,285***

The Budget adds $39,285 in general revenue to conduct an Elections Systems and Facilities Assessment, a systems federal and state evaluation to meet baseline standards established under the Help America Vote Act (HAVA). This service provides continuous monitoring of individual electronic devices to respond to threats that may bypass traditional protections.

Beginning in June 2026, these cyber assessments, penetration testing, and Endpoint Detection and Response services, will no longer be provided for free from federal offices. The elections evaluation is for an engagement the federal government used to do and will no longer provide. The Office requested one from the federal government a few years ago, but they we not able to perform one as they did not have the resources. In short, there are changes that require the State to account for services that will no longer be free.

By federal law, the State is required to do a security assessment ahead of every state-wide election. The Department of Homeland Security (DHS) Cybersecurity and Infrastructure Security Agency (CISA) provided their services in April 2024 for this assessment. The current federal administration reduced CISA's funding drastically for elections support, thereby requiring the State to provide additional funding.

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STATE ARCHIVES

The State Archives Division is the official repository for preserving and maintaining the permanent records of State government. The Division sets regulations for state document retention and assists state agencies with records management. Since 1992, the Division has also operated the Local Government Records Program, which is now largely funded with the Historical Records Trust restricted receipt account.

State Archives	General Revenue
FY2026 Enacted	$356,659
Target and Other Adjustments	*1,500*
Operating Adjustments	66,254
Personnel Adjustments (statewide adjustments)	50,771
State Archives and History Center	*Informational*
FY2027 Enacted	**$475,184**

State Archives	Other Fund Changes
Personnel Adjustments (statewide adjustments) (restricted receipts)	$39,938
Historical Records Trust (restricted receipts)	*Informational*

Operating Adjustments *$66,254*

The Budget includes a $66,254 general revenue increase in operating adjustments. The increase includes $51,254 reflecting a shift in the rental expense from the restricted Historical Records Trust (HRT) to general revenue to address the long-term decline in HRT receipts; a $10,000 increase in Office Supplies to support preservation and conservation projects that have been delayed due to the decline in HRT resources; a $4,000 increase in security and safety supplies to support the alarm system at the State Archives; and, a $1,000 increase in Dues and Fees to support the Council of State Archivists dues.

There is a corresponding decrease of $51,254 in restricted receipts reflecting the shift of rent costs from restricted receipts to general revenue.

Operating Adjustments	FY2026 Enacted	FY2027 Enacted	*Change*
Property Rent	$94,420	$145,674	*$51,254*
Office Supplies	25,000	35,000	*10,000*
Security/Safety Supplies	1,000	5,000	*4,000*
Dues and Fees	2,500	3,500	*1,000*
Other Operating Adjustments	115,576	115,576	-
Total	**$238,496**	**$304,750**	***$66,254***

State Archives and History Center *Informational*

Article 5 - Question 4 of the FY2027 Budget as Enacted proposes financing of up to $45.0 million in general obligation bonds for the construction of a new State Archives and History Center. The State History Center will include exhibit and meeting space, as well as storage for the State's most valuable documents. The FY2027 Capital Budget proposed $4.5 million from the RI Capital Plan Fund in FY2028 and $45.0 million in general obligation bonds to be placed on the November 2026 ballot for voter approval for the planning and construction of the Rhode Island Archives and History Center. The new building will serve as a permanent home for the State's archives, currently located in leased space in the City of Providence, and would provide for the display of historical documents and artifacts.

Historical Records Trust (restricted receipts) *Informational*

The Budget uses the Historical Records Trust to fund certain personnel and operating costs in the State Archives program. The FY2026 Final Budget increased restricted receipt expenditures for personnel costs in the State Archive program, reflecting the statewide salary COLA and benefit adjustments.

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The Historical Records Trust (HRT) account is funded by collecting a $4 fee per instrument for recording (for example, contracts for sale of land or letters of attorney) from municipalities to assist local governments with preservation of public records in their custody or care. Revenue generated from the Trust supports the personnel and operating costs in the State Archives program.

The Office of the Secretary of State indicates that the reduction in land sales within the past years has negatively impacted revenue received for this account. The Office estimates that the HRT will experience a deficit based on the projected collections in FY2027. The Secretary of State's office has continued with difficulty keeping up with these costs, however, with the depletion of funds received through the HRT, it is projected to impact the budget. This will require a shift of expenses to general revenue to cover the expenses of the State Archives.

In 2007 the instrument fee was raised twice. First from $2 to $3 in the budget then from $3 to $4 by an act that became effective October 3, 2007. Neither the Secretary of State nor the Governor requested or included a fee increase as part of the FY2027 Budget.

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027 Enacted
Balance Forward	$44,136	$62,239	$41,995	$14,665	$119,975	$123,167	$12,236	$30,545	$6,861	$16,238
Receipts	431,942	409,104	440,709	576,390	549,703	375,902	331,280	339,030	398,000	*398,000*
Expenditures	413,839	429,348	468,039	471,080	546,511	486,834	312,971	362,714	388,623	393,474
Cash Forward	**$62,239**	**$41,995**	**$14,665**	**$119,975**	**$123,167**	**$12,236**	**$30,545**	**$6,861**	**$16,238**	**$20,764**

Source: Receipt information from Office of the Secretary of State
Revised by SoS on July 30, 2026, FY2027 receipts is SoS projection.

CORPORATIONS

The Corporations Division is the official State repository for business and commercial records and maintains a searchable database that includes articles of incorporation and entity annual reports. The Division also houses the First Stop Information Center, a referral service for existing and potential small business owners; the Uniform Commercial Code Unit for tangible property lien tracking; and a Notary and Trademark application program.

Corporations	General Revenue
FY2026 Enacted	$2,913,879
Target and Other Adjustments	*12,676*
Turnover	*(171,597)*
Rental of Outside Property	*30,000*
Legal Services	10,000
FY2027 Enacted	**$2,794,958**

Turnover *($171,597)*

The Budget includes turnover savings of $218,289 in general revenue, an increase of $171,597 from the FY2026 Budget as Enacted. The turnover is equivalent to 6.2 FTE positions within Corporations. The FY2026 Final Budget has a similar turnover savings of $210,000, reflecting an increase of $163,308 for the Corporations program. Again, this was equivalent to 6.2 FTE positions within the program. Currently, the Division has a vacancy of 1.0 FTE position. However, during FY2026, the Division had 2.0 people retire and another 2.0 people left employment.

Rental of Outside Property *$30,000*

The Budget includes $237,000 in general revenue for cost of the new West River Street lease term that will renew on July 1, 2026. This is a $30,000 increase as compared to the FY2026 Budget as Enacted appropriation.

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Article 9 Section 2 of the FY2027 Budget as Enacted authorizes the Secretary of State to renew its current lease with EGMP 146-148 West River LLC, for a term not to exceed ten years. The Department first leased this space in 2005. The current lease for 12,152 square feet of office space is set to expire on July 31, 2026. The property is located at 146 - 148 West River Street, Providence, and is currently used as office space for the Department's Finance and Personnel staff, the Corporations program and the Elections and Civics program. The article stipulates that the aggregate fixed rent is not to exceed $2.9 million over the ten-year period.

The Division of Capital Asset Management and Maintenance (DCAMM) conducted the negotiations on behalf of the Department of State with EGMP and provided the Department with some alternative sites in the event EGMP was not going to provide an acceptable lease cost. In conclusion the renewal cost was acceptable by both the Department and DCAMM.

Legal Services ***$10,000***

The Budget includes $30,000 in general revenue for legal service expenses in the Corporations program. This is a $10,000 increase as compared to the FY2026 Budget as Enacted appropriation and reflects current projected expenditures.

ELECTIONS AND CIVICS

The Elections Division promotes voter registration and turnout; maintains the State's central voter registration system; publishes guides and handbooks; explains how to run for office and how to register and vote; and provides descriptions of state referenda questions. The Division is charged with developing, printing, and distributing ballots, including candidate certification. Increases in operating supplies and expenses, primarily printing, postage and postal services, are expected during the general election year.

Elections and Civics	General Revenue
FY2026 Enacted	$2,107,040
Target and Other Adjustments	*36,850*
Election Costs	680,000
Building Improvements	275,000
Address Confidentiality Program FTE	120,288
Personnel Adjustments (statewide adjustments)	18,970
FY2027 Enacted	**$3,238,148**

Elections and Civics	Other Fund Changes
HAVA Election Security Grant (federal funds)	*Informational*

Election Costs ***$680,000***

The Budget includes $1.5 million in general revenue for election expenses, an increase of $680,000 as compared to the FY2026 Budget as Enacted, reflecting that FY2027 is in the general election cycle. Printing, mailing ballots and referenda materials, and advertising expenses increase in odd-numbered fiscal years when there is a statewide election or on the general election cycle.

Election Costs	FY2026 Enacted	FY2027 Enacted	*Change*
Printing Services - Elections	$475,000	$1,025,000	*$550,000*
Printing Services - Referenda	-	105,000	*105,000*
Postage and Postal Services	375,000	300,000	*(75,000)*
Advertising	-	70,000	*70,000*
Temporary Staffing: Clerical/Admin	-	30,000	*30,000*
Total	**$850,000**	**$1,530,000**	***$680,000***

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Building Improvements ***$275,000***

The Budget includes $275,000 in general revenue for one-time funding of building improvements for the buildout of the leased West River Street office. The funding will be used to close off the Elections office from the rest of the space, mitigating physical and operational security vulnerabilities that were identified in an assessment performed by the Cybersecurity and Infrastructure Security Agency.

Address Confidentiality Program FTE ***$120,288***

The Budget adds $120,288 in general revenue to fund a new 1.0 FTE position as requested by the Secretary of State. The Address Confidentiality Program Manager position would be within the Elections Division. The salary and benefit cost is $120,288 in FY2027.

The Address Confidentiality Program (ACP), established in 2022, is one of the lesser-known programs managed by the Department of State. The ACP enables victims of domestic violence, abuse, stalking, sexual assault, or human trafficking to keep their personal information safe from their abuser.

The Department of State operates a mail forwarding service, where survivors can use a Department P.O. Box as a substitute address, and the Department ensures that the person's actual addresses is not listed in public information, such as the voter registration file.

The ACP currently serves 130 survivors, including 51 children and does not have its own dedicated staff. A full-time staff person would enable the Department to expand its outreach to partners in law enforcement, healthcare, schools, community-based organizations, and the Courts, and to provide more comprehensive services to program participants.

HAVA Election Security Grant (federal funds) ***Informational***

The Budget includes $2.0 million in federal funds from previous Help America Vote Act (HAVA) awards to assist the State with the federal elections. The first award predated the COVID-19 pandemic in 2018 and was intended to modernize the election systems, the second award was authorized for the same purposes, to modernize and secure the 2020 federal election cycle. The third award was to continue modernization. The State received additional HAVA awards of $1.0 million in 2023 and 2024 to assist with the 2024 election period. Total federal HAVA awards received is $9.5 million.

The FY2026 Budget as Enacted included $2.0 million, of which $210,021 has been expended to date. The Budget includes $2.0 million in federal funds as part of the FY2027 Budget.

To date the State received $10.3 million from the U.S. Election Assistance Commission (EAC). This includes the expected award of $819,000 in 2026. Total expenditure of the funds is $5.9 million.

The Office of the Secretary of State requests $2.0 million for HAVA funds each year, just to include a dollar amount. It is not expected that the full amount will be expended anytime, nor has the Office of the Secretary of State allotted the funds for any definite project. The EAC rolls all the grants into one grant, so it is not possible to determine what expenditures were made from which grant year.

HAVA Award Revenue	
2018 HAVA Award	$3,000,000
2020 HAVA Award	3,216,181
2022 HAVA Award	1,000,000
2023 HAVA Award	1,000,000
2024 HAVA Award	1,000,000
2025 HAVA Award	272,727
2026 HAVA Award	*819,000*
Total HAVA Award	**$10,307,908**

Expenditures	
FY2019 Actual	$907,311
FY2020 Actual	1,358,787
FY2021 Actual	413,758
FY2022 Actual	999,628
FY2023 Actual	562,061
FY2024 Actual	519,579
FY2025 Actual	913,819
FY2026 Final	372,545
Total Expended to Date	**$6,047,488**
FY2027 Enacted	*2,000,000*
Total	**$8,047,488**

STATE LIBRARY

The State Library provides reference and research services about law, legislation, rules and regulations, government reports, and state history. The library is an official Federal Government Publications Depository and State Publications Clearinghouse.

State Library	General Revenue
FY2026 Enacted	$668,263
Target and Other Adjustments	*12,447*
FY2027 Enacted	**$680,710**

OFFICE OF PUBLIC INFORMATION

The Office of Public Information is designed to make government more open and accessible. State law requires many documents to be filed with the Office, including lobbying disclosures, public meeting notices and minutes, disclosure of state government consultants, and appointments to boards and commissions.

Office of Public Information	General Revenue
FY2026 Enacted	$840,724
Target and Other Adjustments	*6,151*
Operating Adjustments	(172,170)
FY2027 Enacted	**$674,705**

Operating Adjustments *($172,170)*

The Budget decreases general revenue by $172,170, primarily reflecting a $198,250 decrease in Program Supplies, leaving $85,000 for the RI250 programs for calendar year 2026; a $28,000 increase in Printing Services; and a $6,000 decrease in Software Maintenance to better reflect recent actuals and current projections.

Other operating adjustments reflect an increase of $4,080 and comprise a $2,500 increase in Office Supplies to better reflect recent actual and current projections; a $1,500 increase in Postage and Postal Services for the printing of the biennial Rhode Island Government Owner's Manual; and an $80 increase in Notary Public.

TOC

Operating Adjustments	FY2026 Enacted	FY2027 Enacted	*Change*
Program Supplies	$283,250	$85,000	*($198,250)*
Printing Services	11,500	39,500	*28,000*
Software Maintenance	17,000	11,000	*(6,000)*
All Other Operating	47,950	52,030	*4,080*
Total	**$359,700**	**$187,530**	***($172,170)***

RECORDS CENTER

The Records Center is an internal service program funded with internal service funds (Records Center Fund or RCF), no general revenues fund program activities. The RCF funds over 70.0 percent of the personnel costs of the State Archives program.

The inactive records of state agencies are stored at the State Records Center and administered by the Public Records Administration. Inactive records are records that departments and agencies no longer require immediate access to, but that are not yet eligible for disposal because of administrative, fiscal or legal requirements. Access to these records is provided only through the expressed permission of the originating state agency.

Records Center Fund - ISF	FY2024 Actual	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Personnel	$360,343	$379,281	$609,069	$532,832	*($76,237)*	$545,088	*($63,981)*
Contract Services	461,883	421,167	69,395	494,395	*425,000*	494,395	*425,000*
Operations	107,633	119,053	552,220	127,220	*(425,000)*	127,220	*(425,000)*
Capital Equipment	-	-	1,000	1,000	-	1,000	-
Total	**$929,859**	**$919,501**	**$1,231,684**	**$1,155,447**	***($76,237)***	**$1,167,703**	***($63,981)***

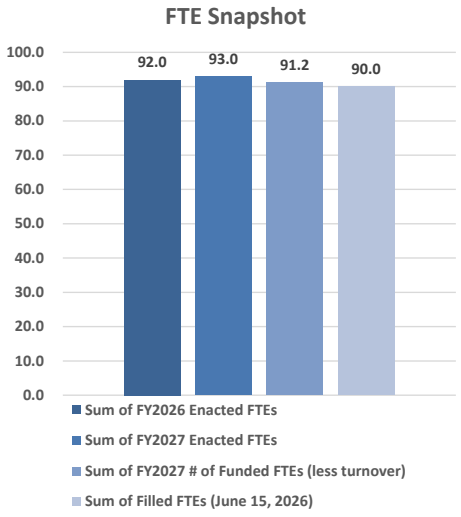
Office of the General Treasurer

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
General Treasurer	$4.1	$4.7	$5.4	*$0.8*	*16.5%*	$4.5	*($0.2)*	*-4.3%*
Employees' Retirement System	12.8	16.3	16.5	*0.2*	*0.9%*	16.8	*0.5*	*2.8%*
Unclaimed Property	2.7	3.3	3.4	*0.0*	*1.2%*	3.4	*0.1*	*3.0%*
Crime Victim Compensation Program	1.6	1.7	1.6	*(0.0)*	*-1.8%*	1.6	*(0.0)*	*-0.6%*
Total	**$21.2**	**$26.0**	**$26.9**	***$0.9***	***3.6%***	**$26.3**	***$0.3***	***1.3%***
Expenditures By Source								
General Revenue	$4.2	$4.6	$5.4	*$0.8*	*17.0%*	$4.4	*($0.2)*	*-4.1%*
Federal Funds	0.7	0.8	0.8	*(0.0)*	*-0.5%*	0.8	-	*0.0%*
Restricted Receipts	15.7	19.9	20.1	*0.2*	*0.8%*	20.4	*0.5*	*2.7%*
Other Funds	0.5	0.6	0.6	*(0.0)*	*(0.0)*	0.6	*(0.0)*	*-0.8%*
Total	**$21.2**	**$26.0**	**$26.9**	***$0.9***	***3.6%***	**$26.3**	***$0.3***	***1.3%***
Authorized FTE Levels	91.0	92.0	92.0	-	-	93.0	*1.0*	*1.1%*

$ in millions. Totals may vary due to rounding.

The Rhode Island Constitution establishes the Office of the General Treasurer (Treasury), one of five general offices subject to voter election. The General Treasurer is charged with the safe and prudent management of the State's finances. The Treasury budget includes Treasury operations, the Employees' Retirement System of Rhode Island, the Unclaimed Property program, and the Crime Victims Compensation program. Treasury also manages the Abraham Touro Fund and the Childhood Disease Fund, and in cooperation with EOHHS with the Achieving A Better Life Experience Accounts (ABLE) savings program for tax-free income growth for certain qualified disability expenditures. The General Treasurer's operations excluding the State House office, are located at the state-owned building at 50 Service Road Warwick.

MAJOR ISSUES AND TRENDS



The FY2026 Final Budget includes $26.9 million, of which $5.4 million (20.0 percent) is general revenue. The net all funds increase is $918,946, reflecting increases of $787,041 in general revenue and $152,081 in restricted receipts; offset by decreases of $16,818 in other funds and $3,358 in federal funds. The increase in general revenue primarily reflects the reappropriation of $880,899 for the Medical Debt Relief program.

The FY2027 Budget as Enacted includes $26.3 million, of which $4.4 million (16.8 percent) is general revenue. This reflects an all funds increase of $343,231 from the FY2026 Budget as Enacted, primarily reflecting an increase of $450,836 in restricted receipts for contract services in the Employees' Retirement System program. The Budget includes a 3.0 percent COLA effective on July 1, 2026, for state employees. This is the last of the 3-year COLA increases as part of the last collective bargaining agreement.

The Budget authorizes 92.0 FTE positions in FY2026 and 93.0 FTE positions in FY2027, reflecting the addition of a Retirement Aide position.

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GENERAL TREASURY

The General Treasury program provides administrative support to the entire agency to ensure operational efficiency and fiscal integrity.

General Treasury	General Revenue
FY2026 Enacted	$3,665,773
Target and Other Adjustments	*6,286*
ERP Maintenance and Operations Billings (statewide adjustments)	(358,675)
A&C ISF Charges (statewide adjustments)	261,701
Financial Services	(160,000)
Turnover	50,209
Medical Debt Relief Program	*Informational*
Rhode Island Baby Bond Trust	*Informational*
FY2027 Enacted	**$3,465,294**

Financial Services ***($160,000)***

The Budget decreases general revenue by $160,000, reflecting funding not required in FY2027 for the biennial expenditure related to the publication of the Treasurer's Debt Affordability Study for the State. The last Study was released on December 4, 2025, and the next publication is not due until FY2028.

Turnover ***$50,209***

The Budget includes turnover savings of $142,786 in general revenue. This reflects decreased turnover savings of $50,209 from the FY2026 Budget as Enacted, thus requiring additional funds for personnel costs.

Medical Debt Relief Program ***Informational***

The FY2025 Budget as Enacted included $1.0 million in general revenue for the Medical Debt Relief Program administered by the Office of the General Treasurer for the purpose of contracting with a non-profit corporation (Undue Medical Debt) to purchase, cancel, or otherwise forgive medical debt for people meeting certain requirements, including that the individual be a citizen of the State and has a federal adjusted gross income is 400.0 percent or less of the federal poverty line, or whose debt is more than 5.0 percent of the individuals' adjusted gross income. A total of $119,101 was expended by Undue Medical Debt in FY2025, leaving the balance of $880,899 to be reappropriated into FY2026. The proposed budget does not include any additional funding for the program in FY2027. However, the FY2026 supplemental budget contains language allowing for any unexpended funds to be reappropriated into FY2027.

The latest information regarding the effectiveness of the program was released by the Office of the General Treasurer as of July 2026. According to Treasury, the program erased approximately $16.3 million in medical debt for more than 9,000 residents.

Rhode Island Baby Bond Trust ***Informational***

Enacted in 2025, the Rhode Island Baby Bond Trust is a state program designed to help children from low-income families build long-term wealth. Once fully funded, this program will create a $3,000 account for children born to families receiving Temporary Assistance for Needy Families ("TANF") through the RIWorks Program. Each trust created would be managed and invested by the Rhode Island Treasury to promote steady growth and preserve the purchasing power of that Trust over that child's life. Treasury has been actively seeking private and philanthropic partnerships to assist in funding the Baby Bond program and that the program will officially begin once Treasury secures adequate funds.

Treasury introduced legislation (2026-S-2843) that would use a portion of annual unclaimed property remittances to fund this program. The legislation would have reduced the transfer from the Unclaimed Property program into the general fund thereby reducing general revenue. This is the same language

introduced in the 2025 Legislative session. The fiscal impact determined that the legislation would decrease general revenue by $500,000 each year. The legislation was held for further study.

Promoting future economic engagement in Rhode Island's economy, the funds that the trust aims to generate can be used in one of the following ways:

- Continuing education at an institution of higher learning, trade school, vocational school, or professional apprenticeship program in Rhode Island
- Purchasing a home in Rhode Island
- Creating/opening a business with its principal place of business in Rhode Island
- Any investment in financial assets or personal capital that provides long-term gains to wages and wealth

EMPLOYEES' RETIREMENT SYSTEM

The Employees' Retirement System of Rhode Island (ERSRI) administers retirement, disability, survivor, and death benefits to eligible state employees and public school teachers. Participating municipal employees are covered under the Municipal Employees' Retirement System (MERS). ERSRI also administers the judicial and state police retirement plans, and the Teachers' Survivor Benefit program for teachers who are not covered under Social Security. Personnel and operating expenses of ERSRI are funded through a restricted receipt account pursuant to RIGL 36-8-10.1 for administrative and operating expenses of the retirement system.

Employees' Retirement System	Restricted Receipts
FY2026 Enacted	$16,318,192
Target and Other Adjustments	*(15,000)*
Personnel Adjustments (restricted receipts) (statewide adjustment)	341,292
Retirement Aide (restricted receipts)	99,374
Contract Services Adjustments (restricted receipts)	15,000
Centralized Service Charges (restricted receipts) (statewide adjustments)	10,170
FY2027 Enacted	**$16,769,028**

Retirement Aide (restricted receipts) *$99,374*

The Budget adds $99,374 in restricted receipts for the addition of 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 requests 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. According to Treasury, this position would allow ERSRI's Retirement Counselor Team to focus on providing the essential services to the high volume of members who retire each year, and to process their retirement packets and first benefit payments in a timely manner. The total salary and benefit expense of the new Retirement Aide is $99,374 in restricted receipts.

Contract Services Adjustments (restricted receipts) *$15,000*

The Budget includes $4.9 million in restricted receipts for contracted services at the State Retirement System. This reflects a net increase of $15,000 over the FY2026 Budget as Enacted. According to Treasury, the adjustments are an attempt to align expected charges with Workday conversion accounts. Timing and final invoice amounts for Member Portal upgrades, Lexis integration, Internal Audit charges, and an Actuary Experience Study will impact on actual expenses against these budgeted accounts.

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Contract Services	FY2026 Enacted	FY2027 Enacted	*Change*
IT Administration	$3,625,000	$3,120,000	*($505,000)*
Actuary	150,000	525,000	*375,000*
Accounting/Auditing Services	-	150,000	*150,000*
All Other Adjustments	1,087,000	1,082,000	*(5,000)*
Total	**$4,862,000**	**$4,877,000**	***$15,000***

UNCLAIMED PROPERTY

The Unclaimed Property program is responsible for collecting abandoned property and acts as custodian for both tangible and intangible property. The mission of the program is to return the abandoned property to its rightful owners.

Unclaimed Property	Restricted Receipts
FY2026 Enacted	$3,338,043
Target and Other Adjustments	*2,643*
Personnel Adjustments (restricted receipts) (statewide adjustment)	97,181
FY2027 Enacted	**$3,437,867**

CRIME VICTIM COMPENSATION PROGRAM

The Crime Victim Compensation program compensates innocent victims of violent crimes for certain expenses that are attributable to the crime. Compensation may be used to cover funeral, medical, and counseling expenses incurred by victims or their family members. Funding for the Crime Victims Compensation Program is derived from assessments charged to individuals who are found guilty or plead nolo contendere to crimes in the courts. In addition, the U. S. Department of Justice provides a 75.0 percent match on State funds expended on the compensation claims. Lastly, general revenues are used to supplement the program when court receipts and federal awards are insufficient to support the program. The maximum award for each criminal incident is capped at $25,000.

Crime Victim Compensation Program	General Revenue
FY2026 Enacted	$934,450
Target and Other Adjustments	*16,620*
Crime Victims Claim Payments	206,749
Personnel Adjustments	(205,293)
FY2027 Enacted	**$952,526**

Crime Victim Compensation Program	Other Fund Changes
Crime Victims Claim Payments (restricted receipts)	($230,000)
Personnel Adjustments (restricted receipts)	208,827

Crime Victims Claim Payments *$206,749*

The Budget includes $411,749 in general revenue for claims and settlement payouts in FY2027, reflecting an increase of $206,749 from the FY2026 Budget as Enacted, and is consistent with the amount requested by Treasury. The increase in general revenue settlement payments reflects continued lower projected restricted receipts from court ordered restitution payments to victims of violent crime. There is a corresponding decrease of $230,000 in restricted receipt funds for claims and settlement payments.

The following table illustrates the trend of restricted receipt revenue collected through court fees compared to the all funds amount paid in claim settlements from FY2012 to FY2027 *(projected)*. FY2020 and FY2021 had significant increases in general revenue applied to the claim payments while the portion funded by restricted receipts decreased, due to court closures during the COVID-19 Pandemic. Since FY2024, general

revenues provide the majority of the claim settlements costs. This reflects the decriminalization of certain misdemeanors, which has led to a decrease in court costs paid to the Crime Victim Compensation Program. In addition, Treasury has received the following broad explanations that include: "convictions are down, fines typically go directly to the victim, or fines in general have decreased, etc."

Fiscal Year	Court Revenue Amount	Restricted Receipt Payments	General Revenue Payments	Federal Fund Payments	Total Payments	RR%	GR%	FF%
FY2012	$1,079,792	$454,406	$0	$378,458	$832,864	54.6%	0.0%	45.4%
FY2013	858,955	410,875	-	434,002	$844,877	48.6%	0.0%	51.4%
FY2014	809,288	579,357	-	368,832	$948,189	61.1%	0.0%	38.9%
FY2015	785,967	320,010	-	133,701	$453,711	70.5%	0.0%	29.5%
FY2016	838,621	297,227	-	195,932	$493,159	60.3%	0.0%	39.7%
FY2017	584,405	441,557	-	294,118	$735,675	60.0%	0.0%	40.0%
FY2018	536,217	299,924	-	244,290	$544,214	55.1%	0.0%	44.9%
FY2019	425,746	422,770	685	556,848	$980,303	43.1%	0.1%	56.8%
FY2020	368,660	240,260	101,000	675,144	$1,016,404	23.6%	9.9%	66.4%
FY2021	214,052	206,049	485,665	217,129	$908,843	22.7%	53.4%	23.9%
FY2022	409,804	581,977	-	252,828	$834,805	69.7%	0.0%	30.3%
FY2023	317,640	177,576	235,106	390,861	$803,543	22.1%	29.3%	48.6%
FY2024	209,990	(15,565)	208,219	147,742	$340,396	-4.6%	61.2%	43.4%
FY2025	206,575	10,622	189,230	205,897	$405,749	2.6%	46.6%	50.7%
FY2026	*243,910*	*25,417*	*413,083*	*467,993*	$906,493	2.8%	45.6%	51.6%
FY2027	*228,827*	*20,000*	*411,749*	*467,993*	*$899,742*	*2.2%*	*45.8%*	*52.0%*

Projected revenue in italics

Personnel Adjustments ***($205,293)***

The Budget includes a net decrease of $205,293 in general revenue in personnel expenses for the CVCP program and an increase of $208,827 in restricted receipts for the same expenses. These adjustments reflect a cost shift for personnel expenses from general revenue to restricted receipts and are also done to accommodate the Workday account/FTE charges.

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Board of Elections

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$5.3	$4.5	$5.0	*$0.5*	*11.4%*	$9.1	*$4.7*	*104.5%*
Expenditures By Source								
General Revenue	$5.3	$4.5	$5.0	*$0.5*	*11.4%*	$9.1	*$4.7*	*104.5%*
Total	**$5.3**	**$4.5**	**$5.0**	***$0.5***	***11.4%***	**$9.1**	***$4.7***	***104.5%***
Authorized FTE Levels	13.0	13.0	13.0	-	-	13.0	-	-

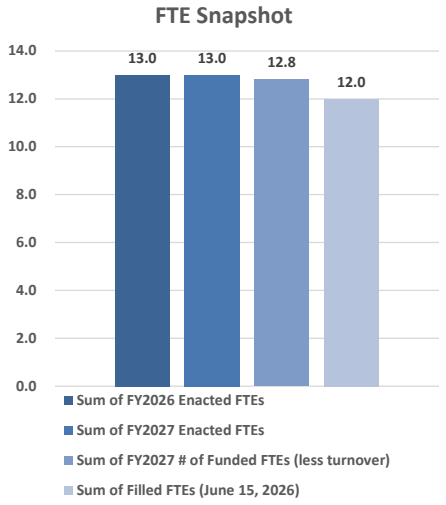
$ in millions. Totals may vary due to rounding.

The Board of Elections supervises all elections and state and local referenda. The Board oversees voter registration and public education activities and provides all registration materials used in the State. The Board supervises and monitors the campaign finance activities of candidates, political action committees, and state vendors.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget includes $5.0 million, a net increase of $506,347 in general revenue over the enacted level. This reflects an increase of $74,562 in operating expenses for election expenses, centralized services, and other net operating changes. The increase is offset by a decrease of $20,282 in personnel costs. The Budget includes statewide personnel cost of living adjustment (COLA) of 4.0 percent, and $40,000 for seasonal election workers.

The Budget as Enacted includes $9.1 million in general revenue for the Board in FY2027, reflecting an increase of $4.7 million over the previous year This reflects $4.6 million for the 2026 general election expenses, including $3.0 million for the Public Financing of Campaigns, $278,683 to upgrade the election poll pads and $100,000 for election night reporting. The Budget includes a statewide personnel COLA 3.0 percent adjustment.



The Budget includes 13.0 FTE positions in FY2026 and FY2027, consistent with the enacted level.

Central Management	General Revenue
FY2026 Enacted	$4,474,931
Target and Other Adjustments	*(9,277)*
Election Adjustments	4,564,737
Personnel Adjustments (statewide adjustments)	86,803
A&C ISF Charges (statewide adjustments)	29,963
FY2027 Enacted	**$9,147,157**

Election Adjustments *$4.6 million*

The Budget increases general revenue expenditures by $4.6 million to reflect personnel, contracted services, and operating expenditures for voter operating supplies and expenses that are required in a general election year. These expenses increase in odd-numbered fiscal years when there is a statewide general election; more so every 4th year when the constitutional offices are up for election and/or during a presidential

TOC

election primary. This increase includes $3.0 million for the Public Financing of Campaigns, $278,683 to upgrade the election poll pads and $100,000 for election night reporting.

Election Costs	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Public Finance of Campaigns	$0	$0	*$0*	$3,000,000	*$3,000,000*
Seasonal Staff	35,000	75,000	*40,000*	435,000	*400,000*
Equipment Delivery	-	-	-	300,000	*300,000*
Electronic Poll Pads	2,000	454,067	*452,067*	278,683	*276,683*
Software Maintenance	65,000	135,508	*70,508*	302,118	*237,118*
Other Professional Services	1,226,497	1,226,497	-	1,443,433	*216,936*
Program Supplies	75,000	75,000	-	155,000	*80,000*
Printing - Outside Vendors	6,000	6,000	-	60,000	*54,000*
Total	**$1,409,497**	**$1,972,072**	***$562,575***	**$5,974,234**	***$4,564,737***

- **Election Night Reporting:** Election night reporting is a public service that the Board has received from the current vendor at no charge since 2010. This service allows the public to see election results on the Board's website within moments of the polls closing on Election Night. The Board was recently informed by the vendor that a charge for this service would occur beginning with the 2026 statewide elections in FY2027. Without funding, the Board would not be able to post election results on its website on election night.

  The Board issued a Request for Proposal (RFP) for this service and received a response and signed a contract with the vendor on June 15, 2026. The Budget includes $100,000 in general revenue under software maintenance as an estimate. However, the actual cost came in lower than expected by the Board. The amount for FY2027 is $44,800, well under the budgeted $100,000 appropriation. Below is the contract cost breakdown. The contract also includes two additional 2-year extension options at a similar rate.

Annual Breakdown	Timeline	Cost
Year 1 Implementation	6/15/2026 - 5/14/2027	$44,800
Year 2	6/15/2027 - 5/14/2028	44,800
Year 3	6/15/2028 - 5/14/2029	47,940
Year 4	6/15/2029 - 5/14/2030	47,940
Total All Costs for 4 Years	**2026 - 2030**	**$185,480**

- **Electronic Poll Pads:** The Budget includes $278,683 in general revenue to upgrade the electronic Poll Pad poll book system. The Poll Pads were originally purchased by the Secretary of State during FY2019, for use in all polling locations to look up voters electronically.

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Ethics Commission

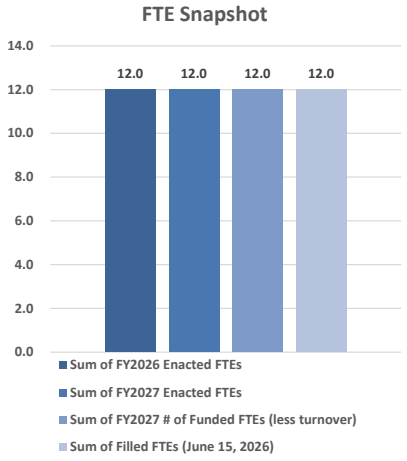
Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
RI Ethics Commission	$2.4	$2.4	$2.5	*$0.0*	*1.7%*	$2.6	*$0.1*	*5.7%*

Expenditures by Source	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
General Revenue	$2.4	$2.4	$2.5	*$0.0*	*1.7%*	$2.6	*$0.1*	*5.7%*
Authorized FTE Levels	12.0	12.0	12.0	-	-	12.0	-	-

$ in millions. Totals may vary due to rounding

The Rhode Island Ethics Commission is responsible for adopting and disseminating the Rhode Island Code of Ethics, issuing advisory opinions to public officials and employees, enforcing financial disclosure policies and maintaining financial disclosure records, investigating and adjudicating complaints alleging violation of the Code of Ethics, and educating the general public as to the requirements of the Code of Ethics. The Commission is headed by an Executive Director/Chief Prosecutor.

MAJOR ISSUES AND TRENDS



The FY2026 Budget includes $2.4 million, with a net increase of $137,266 (5.7 percent) from the FY2026 Budget as Enacted. Expenditures include an increase of $72,904 in funds to support the 3.0 cost of living adjustment (COLA), recently negotiated by the Governor for all union employees, and extended to non-union employees.

The Budget includes $2.5 million for FY2026 Revised. The net increase in general revenue is $40,783 (1.7 percent) mainly reflecting an increase in employee benefits and the reappropriation of unspent FY2025 funds for the development and implementation of a new case management system by the Division of Enterprise Technology Strategy and Services (ETSS). Development meetings identified issues related to data migration and system functionality, resulting in both delays and the need for additional work. The project had been expected to be completed in FY2026; however, revised estimates from ETSS predict completion in FY2027. The FY2027 Budget as Enacted includes $197,494 in general revenue, an increase of $52,630 from the FY2026 Enacted.

The Budget includes 12.0 FTE positions in FY2026 and FY2027, consistent with the enacted level.

RI Ethics Commission	General Revenue
FY2026 Enacted	$2,419,632
Target and Other Adjustments	*12,542*
Personnel Adjustments (statewide adjustments)	72,094
Case Management System	52,630
FY2027 Enacted	**$2,556,898**

Case Management System *$52,630*

The Budget includes an increase of $52,630 in general revenue for a conflict free, case management system. According to the Commission, the current system has become obsolete, lacks functionality, and will no

longer be supported by the Department of Information Technology (DOIT). In FY2023, the Commission worked with DOIT to design and develop a case management system for complaints and conflict of interest statements. The project was expected to be completed in 2026; however, during development meetings with the Division of Enterprise Technology Strategy and Services (ETSS) it was determined that there were insufficiencies with data migration and system functionality. The Budget includes a total of $197,494 in general revenue to complete the project in FY2027, and $168,388 in the FY2026 Supplemental Budget to address the problems identified by ETSS.

Office of the Governor

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Governor	$8.9	$9.3	$9.4	*$0.0*	*0.4%*	$9.6	*$0.3*	*3.2%*
Expenditures By Source								
General Revenue	$8.9	$9.3	$9.4	*$0.0*	*0.4%*	$9.6	*$0.3*	*3.2%*
Total	**$8.9**	**$9.3**	**$9.4**	***$0.0***	***0.4%***	**$9.6**	***$0.3***	***3.2%***
Authorized FTE Levels	45.0	45.0	45.0	-	-	45.0	-	-

$ in millions. Totals may vary due to rounding.

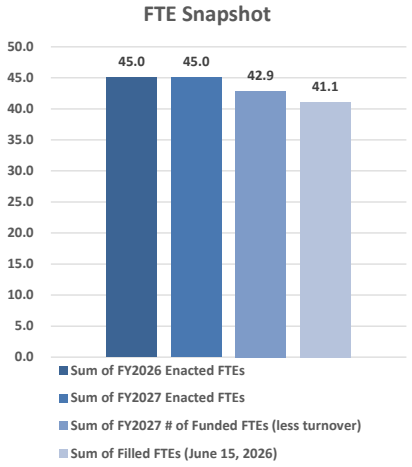
The Office of the Governor is one of five general offices subject to voter election under the Constitution of Rhode Island. The Office is responsible for directing the executive branch of government, including the preparation and submission of the annual state budget.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget for the Office of the Governor includes $9.4 million in general revenue, $34,593 more than the amount appropriated in the FY2026 Budget as Enacted. The Budget includes the statewide personnel COLA adjustment of 4.0 percent.

The FY2027 Budget as Enacted includes $9.6 million in general revenue, reflecting a $295,394 increase from the FY2026 Budget as Enacted. The Budget includes the statewide personnel COLA adjustment of 3.0 percent, reflecting an increase of $254,971 for wages and benefits offset by an increase of $42,845 in additional turnover savings. Operational costs increase by $83,268 from several statewide IT charges in FY2027.

The Budget includes 45.0 FTE positions in both FY2026 and FY2027, consistent with the enacted budget.



Governor	General Revenue
FY2026 Enacted	$9,334,918
Target and Other Adjustments	*($17,806)*
Personnel Adjustments (statewide adjustments)	254,971
Internal Agency ETSS Charges (statewide adjustments)	51,470
A&C ISF Charges (statewide adjustments)	49,604
Turnover	(42,845)
Contingency Fund	*Informational*
FY2027 Enacted	**$9,630,312**

Turnover *($42,845)*

The Budget increases general revenue turnover savings by $42,845 from $365,716 to $408,561, which is the equivalent of 2.1 FTE positions in FY2027. The Budget reflects anticipated turnover in personnel expenses as compared to the FY2026 Budget as Enacted.

Contingency Fund *Informational*

The Budget includes $150,000 in general revenue for the contingency fund appropriation. The Governor's Office is annually appropriated general revenue for a contingency fund for unforeseen expenses. This is a discretionary spending account. The FY2026 Budget as Enacted included $150,000 in general revenue. As

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of June 17, 2026, $15,387 has been expended from the fund in FY2026, leaving a balance of $134,613. The following table illustrates the contingency fund appropriations and expenditures over the past years:

Contingency Fund

Budget Year	Enacted/Request	*Revised Changes*	Total	Actual	*Variance*
FY2015	$250,000	*$0*	$250,000	$89,199	*$160,801*
FY2016	250,000	*160,800*	410,800	65,966	*344,834*
FY2017	250,000	*(8,000)*	242,000	172,350	*69,650*
FY2018	250,000	*(32,911)*	217,089	206,587	*10,502*
FY2019	200,000	-	200,000	156,590	*43,410*
FY2020	150,000	-	150,000	149,802	*198*
FY2021	150,000	-	150,000	106,032	*43,968*
FY2022	150,000	-	150,000	25,919	*124,081*
FY2023	150,000	-	150,000	35,095	114,905
FY2024	150,000	-	150,000	62,000	88,000
FY2025	150,000	-	150,000	102,460	47,540
FY2026	150,000	-	150,000	15,387	134,613
FY2027	*150,000*	-	*150,000*	-	*150,000*

Source: Budget Data Tables and WorkDay
FY2026 Expenditures as of June 17, 2026
Italics reflects requested amounts or non-finalized amounts

Rhode Island Commission for Human Rights

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Commission for Human Rights	$2.7	$2.8	$2.8	*$0.0*	*0.4%*	$2.8	*$0.0*	*1.0%*
Expenditures By Source								
General Revenue	$2.2	$2.2	$2.3	*$0.0*	*1.6%*	$2.4	*$0.1*	*4.8%*
Federal Funds	0.5	0.5	0.5	*(0.0)*	*-4.8%*	0.4	*(0.1)*	*-15.3%*
Total	**$2.7**	**$2.8**	**$2.8**	***$0.0***	***0.4%***	**$2.8**	***$0.0***	***1.0%***
Authorized FTE Levels	15.0	15.0	15.0	-	-	15.0	-	-

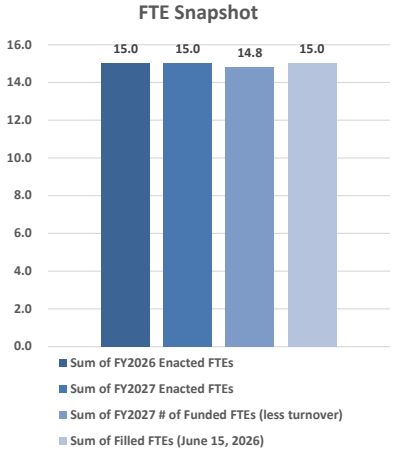
$ in millions. Totals may vary due to rounding.

The Rhode Island Commission for Human Rights enforces anti-discrimination laws in the areas of employment, housing, public accommodations, credit, and delivery of services. Major program activities include outreach and education, intake, investigation, conciliation, and administrative hearings.

The Commission is reimbursed $850 for each co-filed employment case processed pursuant to its work-sharing agreement with the federal Equal Employment Opportunities Commission (EEOC). The Commission also receives a reimbursement between $1,600 and $3,600, for each co-filed housing case processed pursuant to its contract with the federal Department of Housing and Urban Development (HUD). In addition, HUD provides the Commission between $5,000 and $8,000 for post-probable cause dispositions. Annual federal receipts are used to estimate the following federal fiscal year appropriation to the Commission. When the Commission processes fewer EEOC or HUD cases, the Commission receives a lower federal reimbursement, resulting in the need to appropriate additional general revenues to cover the annual operation of the Commission. The Commission's current office is located at 180 Westminster Street in the City of Providence.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget includes $2.8 million in all funds, of which $2.3 million is general revenue and $498,223 are federal funds. The Budget reflects a general revenue increase of $36,699 and a decrease in federal funds of $25,306 from the FY2026 Budget as Enacted.



The general revenue increase primarily reflects the shift of rental costs from federal funds to general revenue. This increases the general revenue share of the rental cost by $70,462; and, conversely, decreases federal funds by $65,963, for the same expenditure. and a slight increase in medical benefit changes.

The federal government recently increased the reimbursement rate range from $1,600 to $3,600 (increased from $3,400).

HUD recently reimbursed the Commission of approximately $224,509 for work completed in FY2025, only after Rhode Island Attorney General Peter F. Neronha joined with attorneys general from several states to file suit against HUD for tardy reimbursements.

The FY2027 Budget as Enacted includes $2.8 million in all funds, of which $2.4 million is general revenue and $443,446 is federal funds, reflecting an increase of $109,275 in general revenue and a decrease of $80,083 in federal funds. The increase in general revenue reflects wage and benefit changes resulting from the 3.0 percent cost of living adjustment (COLA) and for added contractual costs for a Paralegal position. This is offset by a $78,926 reduction of property rental costs. Most of the decrease in federal funds reflects

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the elimination of the property rent costs. The reduction in rental costs reflects the relocation of the Commission from private office space to a State-owned building.

The Budget includes 15.0 FTE positions in FY2026 and in FY2027, consistent with the enacted budget.

Commission for Human Rights	General Revenue
FY2026 Enacted	$2,249,158
Target and Other Adjustments	*1,794*
Centralized Services (statewide adjustment)	85,683
Rental of Outside Property	(78,926)
Personnel Adjustments (statewide adjustment)	74,246
Legal Services	60,000
Internal Agency ETSS Charges (statewide adjustment)	(47,177)
A&C ISF Charges (statewide adjustment)	20,412
FY2027 Enacted	**$2,358,433**

Commission for Human Rights	Other Funds
Rental of Outside Property (federal funds)	($81,451)

Rental of Outside Property *($78,926)*

The Commission's current leased office is located at 180 Westminster Street in the City of Providence. The current lease was renewed with Dorwest Associates on September 1, 2021, and expires on August 31, 2026. The current annual lease expense under the FY2026 Budget as Enacted is $209,351, of which $127,900 is paid by general revenue and $81,451 is paid by federal funds.

The Budget relocates the Commission to the State-owned Sheperd Building at 255 Westminster Street in Providence. The relocation to state-owned property is estimated to decrease general revenue by $78,926 and decrease federal funds by $81,451 in the FY2027 Budget. The FY2027 Budget keeps an appropriation of $48,974 to cover rent until the Commission is fully relocated.

Rental of Outside Property	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Federal Funds	$81,451	$15,488	*($65,963)*	$0	*($81,451)*
General Revenue	127,900	198,362	*70,462*	48,974	*(78,926)*
Total	**$209,351**	**$213,850**	***$4,499***	**$48,974**	***($160,377)***

Legal Services *$60,000*

The Budget adds $60,000 of general revenue to fund a contracted paralegal position to assist the Commission for Human Rights with an increasing caseload. The Commission requested a new Paralegal position paid 50.0 percent by general revenue and 50.0 percent by federal funds for a total all funds cost of $138,352. The Paralegal position would handle administrative tasks thereby freeing up time for the Staff Attorneys. The Governor did not concur with the Commission's request and wanted the Commission to manage its increasing caseload in a more cost effective manner. Instead, the Budget includes federal funds of $50,960 for the paralegal position costs in the FY2026 Final Budget and general revenue of $60,000 for the paralegal costs in FY2027.

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Public Utilities Commission

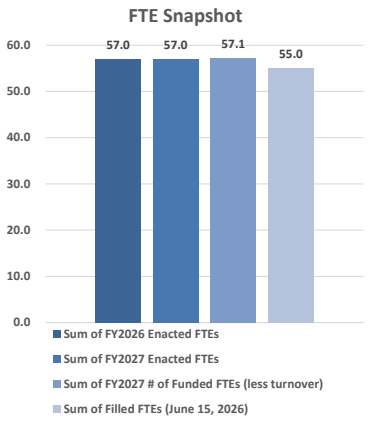
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Public Utilities Commission	$11.7	$15.5	$15.7	*$0.2*	*1.0%*	$16.0	*$0.5*	*3.3%*
Expenditures By Source								
Federal Funds	$0.7	$0.8	$0.8	*$0.0*	*2.4%*	$0.8	*$0.0*	*0.8%*
Restricted Receipts	11.0	14.8	14.9	*0.1*	*1.0%*	15.3	*0.5*	*3.4%*
Total	**$11.7**	**$15.5**	**$15.7**	***$0.2***	***1.0%***	**$16.0**	***$0.5***	***3.3%***
Authorized FTE Levels	57.0	57.0	57.0	-	-	57.0	-	-

$ in millions. Totals may vary due to rounding.

The Public Utilities Commission (PUC) regulates public utilities, Community Antenna Television, common carriers, and major energy facilities; regulates rates; ensures sufficient utility infrastructure to promote economic development; and cooperates with other states and federal government agencies to coordinate efforts to meet objectives. The PUC is comprised of two distinct regulatory bodies: the Division of Public Utilities and Carriers (Division) and a three-member Commission (Commission). The Division carries out laws relating to public utilities and carriers, and the regulations and orders of the Commission governing the conduct and charges of the public utilities. The Commission serves as a quasi-judicial tribunal that holds investigations and hearings concerning utility rates, tariffs, tolls and charges, as well as facility accommodations and locations. The Commission is funded primarily through fees paid by utility companies.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget provides a total operating budget of $15.7 million, including $14.9 million in restricted receipts, and $771,107 in federal funds. This represents a net increase of $159,846 from the FY2026 Budget as Enacted. The most significant adjustment includes a restricted receipt increase of $134,826 for window replacement and upgrades, in addition to an increase of $49,155 for statewide ISF adjustments, and an increase of $30,000 to fully fund a contract employee paid from the Executive Climate Change Coordinating Council's (EC4) FY2026 Spending Plan.



The Budget includes a total of $105,000 from the EC4 spending plan for PUC's costs of the contracted employee, but $75,000 from FY2025 is still included in the PUC's base budget request. Therefore, an additional $30,000 is added to the Budget.

The contracted employee at PUC will work on key topics including energy efficiency, Renewable Energy Growth Program, electric time of use rates, electric grid modernization, leak prone gas pipeline replacement review, gas system design and gas supply procurement, microgrids, resilience, and the Future of Gas Docket.

The FY2027 Budget as Enacted provides a total operating budget of $16.0 million, including $15.3 million in restricted receipts and $759,025 in federal funds. The Budget reflects an all funds increase of $509,078 compared to the FY2026 Budget as Enacted. The significant changes include an all funds increase of $184,170 for lower turnover savings and an increase of $241,527 for personnel costs reflecting wage and benefit changes resulting from the 3.0 percent cost of living adjustment (COLA). In addition, there is an all funds increase of $88,881 for statewide ISF adjustments.

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As the agency does not receive any general revenue funding, the costs are a pass-through expenditure and paid by the regulated utilities pursuant to RIGL 39-1-23.

The Budget provides a staffing level of 57.0 FTE positions in FY2026 and in FY2027, consistent with the enacted budget.

Public Utilities Commission	All Funds
FY2026 Enacted	$15,508,274
Target and Other Adjustments	*(5,500)*
Personnel Adustments (statewide adjustments) (all funds)	241,527
Turnover (all funds)	184,170
A&C ISF Charges (statewide adjustment) (restricted receipts)	56,356
Internal Agency ETSS Charges (restricted receipts)	32,525
FY2027 Enacted	**$16,017,352**

Turnover (all funds) ***$184,170***

The Budget eliminates turnover savings in FY2027, anticipating no turnover savings next year. This reflects total decreased turnover savings of $184,170, of which, $161,258 is restricted receipts and $22,912 is federal funds. This increases personnel costs as compared to the FY2026 Budget as Enacted.

CAPITAL PROJECTS

The capital plan includes $3.3 million in restricted receipts from FY2026 to post-FY2031 for ongoing asset protection of the state-owned facility at 89 Jefferson Boulevard in the City of Warwick. This includes $275,000 in FY2026 and $120,000 in FY2027.

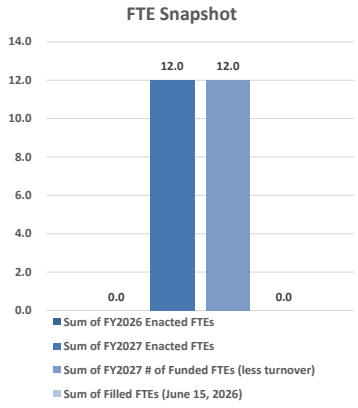
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Office of Inspector General

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Central Management	-	-	-	-	-	$1.3	*$1.3*	-
	-	**-**	**-**	**-**	**-**	**$1.3**	***$1.3***	**-**
Expenditures by Source								
General Revenue	-	-	-	-	-	$1.3	*$1.3*	-
Total	**-**	**-**	**-**	**-**	**-**	**$1.3**	***$1.3***	**-**
Authorized FTE Levels	-	-	-	-	-	12.0	*12.0*	-

$ in millions. Totals may vary due to rounding.

The Office of Inspector General (OIG) was established in 2026 pursuant to RIGL 42-9.4 to be an independent and nonpartisan agency with the purpose of investigating the management and operation of agencies as it relates to prevention and detection of fraud, waste, abuse, and mismanagement in the expenditure of public funds that harms the public interest. The Inspector General oversees the operations and investigations conducted by the OIG. The OIG has jurisdiction across all public state executive branch agencies, authorities, offices, divisions, institutions, boards, public corporations, quasi-public entities, commissions, and departments. Jurisdiction does not extend to the General Assembly or the Judiciary. Upon formal request by a municipality, the OIG may investigate public municipal entities.



MAJOR ISSUES AND TRENDS

The Budget provides $1.3 million for personnel and operating expenditures in FY2027 for the Office of Inspector General for what is anticipated to be half a year of operations. It also authorizes 12.0 FTE positions.

Article 3 of the FY2027 Budget as Enacted establishes the Office of Inspector General.

Establishment of the Office: Article 3 provides the statutory framework of the new office, including the parameters of its jurisdiction relative to the Attorney General, law enforcement and the Auditor General. Section 1 of the article establishes the position of Inspector General (IG) within statute, provides for a process of how the IG is to be selected and appointed and the position's qualifications, directs the General Assembly to appropriate sufficient funding to operate the office, permits the IG to hire staff and outlines their qualifications. The section authorizes the IG to promulgate rules and regulations and to develop and submit a budget.

Qualifications, Appointment, and Terms: The article establishes an independent advisory commission consisting of the Attorney General, General Treasurer, Secretary of State, Executive Director of the Ethics Commission, and the President of the Association of Inspectors General (AIG). The commission is directed to create a process to select an IG including application, interviews, and evaluations. The legislation is silent about who chairs the commission and who calls the initial meeting of the group.

The commission submits three qualified candidates to the Governor for consideration. A qualified candidate must have a college degree in certain specified fields, ten years of professional experience in specified fields, and hold a certificate issued by the AIG. The Governor has 90 days to submit the chosen appointment to the Senate for its advice and consent. An IG serves for a five-year term and is limited to two terms. The Governor may remove an IG for cause.

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Jurisdiction/Powers & Duties: The article authorizes the IG to investigate the incidence of fraud, waste, or abuse in all Executive branch state government agencies including all authorities, boards, branch, bureau, commission, committee, council, department, division, institution, office, public corporation, or quasi-agency. The IG is permitted to assist municipalities upon receipt of a formal council resolution requesting the assistance. The IG is charged with initiating investigations, formally reporting findings, working with agencies to improve the prevention of fraud, waste, or abuse. The article requires the IG to establish a process to receive complaints and to protect whistleblowers.

Investigative Procedures and IG Decisions: The article outlines the investigative procedures expected of the IG. This includes how complaints are processed and what occurs during an investigation and after they are completed. The IG is authorized to issue a formal decision at the conclusion of an investigation and is directed to formally report its findings. The article outlines referral processes to other law enforcement agencies, including the Attorney General, should the facts require it.

Subpoena Power and Access to Records: The article provides the IG with the power to subpoena individuals related to investigations and to question individuals under oath. The IG is also authorized to have access to all relevant agency records and requires agencies to cooperate with all investigations.

Reporting: In addition to the required reporting associated with investigations, the article directs the IG to report annually to the state's general officers, the Speaker of the House, and the Senate President. This report includes information regarding the number of investigations conducted the previous year, their disposition, summaries of corrective actions and their status, and monies recovered. The report is due April 1st each year.

Association of Inspectors General: The Association of Inspectors General is a not for profit, nonpartisan national organization of independent public watchdog groups, including statewide inspectors general. Founded in 1996, the AIG states that it was created to strengthen public sector oversight through professional standards, training, and ethical leadership. It provides a national network connecting government oversight professionals across jurisdictions. According to AIG, its mission is to advance governmental integrity and accountability by combatting waste, fraud, and abuse. The group has established industry quality standards, conducts professional development training and provides certifications to OIG staff, issues position papers, and coordinates peer reviews.

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Executive Office of Commerce

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$2.2	$2.4	$2.4	*$0.0*	*0.7%*	$1.9	*($0.5)*	*-19.1%*
Commerce Programs	32.3	5.4	54.3	*48.8*	*900.9%*	4.7	*(0.7)*	*-12.5%*
Economic Development Initiatives Fund	33.5	31.7	13.8	*(18.0)*	*-56.6%*	29.9	*(1.8)*	*-5.8%*
Housing and Community Development	0.0	-	-	-	-	-	-	-
Quasi-Public Appropriations	70.1	19.3	20.7	*1.4*	*7.3%*	17.0	*(2.3)*	*-11.9%*
	$138.0	**$58.8**	**$91.1**	***$32.3***	***54.9%***	**$53.6**	***($5.3)***	***-9.0%***
Expenditures By Source								
General Revenue	$40.3	$33.5	$33.5	-	-	$28.3	*($5.3)*	*-15.7%*
Federal Funds	91.3	20.0	50.9	*30.9*	*154%*	21.3	*1.3*	*6.5%*
Other Funds	6.4	5.3	6.7	*1.4*	*27%*	4.0	*(1.3)*	*-24.5%*
Total	**$138.0**	**$58.8**	**$91.1**	***$32.3***	***54.9%***	**$53.6**	***($5.3)***	***-9.0%***
Authorized FTE Levels	5.0	5.0	5.0	-	-	5.0	-	-

$ in millions. Totals may vary due to rounding.

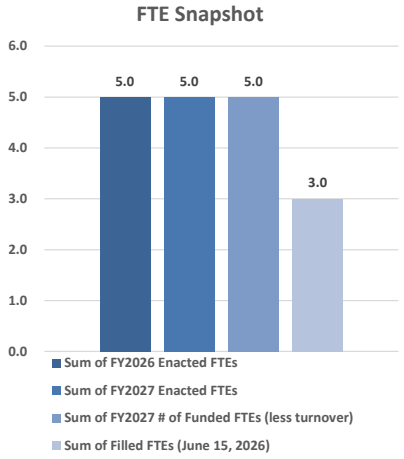
The Executive Office of Commerce (EOC) was established pursuant to RIGL 42-64.19 to be the principal agency of the executive branch of State government for managing the promotion of commerce and the economy in the State. The Secretary of Commerce oversees the Executive Office of Commerce. The agency is charged with coordinating a cohesive direction for the State's economic development activities and to be the leading agency for economic development throughout Rhode Island.

The Housing and Community Development program was transferred to the Executive Office of Commerce by the General Assembly in FY2016. In addition, the funding and administration for the Rhode Island Commerce Corporation (Commerce Corp) and the I-195 Redevelopment Commission, both previously funded in the Department of Administration, were transferred to the EOC. The Commerce Corp. is a quasi-public agency responsible for implementing statewide economic development programming including business relocation services, business financing, tourism support, and incentive programs.

In 2022, the General Assembly created the Department of Housing and transferred the Housing and Community Development program and its staff from EOC to the new agency.

MAJOR ISSUES AND TRENDS

The Budget includes $53.6 million in FY2027, to fund the economic development initiatives and operations of the Executive Office of Commerce and the Commerce Corporation. This is net $5.3 million less than the FY2026 enacted level. General revenue, representing 52.8 percent of total funding, is down $5.3 million (15.7 percent) from the enacted level. This net decrease is attributable to reduced year-over-year funding for incentives, most notably in the Wavemaker and Rebuild RI programs. Of note, reductions in Rebuild RI only impact the unfunded program liability- the ability to issue Rebuild RI tax credits is based on the legislated cap amount.



For FY2026, the Budget includes $91.1 million in total funding, a $32.3 million increase over the enacted level. This current year change reflects the mandatory reappropriation of unspent ARPA funds from previous fiscal years.

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Economic Development Bond Referendum

Article 5 of the Budget includes a $100.0 million general obligation bond authorization to be placed on the November 2026 ballot to fund industrial facilities infrastructure improvements. Assuming full issuance in bond year one and 5.0 percent interest, annual debt service payments are estimated to be $8.0 million. Total debt service over a 20-year term would be $160.5 million, including $60.5 million in interest payments. The bond proceeds would be allocated as follows:

Site Development ($55.0 million): $55.0 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): $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 life sciences.

Incentives

In 2015, the General Assembly established numerous economic development incentives to spur investment in new capital and critical industry sectors, improve the workforce, and promote innovation. General revenue appropriations supporting these incentives totaled $302.6 million prior to FY2026. The FY2026 Budget includes an additional $15.5 million and the FY2027 Budget includes $11.8 million. The following table shows the total appropriations and awards:

Incentive	Pre-FY2026	FY2026 Enacted	FY2026 Final	FY2027 Enacted	Appropriated To Date	Awarded to Date	Balance
Rebuild RI	$184.7	$10.1	$10.1	$6.1	$200.9	$208.9	($8.0)
I-195 Redevelopment Fund	30.0	-	-	-	30.0	28.8	(1.2)
First Wave Closing Fund	20.3	-	-	-	20.3	17.0	(3.3)
Wavemaker Fellowship	21.4	2.6	2.6	1.0	25.0	5.2	(19.8)
Small Business Assistance Fund	11.3	-	-	-	11.3	8.8	(2.5)
Innovation Initiative	16.6	-	-	1.0	17.6	8.2	(9.4)
Main Street RI Streetscape Improvement Fund	10.0	0.1	0.1	1.0	11.1	7.8	(3.3)
Air Service Development Fund	8.3	2.7	2.7	2.7	13.7	4.2	(9.5)
Qualified Jobs Tax Incentive	-	-	-	-	-	64.3	64.3
Tax Increment Financing	-	-	-	-	-	79.5	79.5
Tax Stabilization Agreement Incentive	-	-	-	-	-	2.3	(2.3)
Total	**$302.6**	**$15.5**	**$15.5**	**$11.8**	**$329.9**	**$435.0**	**$84.6**

$ in millions

The FY2027 Budget initiatives relating to the incentives include:

- **Reauthorization of Incentives:** Article 3 of the Budget 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.
- **Wavemaker:** The Budget includes $1.0 million in funding for the Wavemaker Fellowship program in FY2027, which is $1.6 million less than the enacted level. The EOC, however, indicates that the appropriation is sufficient to advance a new cohort of 85 fellows in the coming year.
- **Rebuild RI:** The Budget includes $6.1 million in funding for Rebuild RI in FY2027, down $4.0 million from the FY2026 enacted level. The program currently supports 56 projects, for a combined total of $233.5 million, or 103.8 percent over the current $225.0 million statutory program cap. In its testimony at the May 2026 Revenue Estimating Conference, Commerce indicated that the actual estimated use of the awarded credits and exemptions amounts to only $219.5 million (or 97.6 percent of the cap). Article 3 of the Budget increases the overall program cap to $250.0 million.

Placemaking

The Budget includes $500,000 to continue Commerce's previously federally funded placemaking program. In the wake of the pandemic, the Rhode Island Commerce Corporation supported businesses in tourism, hospitality, and event industries through a grant program that encouraged capital improvement and event

programming. Also known as Commerce's Placemaking Program, the initiative was initially funded by federal ARPA State Fiscal Recovery Funds, but has since closed, having spent its entire authorized amount of $3.0 million

American Rescue Plan Act Federal Funding

Federal funding budgeted within the EOC comes entirely from allocations under the American Rescue Plan Act. EOC has been administering seven ARPA SFRF initiatives, one ARPA Capital Project, and the Small Business Credit Initiative that is directly allocated funds under the Act. The General Assembly was compelled to appropriate all of the State's ARPA allocations in FY2024 in order to meet U.S. Treasury obligation and spending deadlines. Because many of the initiatives take several years to complete, the General Assembly required that any unspent ARPA funds at the end of any given fiscal year be reappropriated for the same purposes. It is for this reason that the Budget includes $30.9 million in additional federal funds in the FY2026 Supplemental recommendation. The following table summarizes the reappropriations.

ARPA SFRF Initiative	FY2024 Actual	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*
Bioscience Investments	$2.0	$18.8	-	$24.2	*$24.2*
Aid to Tourism, Hospitality, and Events Industries	(0.4)	-	-	1.3	*1.3*
Port of Davisville	13.4	45.6	-	0.0	*0.0*
	$15.0	**$64.4**	**-**	**$25.5**	***$25.5***
ARPA Capital Projects Initiative					
Broadband	-	1.1	-	24.6	*24.6*
	$0.0	**$1.1**	**-**	**$24.6**	***$24.6***
ARPA Direct Initiative					
State Small Business Credit Initiative	0.0	20.2	20.0	0.7	-
	$0.0	**$20.2**	**$20.0**	**$0.7**	***($19.3)***
Total ARPA	**$15.0**	**$85.8**	**$20.0**	**$50.9**	***$30.9***

$ in millions. Totals may vary due to rounding.

CENTRAL MANAGEMENT

The Budget provides $1.9 million from general revenues in FY2027 to support the Central Management program within the EOC, $452,442 less than the FY2026 enacted level. The Central Management program is responsible for supervising, coordinating, and monitoring all departmental functions by providing leadership, management, and strategic planning activities.

Central Management	General Revenue
FY2026 Enacted	$2,369,982
Target and Other Adjustments	-
Site Readiness Program	(1,000,000)
Placemaking	500,000
A&C ISF Charges (statewide adjustments)	25,053
Personnel Adjustments (statewide adjustments)	18,339
Centralized Services (statewide adjustments)	14,016
ERP Maintenance and Operations Billings (statewide adjustments)	(9,850)
FY2027 Enacted	**$1,917,540**

Site Readiness Program *($1.0 million)*

The Budget reflects a $1.0 million decrease in general revenue expenditures within the Central Management program as compared to the enacted level for Commerce's site readiness program. The program makes awards in two categories- site-specific infrastructure improvements and municipal assistance. These improvements include engineering, environmental, and survey studies, land clearing, and building improvements. According to the EOC, $6.0 million has been awarded across 75 projects. The program has a balance of $1.0 million to fund additional projects in FY2027.

Placemaking ***$500,000***

The Budget includes $500,000 to continue Commerce's previously federally funded placemaking program. In response to the pandemic, Rhode Island established a program to support activities and investments that strengthen the connection between Rhode Islanders and the places they share. The program, formally known as the Hospitality, Tourism, and Events (THE) Placemaking program, was formally approved by the State's Pandemic Recovery Office (PRO) in June 2022 and was appropriated $3.0 million in federal State Fiscal Recovery Funds (SFRF). Placemaking investments include main street improvements; maintenance and improvements to public parks, plazas, and recreational areas; public art installations; and improved event venues. COVID-Safe programming includes support for existing "catalytic" events (such as local outdoor festivals) and new events (such as outdoor performances, online programming, and outdoor food festivals). The program has been administered by Commerce and involves providing sub-awards to intermediaries such as municipalities, business improvement districts, chambers of commerce, tourism regions, and other related organizations.

Placemaking Program Awards

Awardee	Municipality	Award
Ballet of Rhode Island	Providence	$20,000
Blackstone Valley Tourism Council	Central Falls	24,969
Central Falls	Central Falls	72,150
Cranston	Cranston	150,000
East Providence	East Providence	162,357
Pawtucket	Pawtucket	25,000
Providence	Providence	37,500
Cranston Cares	Cranston	20,000
Crescent Park Carousel Preservation	East Providence	14,680
Dirt Palace Public Projects	Providence	87,442
Downtown Providence Park Network	Providence	20,000
East Greenwich Chamber of Commerce	East Greenwich	41,216
Federal Hill Commerce Association	Providence	158,199
First Works	Providence	158,880
Friends of Linden Place	Bristol	34,292
Grow Smart RI	Providence	35,231
Hope Street Merchants Association	Providence	95,971
Island Moving Company	Newport	77,275
Newport Contemporary Ballet	Pawtucket	20,000
Newport County Development	Newport	88,355
Partnership for Providence Parks	Providence	61,691
Providence Foundation	Providence	132,000
Providence Warwick Convention and Visitors	Providence	39,997
Rhode Island Zoological Society	Providence	59,951
Roger Williams Park Conservancy	Providence	27,564
South County Tourism Bureau	Charlestown	50,000
The Avenue Concept Inc.	Providence	152,499
The Empowerment Factory	Pawtucket	19,979
The Wilbury Theatre Group	Providence	59,235
Cumberland	Cumberland	149,616
Glocester	Glocester	149,824
Lincoln	Lincoln	26,320
North Providence	North	150,000
Smithfield	Smithfield	150,000
South Kingstown	South	150,000
Warren	Warren	20,000
Waterfire Providence	Providence	113,505
Woonasquatucket River Watershed Council	Providence	75,000
Woonsocket Neighborhood Development	Woonsocket	15,000
Total		**$2,945,697**

Source: Rhode Island PRO

The program officially ended February 2025, with the PRO issuing its closeout report March 17, 2025. According to the PRO, a small number of grants totaling $150,000 were awarded for large scale projects such as renovations and programming for outdoor performance venues. Most grants were smaller than $75,000. Commerce surveyed businesses around the event. Of the 267 that responded, 74.0 percent identifying themselves as part of the hospitality, tourism, or event industries; 265 have less than 500 employees, and over half have less than 10 employees. Commerce indicated that nearly 30,000 people attended the events.

Commerce indicates that it would administer the program in similar fashion to the way the original SFRF funded program had.

COMMERCE PROGRAMS

The Budget includes $4.7 million from general revenues in FY2027 to support Commerce Programs, a net $675,000 less than the FY2026 enacted level.

Commerce Programs	General Revenue
FY2026 Enacted	$5,420,421
Target and Other Adjustments	-
Wavemaker Fellowship Program	(1,550,000)
Main Street RI Streetscape Improvement Program	875,000
Air Service Development Fund	Informational
FY2027 Enacted	**$4,745,421**

Wavemaker Fellowship Program ***($1.6 million)***

The Budget includes $1.0 million in general revenue in FY2027 for the Stay Invested in RI Wavemaker Fellowship Fund, $1.6 million less than the FY2026 enacted level (a 60.4 percent year-over-year reduction).

Established in 2015, the Wavemaker program originally was a competitive student loan reimbursement program for college and university graduates who take employment in science, technology, engineering, and mathematics (STEM) fields in Rhode Island. In 2022 the General Assembly expanded the eligible professions to include healthcare and mental health professionals. In 2023, teachers became eligible. In 2024 the General Assembly amended the authorizing statute by adding a definition for primary care healthcare professionals (presumably already included via the 2022 amendments) signaling this classification as a priority. In 2025, the General Assembly clarified that healthcare professionals, also individuals that operate sole proprietorships or pass-through entities, are eligible for the program.

The program provides Wavemaker Fellows with refundable personal income tax credits that can be used to offset their annual student loan payments. Each year a fellow remains eligible (that is employed in the state and in the field) is considered a service period, and the fellow receives a tax credit for each service period up to four. The amount of the service period tax credit depends upon the degree earned by the taxpayer, i.e. $1,000 for an associate's degree up to $6,000 for a graduate or postgraduate degree. To offset the general revenue loss resulting from the use of the credits, the General Assembly established a Stay Invested in RI Wavemaker Fellowship Fund and limited the issuance of credits to the amount in the fund. As credits are used, the equivalent amount is transferred out of the program fund to the general fund.

Since its inception the General Assembly has appropriated $25.0 million in general revenue. According to Commerce, the Wavemaker Fund has a balance of $15.1 million, with only $7.8 million unobligated. This is inclusive of the FY2026 appropriation of $2.6 million that Commerce expects to obligate by mid-2026. There are 533 active fellows (accepted to the program and are in an approved service period), with 271 joining since January 2025. There have been 795 fellows who have received the full award from the program (received all years of their award, not inclusive of active fellows). Commerce has two new cohorts planned – one for April-May 2026 and one for early 2027.

Main Street RI Streetscape Improvement Program ***$875,000***

The Budget includes $1.0 million in FY2027, $875,000 above the enacted level, for the state's Main Street RI Streetscape Program. The program provides loans, matching grants, and other forms of financing to municipalities and other organizations to upgrade streetscapes in local business districts. Projects include refurbishing facades, improved lighting, and signage. Recipients are required to provide a 30.0 percent match. Since its inception $11.1 million has been appropriated to the program of which $9.7 million has been awarded. The program has supported 54 projects across 23 municipalities.

Article 1 of the Budget earmarks $150,000 of the Main Street RI Streetscape Improvement Program (MSRISIP) funding for the Main Street Coordinating Program (MSCP). Distinct from the MSRISIP fund, the MSCP was established by the General Assembly in 2025 to promote economic activity. The MSCP is administered by Grow Smart RI and it is an eligible entity to receive funding from the MSRISIP fund.

Air Service Development Fund ***Informational***

The Budget includes $2.7 million in total general revenue for the Air Service Development Fund (ASDF) program (equal to the FY2026 enacted level).

Program Background: The Air Service Development Fund (ASDF) was established by the General Assembly in 2016 for the purpose of providing airlines various incentives to establish new direct flights originating at Rhode Island T.F. Green International Airport. These include the reduction of an airline's risk when implementing a new route by providing revenue insurance that can be used to offset losses incurred if the new route is not profitable. If the routes prove to be profitable, then incentive funds can be recaptured. In addition to revenue supports, the ASDF can also be used for other direct financial incentives determined by the Rhode Island Commerce Corporation's Air Service Development Council to be impactful to incentivizing new air service. The ASDF program is currently set to sunset on December 31, 2027.

Current Service at Rhode Island T.F. Green International Airport

Airline	Non-Stop Service To
Allegiant Airlines	Punta Gorda
American Airlines	Charlotte, Chicago-O'Hare, Philadelphia, Washington-Reagan
BermudaAir	Bermuda
Breeze Airways	Akron/Canton. Charleston, Cincinnati, Columbus, Daytona Beach, Denver, Fort Myers, Jacksonville, Los Angeles, Memphis, Myrtle Beach, New Orleans, Norfolk, Orlando, Pensacola, Pittsburgh, Raleigh-Durham, Richmond, San Diego, Sarasota, Savannah, Tampa, Vero Beach, West Palm Beach, Wilmington
Delta	Atlanta, Detroit, Minneapolis St. Paul
Jet Blue	Fort Myers, For Lauderdale, New York - Kennedy, Orlando, San Juan, Tampa, West Palm Beach
Southwest Airlines	Baltimore, Chicago-Midway, Dallas, Denver, Fort Myers, Fort Lauderdale, Nashville, Orlando, Tampa, Washington-Reagan, West Palm Beach
Sun Country	Minneapolis St. Paul
United Airlines	Chicago-O'Hare, Newark, Washington-Dulles
9 Total Airlines	**39 Total Non-Stop Destinations**

Status: Rhode Island T.F. Green International Airport currently accommodates 39 non-stop destinations, serviced by 9 airlines.

Since FY2017 the ASDF has received $13.7 million in appropriations. In 2023, the ASDF funds were included used as part of a package of incentives used to secure commitments from Breeze Airlines to establish a hub and expand routes at the Airport. In an agreement that goes to 2033 and has significant ramp up thresholds by 2028, Breeze has committed to building out significant operations and warehouse space, basing up to 6 aircraft at the airport, achieving an average of 20 flights per week (to no less than five underserved routes) by 2028 and increasing to an average of 40 by 2033 (20 underserved routes). In turn, the State has committed to $2.0 million over 2 years for ground handling, and $6.0 million over five years for destination marketing.

Recipient	Date Approved	Incentive Parameters	Funds Disbursed to Date	Type	Use	No. of New Routes Incentivized	Airline Obligations
Frontier	8/9/2017	Up to $200,000 per route	$336,460	Grant	Reimbursable marketing expenses.	5	Marketing collateral toward which ASD funds contributed.
Norwegian	8/9/2017	Up to $750,000 per route	1,663,540	Grant	Reimbursable marketing expenses.	4	Marketing collateral toward which ASD funds contributed.
Breeze Airlines	1/9/2023	Not to exceed $2,038,400 and not more than $1,019,200 in a 12 month period	2,038,400	Grant	$700 per flight for ground handling operations	-	Establish base by 3/29/23, have 3 aircraft by 8/31/23, & average 20 flights/week/yearly from 1/1/24-3/29/28
Breeze Airlines	1/9/2023	$6,000,000 over five years	4,171,839	Grant	Marketing campaigns to promote unserved and underserved routes	-	Establish base by 3/29/23, have 3 aircraft by 8/31/23, & average 20 flights/week/yearly from 1/1/24-3/29/28
Total			**$8,210,239**			**9**	

ECONOMIC DEVELOPMENT INITIATIVES FUND

The Budget provides $7.6 million from general revenues in FY2027 to support various incentives, business assistance, and development programs designed to create and expand economic development in Rhode Island. The Budget also includes $21.3 million in federal American Rescue Plan Act funds to support small businesses and the tourism and hospitality industry.

Economic Development Initiatives Fund	General Revenue
FY2026 Enacted	$11,735,000
Target and Other Adjustments	-
Rebuild RI	(3,985,000)
RI Innovation Ecosystem	(250,000)
Destination Marketing	100,000
FY2027 Governor	**$7,600,000**

Economic Development Initiatives Fund	Other Fund Changes
State Small Business Credit Initiative (federal funds)	$1,292,601

Rebuild RI ***($4.0 million)***

The Budget includes $6.1 million in FY2027 for the Rebuild RI Tax Credit Program (Rebuild RI), $4.0 million less than the FY2026 enacted level. Rebuild 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. Total credits and exemptions are limited to $225.0 million, and the per-project cap is set at $15.0 million. Article 3 of the FY2027 Budget extends the Rebuild sunset from December 31, 2026, to December 31, 2027, and increases the total program cap to $250.0 million.

- **Tax Credit Details:** Under Rebuild RI the Secretary of Commerce may issue a tax credit up to $15.0 million, based on the lesser of 30.0 percent of the project cost or the amount needed to close demonstrated financing gaps. Tax credits are issued once a certificate of occupancy has been obtained. If the amount of the credit exceeds a taxpayer's liability in each year, the credit may be carried forward up to four years or until the full credit is used, whichever occurs first. Credits may be used against the following taxes: business corporations, financial institutions, insurance companies, public service corporations, and personal income taxes. Any use against sales and use taxes may be permitted at the discretion of the Secretary of Commerce. A project is permitted to elect to take a 90.0 percent cash value redemption in lieu of the full credit.
- **Sales Tax Exemption Details:** Commerce also has the authority to provide qualifying projects with sales tax exemptions on certain qualified purchases that are related to the project's development. These purchases can include construction materials and services as well as furnishings and other interior improvements. To receive these exemptions, the developer must apply to Commerce and if approved, will receive a rebate for those expenditures certified by Commerce. Most of the current Rebuild projects have a sales tax rebate incentive in addition to the Rebuild tax credits.
- **Rebuild RI Fund:** When Rebuild credits and exemptions are exercised by a developer, they negatively impact State revenue. To mitigate this impact, State law requires the state General Fund to be reimbursed for the amount of the credits and exemptions from the Rebuild RI Fund. On an annual basis, Commerce works with the EOC, the Department of Administration, and the Division of Taxation to determine the availability of funds to award new tax credits. Each year, the Director of Revenue requests the amounts necessary to pay for the redemption of tax credits and sales tax rebates. This fund is capitalized by annual appropriations by the General Assembly. Since 2016, the Rebuild RI Fund has received $199.7 million in appropriations through FY2026, or 91.4 percent of the $218.5 million in current Rebuild obligations.
- **Status:** Commerce's board has approved $188.7 million in Rebuild RI tax credits and $44.8 million in sales tax exemptions across 56 projects, for a combined total of $233.5 million, or 103.8 percent over the current $225.0 million statutory program cap. In its testimony at the May 2026 Revenue Estimating Conference, Commerce indicated that the actual estimated use of the awarded credits and exemptions amounts to only $219.5 million (or 97.6 percent of the cap). According to Commerce the lower amount reflects projects electing to redeem credits at 90.0 percent of their cash value (which is allowed by the

program) and anticipated unused sales tax exemptions. Article 3 of the Budget increases the overall program cap to $250.0 million.

The following table shows estimated future appropriations needed to cover projected drawdowns from the Rebuild RI fund.

Estimated Cash Flow Summary for Rebuild RI

	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Balance	$94.0	$84.9	$80.6	$74.6	$66.9	$50.8	$43.9	$40.9	$40.7
Combined Drawdowns*	(19.2)	(14.4)	(12.1)	(17.7)	(26.1)	(16.9)	(13.0)	(10.2)	(4.7)
Estimated Appropriation^	**10.1**	**10.1**	**6.1**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**
Ending Balance	84.9	80.6	74.6	66.9	50.8	43.9	40.9	40.7	46.0

**Includes tax credits and sales tax exemptions. Amounts take into consideration all projects as of November 2025.*

^ Appropriation levels for FY2028 through FY2033 have been chosen for demonstration purposes only. Consideration was given to keeping annual appropriations below $25.0 million, while covering the drawdowns, and leaving a reasonable ending balance (Senate Fiscal Staff estimates).

RI Innovation Ecosystem ***($250,000)***

The FY2026 Budget as Enacted included $250,000 to fund a new initiative meant to strengthen collaboration between Rhode Island's higher education institutions and private industry to drive workforce development and innovation. Program elements include creating talent pipelines, fostering research partnerships, supporting internships and training programs, conducting workforce assessments, enhancing business recruitment, offering relocation incentives, and attracting skilled professionals to Rhode Island. This funding is not repeated in the FY2027 Budget as Enacted, reflecting a year-over-year decrease by the same amount.

Destination Marketing ***$100,000***

The Budget includes $1.5 million in general revenue in FY2027, $100,000 more than the FY2026 enacted level to market Rhode Island as a destination in out-of-state markets and airports. The ability of the Rhode Island Airport Corporation to directly do this work is limited by federal regulations. In both FY2023 and FY2024, the General Assembly appropriated $1.5 million in federal SFRF funds for this purpose (The Pandemic Recovery Office has since issued its closeout report on the Destination Marketing Initiative). It also required the Commerce Corporation to provide an equivalent amount out of its portion of the state hotel tax for the same purposes, for a total of $6.0 million over the two fiscal years. No hotel tax revenue is required in FY2026 or FY2027.

According to the EOC, destination marketing funds are being used to maintain existing air service programs and launch advertising in new markets, invest in New England sports media buys, create experiential events and installations, support Hotel Month, and underwrite agency fees for the creation and execution of the campaign and marketing assets. The marketing is targeted at driving leisure travel during the shoulder and off-season from gateway cities such as Los Angeles, Chicago, Washington DC, and Detroit. The Destination Marketing program supports broader tourism and air service marketing efforts across all airlines servicing Rhode Island.

State Small Business Credit Initiative (federal funds) ***$1.3 million***

The Budget includes $21.3 million in federal American Rescue Plan Act (ARPA) Direct Funds for the State Small Business Credit Initiative in FY2027, $1.3 million above the enacted level. The program supports Rhode Island-based small businesses and entrepreneurs by providing capital and technical assistance to assist in growth and sustainability. Capital is made available through loan participation and guarantees, collateral support, equity and venture capital arrangements, and other capital access programs.

TOC

Rhode Island was awarded $67.1 million in Direct Funds under ARPA for the program. This funding is available under three tranches. EOC indicates that the first tranche has been fully expended and that there is approximately $700,000 left in the second. The FY2027 appropriation reflects the remaining amount of the third and final tranche.

QUASI-PUBLIC APPROPRIATIONS

The Budget includes $14.0 million from general revenues to support the Rhode Island Commerce Corporation and several pass-through appropriations to fund specific economic programs. There are no FTE positions allocated to this program.

Quasi-Public Appropriations	General Revenue
FY2026 Enacted	$14,007,421
Target and Other Adjustments	-
Industrial Recreational Building Authority Obligations	Informational
Rhode Island Commerce Corporation Base Appropriation	Informational
FY2027 Governor	**$14,007,421**

Industrial Recreational Building Authority Obligations — *Informational*

Consistent with the FY2025 Budget as Enacted, the FY2026 Final Budget includes $105,094 in general revenue in to meet a statutorily mandated moral obligation related to the Rhode Island Industrial Recreational Building Authority (RIIRBA). The Governor also recommends $105,094 in FY2027 for the same purpose.

Background: RIIRBA is a quasi-public entity established to promote the expansion of commercial, industrial, and recreational (travel/tourism) facilities in the state. It does this through the provision of mortgage insurance that lowers risk to private lending institutions when making loans to businesses looking to expand their facilities.

The insurance can backstop tax-free bonds, taxable bonds, and conventional mortgages. Businesses pay premiums to maintain the insurance through RIIRBA. This revenue comprises the reserve out of which RIIRBA makes any required payments to lenders on bad debt. RIIRBA is limited to $60.0 million in the total amount that it may insure and $5.0 million per project. It can cover up to 90.0 percent on real estate, 80.0 percent on machinery and equipment, and 75.0 percent on tourist/travel recreation projects.

Payments: In 2010, the Providence-based company Capco Steel, L.L.C. was looking to expand its facilities and purchase additional capital equipment. The company received a $5.0 million loan from Webster Bank that was secured through a tax-free bond issued by the Rhode Island Industrial Facilities Corporation and insured by RIIRBA. In 2012, Capco defaulted on its payments to the bank, triggering RIIRBA to step in and begin making the scheduled payments out of its cash asset balance. RIIRBA continues to make these payments.

The remaining balance owed on the bonds as of July 1, 2026, will be $384,805. At present, RIIRBA has insufficient funds in its portfolio to make the next payment, which totals $105,094. Under Rhode Island law, RIIRBA insurance is back by the full faith and credit of the State (RIGL 42-34-15) and therefore requires the General Assembly to appropriate the necessary funds.

Rhode Island Commerce Corporation Base Appropriation — *Informational*

The Rhode Island Commerce Corporation (Commerce) is a quasi-public entity charged with implementing the delivery, performance, and accountability of the State's economic development activities.

The State provides general revenue appropriations to Commerce; however, the General Assembly does not directly approve its budget. Commerce's board has the sole responsibility to authorize the Corporation's annual budget.

The Budget includes $8.5 million from general revenues to Commerce as its base allocation in FY2027, even with the enacted level. Commerce's total budget in FY2027 is $14.0 million. The base allocation represents 44.3 percent of the quasi-public agency's annual revenue in FY2027. The balance is comprised of hotel tax revenue (40.9 percent), federal grants (1.9 percent), financial programs (4.4 percent), and other miscellaneous revenue (8.6 percent).

The following table shows the revenues and expenditures that compose the annual Commerce RI budget:

Revenues	FY2024 Actual	FY2025 Actual	FY2026 Projected *	FY2027 Projected *	*Change*
State Appropriations					
RI Commerce Corporation Base Appropriation	$8,290,488	$8,506,041	$8,506,041	$8,506,041	*$0*
Total State Appropriations	***$8,290,488***	***$8,506,041***	***$8,506,041***	***$8,506,041***	***$0***
Other Revenues					
Hotel Tax Revenue	$6,981,140	$7,321,236	$7,860,000	$7,860,000	-
Finance Program Allocation	504,166	781,644	812,910	837,297	*24,387*
Federal Grants	377,386	351,024	361,092	361,092	-
Other	1,696,123	1,628,248	1,662,186	1,645,217	*(16,969)*
Total Other Revenues	***$9,558,815***	***$10,082,152***	***$10,696,188***	***$10,703,606***	***7,418***
Total Revenues	**$17,849,303**	**$18,588,193**	**$19,202,228**	**$19,209,647**	***7,418***
Expenditures					
Total Operations (Personnel and Operating)	$25,229,331	$27,190,881	$26,210,106	$26,700,494	*$490,388*
Grants or Partnerships	5,838,982	6,483,249	6,161,116	6,322,182	*161,066*
Total Expenditures	**$31,068,313**	**$33,674,130**	**$32,371,222**	**$33,022,676**	**$651,454**
Operating Surplus/(Deficit)	**($13,219,010)**	**($15,085,937)**	**($13,168,994)**	**($13,813,029)**	***(644,036)***
Pass-Through and Federal Grants					
STAC Research Alliance (EPScore)	$900,000	$900,000	$900,000	$900,000	*$0*
Innovative Matching Grants	1,000,000	1,000,000	1,000,000	1,000,000	-
Renewable Energy Fund	2,768,760	3,000,000	6,500,000	6,500,000	-
Airport Impact Aid	1,005,740	1,000,000	1,010,036	1,010,036	-
Chafee Center at Bryant/International Trade Export Prog.	476,200	476,200	476,200	476,200	-
Polaris Manufacturing Technical Assistance	450,000	500,000	500,000	500,000	-
East Providence Waterfront Commission	50,000	50,000	50,000	50,000	-
Blackstone Valley Visitor Center	-	75,000	75,000	75,000	-
Urban Ventures/Minority Entrepreneurship Prog.	140,000	140,000	140,000	140,000	-
Municipal Infrastructure Bank Match	-	3,000,000	-	-	-
Infrastructure Bank Statewide Coastal Resilience	-	750,000	-	-	-
Industrial Recreation Building Authority Obligation	-	452,553	105,094	105,094	-
RI Innovation Ecosystem	-	-	250,000	250,000	-
Other					-
Pass-Through - Subtotal	*6,790,700*	*11,343,753*	*11,006,330*	*11,006,330*	-
					-
Federal Grants	333,738	351,024	361,092	361,092	-
Federal Grants - Subtotal	*333,738*	*351,024*	*361,092*	*361,092*	*10,068*
Total	**7,124,438**	**$11,694,777**	**$11,367,422**	**$11,367,422**	***($327,355)***

Source: Executive Office of Commerce
** Pending Board Approval*

CAPITAL PROJECTS

The Budget includes $193.5 million in capital project spending for FY2026-FY2031, with $42.5 million in FY2026 and $34.2 million in FY2027. The funding is inclusive of the $115.0 million in new debt proposed in Article 6.

	FY2026			FY2027			FY2028-FY2031		
EOC Capital Projects	RICAP	Bonds	Agency Funds	RICAP	Bonds	Agency Funds	RICAP	Bonds	Agency Funds
Statewide Industrial Site Development (Article 5)	-	$10.3	-	-	$13.2	-	-	$55.0	-
Growth Industry Infrastructure (Article 5)	-	-	-	-	-	-	-	45.0	-
CPF Broadband	-	-	6.8	-	-	4.6	-	-	0.9
Innovation Centers	-	8.3	-	-	3.4	-	-	0.5	-
Port of Davisville Infrastructure	-	3.2	-	-	-	-	-	-	-
Port of Davisville Landside Improvements	-	6.0	-	-	9.0	-	-	-	-
I-195 Park Improvements	2.5	1.3	-	0.5	-	-	-	-	-
I-195 Infrastructure Development	0.7	-	-	1.0	-	-	0.4	-	-
Quonset Business Park Infrastructure	2.5	-	-	2.5	-	-	-	-	-
PFAS Mitigation at Quonset Business Park	1.0	-	-	-	-	-	-	-	-
Total	**$6.7**	**$29.0**	**$6.8**	**$4.0**	**$25.6**	**$4.6**	**$0.4**	**$100.5**	**$0.9**

$ in millions

- **Statewide Industrial Site Development (Article 5):** The Budget includes $10.3 million in bond proceed funding in FY2026 and $13.2 million in FY2027 for industrial site development. In March 2021, voters approved a $40.0 million bond referendum for this purpose. According to the EOC, the funds are being allocated competitively for the purpose of preparing sites for the development of facilities related to manufacturing, assembly, distribution, and other job-producing commercial activities. The Budget also includes $55.0 million in new bond proceeds for these purposes in FY2028. This additional funding is contingent upon both the passage of a proposed bond referendum in Article 5 of the Budget and the subsequent approval by voters in November 2026.
- **Growth Industry Infrastructure (Article 5):** The Budget includes $45.0 million in new bond proceeds in FY2028 to finance infrastructure that supports "growth industries" Rhode Island. This additional funding is contingent upon both the passage of a proposed bond referendum in Article 5 of the Budget and the subsequent approval by voters in November 2026. According to the EOC, the bonds will support 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 capital investments in facilities and projects that advance business and job growth in life sciences.
- **CPF Broadband:** The Budget includes $6.8 million of ARPA Capital Projects Funds (CPF) for Broadband initiatives within the EOC's Commerce Programs in FY2026 and $4.6 million in FY2027. ConnectRI is the State's primary broadband development program. Administered by the Commerce Corporation in concert with the state's Broadband Advisory Council, it coordinates the planning, and implementation of expanded internet capacity in the state. According to the state's Pandemic Recovery Office FY2025 Q3 report Commerce has completed three requests for proposals (RFPs) for the following regions:
  - Jamestown, Newport, and Westerly: $12.9 million approved in September 2024; with subawards completed in March 2025.
  - Portsmouth and Tiverton: $4.7 million awarded in January 2025, with subawards completed in March 2025.
  - Balance of State: $6.3 million approved in January 2025, with subawards completed in March 2025.
- **Innovation Centers:** The Budget includes $8.3 million in FY2026 and $3.4 million in FY2027 from bond proceeds to support additional business collaborations with higher education institutions, where cutting-edge research will be developed into new products, services, and businesses. Project funding was authorized by voters in 2016. Projects include the RI Innovation Hub and Accelerator, the University of Rhode Island & Arizona State University Innovation Hub, and the RI Agricultural Technology Park.
- **Port of Davisville Infrastructure:** The Budget includes $3.2 million in bond proceeds FY2026 to advance of the Quonset Development Corporation's (QDC) infrastructure master plan. According to

the QDC, funds will be used to support channel dredging and construction of a new pier for transport barges.

- **Port of Davisville Landside Improvements:** The Budget includes $6.2 million in bond proceeds FY2026 and $9.0 million in FY2027 to finance the completion of the Terminal 5 Access Road at the Port of Davisville.
- **I-195 Park Improvements:** The Budget includes $2.5 million in RI Capital Plan Funds and $1.3 million in bond proceeds to help finance the construction of park infrastructure enhancements adjacent to the Providence River Pedestrian Bridge in the I-195 District in FY2026 and an additional $500,000 in FY2027 . In March 2021, voters approved a $4.0 million bond referendum for this purpose. Funding is being used to construct park infrastructure enhancements, including a pavilion for food and beverage service, enhanced infrastructure, office space, and a small storage facility.
- **I-195 Infrastructure Development:** The Budget includes $735,000 from the RI Capital Plan Fund in FY2026 and $1.0 million in FY2027 for the continued development of the land made available by the relocation of I-195. Funding will continue to support engineering, design review, legal work for ongoing and prospective deals, and the design and construction of additional park infrastructure enhancements.
- **Quonset Business Park Infrastructure:** The Budget includes $2.5 million in Rhode Island Capital Plan funds in FY2026 and $2.5 million in FY2027 for capital improvements to the infrastructure and piers at Quonset. The Port has two piers (Pier One and Pier Two) that are long past their expected useful lifespan. As part of the Quonset Development Corporation's $205.0 million Port of Davisville master plan, Pier 2 will be rehabilitated by building an east extension and installing a sheet pile bulkhead. The Budget also includes $1.0 million in FY2026 to mitigate per- and polyfluoroalkyl substances (PFAS) contamination at the park.

TOC

Executive Office of Housing

Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Central Management	$103.8	$45.1	$163.8	***$118.7***	***263.3%***	**$52.7**	***$7.6***	***16.9%***
Total	**$103.8**	**$45.1**	**$163.8**	***$118.7***	***263.3%***	**$52.7**	***$7.6***	***16.9%***
Expenditures by Source								
General Revenue	$5.2	$6.5	$7.0	*$0.5*	*7.8%*	$7.3	*$0.9*	*13.4%*
Federal Funds	93.3	15.6	117.0	*101.4*	*650.1%*	19.3	*3.7*	*23.8%*
Restricted Receipts	5.2	23.0	39.8	*16.8*	*72.9%*	24.3	*1.3*	*5.8%*
Other Funds	-	-	-	-	-	1.7	*1.7*	*100%*
Total	**$103.8**	**$45.1**	**$163.8**	***$118.7***	***263.3%***	**$52.7**	***$7.6***	***16.9%***
Authorized FTE Levels	38.0	38.0	38.0	-	-	31.0	*(7.0)*	*-18%*

$ in millions. Totals may vary due to rounding.

The Department of Housing was established by a series of authorizing statues enacted by the General Assembly in 2021 and 2022. Prior to 2021, statewide coordination of housing-related planning, policy, and programming was decentralized, with pieces of it occurring in several quasi-public agencies and commissions, including the Executive Office of Commerce (EOC) with its Secretary in a central role.

With Rhode Island experiencing chronic affordable-housing shortages, persistent homelessness, and a significant influx of housing-related federal pandemic-relief funding, the 2021 General Assembly established a new state-level housing capacity centered around a Deputy Secretary of Commerce for Housing within the EOC. This new "Housing Czar" was charged with overseeing all housing initiatives in the State; developing a statewide housing plan; coordinating interagency implementation, policy development, and other housing-related activities; and developing a comprehensive annual report on the status and needs of housing in the State.

Reinforcing this priority in 2022, the General Assembly authorized the creation of a new Department of Housing, launched on January 1, 2023, and led by a new cabinet-level secretary. The Deputy Secretary position was elevated to the position of Secretary of Housing (Secretary) taking with it all of the responsibilities of the previous position. In addition, the Secretary is charged with developing a State Housing Reorganization Plan assessing housing governance and making recommendations regarding the Department of Housing structure and interagency relationships and functions.

Since the enabling legislation was cursory in nature, Article 6 of the FY2024 Budget as Enacted clarified the authority of the Secretary of Housing and the Department, providing the agency with powers and duties that are mostly consistent with other cabinet-level directors and departments. These include more detailed regulatory, administrative, operational, and programmatic authorities. Article 9 of the FY2026 Budget updated the Department of Housing into an Executive Office of Housing.

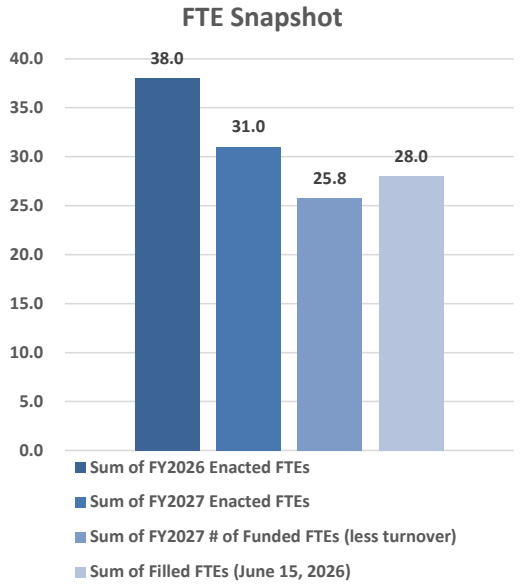
MAJOR ISSUES AND TRENDS

The Budget includes $52.7 million in all funds for the Executive Office of Housing. This includes $7.3 million in general revenue, $19.3 million in federal funds, $24.3 million in restricted receipt funding, and $1.7 million in other funds. General revenue increases by $869,152 relative to the FY2026 Budget as Enacted. The increase primarily reflects increased operational expenses due to the acquisition of several

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homelessness and affordable housing properties. Federal Funds increase by $3.7 million as compared to the FY2026 Budget as Enacted, driven primarily by increases to non-ARPA federal grant awards.

The Budget also decreases the Department's FTE authorization from 38.0 FTE positions to 31.0 FTE positions to more closely align with historical filled and funded positions. As of June 15, 2026, the Department had 28.0 FTE positions filled (90.0 percent). Of note, the Budget funds the equivalent of 25.8 FTE positions so if the Department remains at or above this FTE level, it will likely need to find savings in other budget areas or request increased funding in the FY2027 supplemental budget.



State Housing Plans

The Executive Office of Housing is required to develop a singular statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. The EOH contracted with Abt Associates as a consultant for the statewide housing plan, entitled *Housing 2030*. The plan was developed throughout 2025 and was approved by the State Planning Council on December 11, 2025.

The EOH also delivered its first Integrated Housing Report in December 2023, with support from Abt Associates through the Statewide Housing Plan SFRF project. The FY2025 Budget as Enacted shifted the deadline for the Integrated Housing Report from December 3 annually to April 15. The most recent report was published on April 15, 2025, and integrated recommendations from the *Housing 2030* plan. The FY2025 Budget as Enacted also added the following requirements to the report:

- Requires every three years, beginning in 2026, and, contingent upon funding, an assessment of the sustainability of existing housing stock in meeting accessibility needs of residents;
- Requires every three years, beginning in 2026, a projection of the number of units required to meet estimated population growth based on household formation rates;
- Requires data on the disparities in mortgage loan financing by race and ethnicity;
- Requires the annual median gross rent for each of the previous five years by municipality; and,
- Requires the annual growth in median owner-occupied home values for each of the previous five years by municipality

Low-Income Housing Tax Credit Fund

The General Assembly first authorized the state's Low-Income Housing Tax Credit (LIHTC) program in 2023. The program allows the Secretary of Housing to grant up to $30.0 million in tax credits annually for five years to promote development of affordable, low-income housing. The General Assembly also established a LIHTC restricted receipt fund within the Department for the purpose of paying for the redemption of credits or reimbursing the state for credits applied to tax liabilities. In FY2024, an initial investment of $28.0 million in general revenue was made in this restricted receipt account. A $4.0 million appropriation in FY2025 brought cumulative fund deposits to $32.0 million. The FY2026 Budget correctly reclassified the funds as a transfer rather than a general revenue expenditure as originally authorized in FY2023, resulting in a $4.0 million decrease in general revenues and a corresponding $4.0 million increase in restricted receipt and bringing total LIHTC deposits to $36.0 million.

Housing Production Fund Update: The FY2027 Budget includes the first anticipated redemption of the LIHTC credits and adds $520,000 in restricted receipts accordingly. The Fund is also scheduled to begin receiving all revenues from the non-owner-occupied non-rental residential property tax, set at 0.5 percent annually on the portion of the value exceeding $1.0 million, beginning July 1, 2026.

Affordable Housing Bonds

Article 5 of the FY2027 Budget includes a $120.0 million general obligation bond authorization to be placed on the November 2026 ballot to "increase and preserve the availability of affordable and accessible housing" and to "support community revitalization through the redevelopment of existing structures, new construction, property acquisition, and infrastructure improvements". Of this total amount, $25.0 million is required to be allocated towards production of housing intended for homeownership and up to $10.0 million may be allocated towards a public housing development program. Assuming full issuance in bond year 1 and 5.0 percent interest, annual debt service payments are estimated to be $9.6 million. Total debt service over a 20-year term would be $192.6 million, including $72.6 million in interest payments.

This new round of bond funding is intended to build upon efforts supported by the housing bond introduced in the FY2025 Budget and approved by voters in the November 2024 General Election. Funding for the November 2024 bond is allocated among six key areas as illustrated in the table below:

November 2024 Affordable Housing Bond	
Affordable Housing	$90.0
Acquisition and Revitalization	10.0
Homeownership	10.0
Site Acquisition	5.0
Housing Related Infrastructure	4.0
Municipal Planning	1.0
Total	**$120.0**

$ in millions

Affordable Housing Bond Update: According to the EOH, $106.0 million of the 2024 bond has been released through competitive solicitations, and $100.0 million is anticipated to be awarded by the end of 2026. Specifically:

- $66.0 million has been incorporated into a joint One Stop development funding application process with RI Housing. Of this total, $32.2 million has been awarded as of August 6, 2026, with the remainder expected to be awarded by the end of August 2026.
- $8.0 million for housing-related infrastructure was released in an RFP in October 2025, of which $7.6 million has been awarded.
- $1.0 million for municipal architecture and engineering was released in an RFP in October 2025 and is expected to be fully awarded by the end of November 2026. As of August 6, 2026, $643,000 has been awarded.
- $6.0 million for home repair was awarded to the Providence Revolving Fund to administer. The program was announced in November 2025.
- $5.0 million for a Site Acquisition Program was released in October 2025, and all funds for this program have been awarded.
- An RFP for the $10.0 million affordable homeownership funds was released in February 2026, with $7.2 million awarded as of August 6, 2026.

- EOH released $10.0 million for Public Development in February 2026, and $9.5 million has been awarded as of August 6, 2026.
- $5.2 million for a Municipal Revitalization program was released in July 2026, including $356,000 in re-released funds from the Municipal Planning project.
- $12.5 million for Affordable Homeownership was released in June 2026 and is expected to be awarded by the end of 2026.

CENTRAL MANAGEMENT

Central Management	General Revenue
FY2026 Enacted	$6,464,465
Target and Other Adjustments	*105,737*
Operating and Contract Service Increases	1,473,415
State-Owned Shelters to Restricted Receipts	(810,000)
Sojourner House	100,000
FY2027 Enacted	**$7,333,617**

Central Management	Other Funds
Non-ARPA SFRF Federal Grants (federal funds)	$3,704,694
Low-Income Housing Tax Credit Fund (restricted receipts)	$520,000
ARPA SFRF Housing and Homelessness Initiatives (federal funds)	Informational
Housing Resources and Homelessness Fund (restricted receipts)	Informational
Housing Production Fund (restricted receipts)	Informational

Operating and Contract Service Increases *$1.5 million*

The Budget includes a net general revenues increase of $1.5 million to support the Executive Office's increased operational costs following the acquisition of homelessness and affordable housing properties. The State currently owns three housing/homelessness-related properties: 100 Randall Street (Charlesgate), 1 Victor Street, and 662 Hartford Avenue, all in Providence. These properties have ongoing, and increasing, costs related to gas, electricity, and other property management expenses that require sustained funding. These increases are mitigated slightly by a decrease of $300,000 in operating costs following the relocation of the Executive Office from the Shepard Building to the Power Building, as well as the expiration of one-time expenses incurred during the formation of the Office.

State-Owned Shelters to Restricted Receipts *($810,000)*

The Budget shifts $810,000 from general revenues into restricted receipts for expenses related to state-owned shelters. The Executive Office has previously utilized State Fiscal Recovery Funds (SFRF) for utilities and contracted facilities management costs at state-owned shelters. The Governor's Budget provided $1.9 million in general revenues to cover these costs in FY2027. This shift maintains the same level of funding but moves $810,000 in costs to the Housing Resources and Homelessness Restricted Receipt account.

Sojourner House *$100,000*

The Budget increases general revenues by $100,000 to provide additional funding for supportive housing and rapid rehousing initiatives at Sojourner House, a Providence-based supportive services and housing nonprofit. The FY2026 Budget as Enacted included $100,000 for this purpose; this increase brings total funding for Sojourner House in FY2027 to $200,000 in general revenues.

Non-ARPA SFRF Federal Grants (federal funds) *$3.7 million*

The Budget includes a net $3.7 million increase in non-ARPA SFRF federal grant programs

Non-ARPA SFRF Federal Grants	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Community Development Block Grants (CDBG)	$10.0	$13.4	*$3.4*	$9.9	*($0.1)*
Shelter Funding	2.7	3.4	*0.7*	2.6	*(0.1)*
Housing Opportunities for Persons with AIDS	0.4	0.6	*0.3*	0.4	-
Recovery Housing Program	2.0	3.2	*1.2*	5.4	*3.4*
Affordable Housing	0.5	1.0	*0.5*	1.0	*0.5*
Total	**$15.6**	**$21.7**	***$6.1***	**$19.3**	***$3.7***

$ in millions

- **CDBG Program:** The Budget includes a $97,368 decrease in Community Development Block Grant (CDBG) Funds for FY2027. Grant fund expenditures for CDBG projects are calculated at different times and it can take several years to complete the drawdown of funds. The FY2026 Budget included increases in Project Year 2021 and Project Year 2022 grants to reflect updated project funding needs and balance estimates. The FY2027 Budget includes no additional funding from the FY2015, FY2016, and FY2019 project years, and a decrease in CDBG administration funding.
- **Shelter Funding:** The Budget includes $2.6 million in standard federal shelter and homelessness funding in FY2027, a $130,977 decrease as compared to the FY2026 Enacted level. This funding is received from the U.S. Housing and Urban Development (HUD) Emergency Shelter Grant (ESG) program. Additional funds from CDBG and SFRF are also used for shelter funding.
- **Housing Opportunities for Persons with AIDS:** The Budget includes $350,000 in federal Housing Opportunities for Persons with AIDS (HOPWA) funding in FY2027, equal to the FY2026 Enacted level. The program funds supportive services and housing for low-income people living with HIV/AIDS.
- **Recovery Housing Program:** The Budget includes $5.4 million in FY2027 for the Recovery Housing Program (RHP), a $3.4 million increase as compared to FY2026. The increase represents an amended distribution plan including carryforward funding of previously unspent funds. This HUD initiative supports stable, transitional housing for individuals in recovery from a substance use disorder. RHP eligible activities include public facility improvements; site acquisition; lease, rent, and utilities payments; rehabilitation and construction of housing; clearance and demolition; and relocation.
- **Affordable Housing:** The Budget includes $1.0 million in FY2027 for a new federal HUD grant, $500,000 more than the enacted level. The multi-year grant totals $3.8 million and is provided to identify and remove barriers to affordable housing production and preservation.

Low-Income Housing Tax Credit Fund (restricted receipts) ***$520,000***

The General Assembly first authorized the state's Low-Income Housing Tax Credit (LIHTC) program in 2023. The program allows the Secretary of Housing to grant up to $30.0 million in tax credits annually for five years to promote development of affordable, low-income housing. The General Assembly also established a LIHTC restricted receipt fund within the Department for the purpose of paying for the redemption of credits or reimbursing the state for credits applied to tax liabilities. As of FY2026, the Fund had received $36.0 million in deposits. The FY2027 Budget increases restricted receipts for this fund by $520,000 to reflect the first anticipated redemption of these credits.

ARPA SFRF Housing and Homelessness Initiatives (federal funds) ***Informational***

The Budget includes a reappropriation of $95.3 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2026 and no additional funding FY2027. Between FY2022 and FY2024 the General Assembly authorized the creation of 16 housing and homelessness programs and appropriated $332.2 million in SFRF funds to support them. The General Assembly was compelled to appropriate all of the State's ARPA allocations in FY2024 to meet U.S. Treasury obligation and spending deadlines. Because many of the housing and homelessness programs take several years to complete, the

General Assembly required that any unspent ARPA funds at the end of any given fiscal year be reappropriated for the same purposes. The status of these various projects may be found at the state's Pandemic Recovery Office's reporting page here: SFRF Quarterly Reports. The following table summarizes the reappropriations.

ARPA SFRF Initiative	FY2022 Actual*	FY2023 Actual*	FY2024 Actual	FY2025 Actual	FY2026 Enacted	FY2026 Final	Total Appropriation
Development of Affordable Housing	$14.7	$0.0	$25.2	$20.1	$0.0	$40.0	$100.0
Homelessness Infrastructure	-	3.7	23.7	13.4	-	4.2	45.0
Targeted Housing Development	-	-	-	8.0	-	18.0	26.0
Down Payment Assistance	-	10.0	20.0	-	-	-	30.0
Site Acquisition	6.0	9.0	10.0	-	-	0.0	25.0
Home Repair and Community Revitalization	-	-	7.0	7.8	-	9.7	24.5
Homelessness Assistance Programs	-	5.6	10.1	14.1	-	9.0	38.8
Workforce and Middle-Income Housing	-	-	3.7	8.0	-	8.3	20.0
Affordable Housing Predevelopment Program	-	2.5	7.5	-	-	-	10.0
Housing Related Infrastructure	-	-	-	1.1	-	1.9	3.0
Municipal Homelessness Support	-	-	0.3	1.2	-	0.7	2.2
Municipal Planning	-	-	-	0.3	-	1.7	2.3
Statewide Housing Plan	-		0.0	0.9	-	1.0	2.0
Predevelopment and Capacity Building	0.1	0.5	0.6	0.2	-	0.0	1.5
Proactive Housing Development	-	-	-	0.7	-	0.7	1.4
Preservation of Affordable Housing Units	-	-	-	0.5	-	-	0.5
Total	**$20.8**	**$31.3**	**$108.2**	**$76.2**	**-**	**$95.3**	**$332.2**

$ in millions. Total may vary due to rounding.

** FY2022 and FY2023 levels reflect the amount included for the Office of Housing and Community Development within the Executive Office of Commerce (EOC)*

Housing Resources and Homelessness Fund (restricted receipts) ***Informational***

The Budget includes $19.7 million in Housing Resources and Homelessness restricted receipt expenditures in both FY2026 and FY2027. In 2024, the General Assembly renamed the "Housing Resources Commission" account the "Housing Resources and Homelessness Fund" and transferred the oversight of the account to the Executive Office of Housing in consultation with the Housing Resources Commission. The Housing Resources Commission (HRC) was established under Rhode Island General Law 42-128, known as the RI Housing Resources Act of 1998. The HRC is comprised of 28 members who meet monthly, representing a variety of stakeholders and intended to serve as the State's planning, policy, standards, and program agency for housing issues. The majority of the HRC funding is allocated through the Consolidated Homeless Fund (CHF) which supports homeless shelter operations, outreach, rapid rehousing rental assistance, and other system supports. Additional resources are directed towards the centralized wait list for subsidized properties, lead hazard mitigation, and predevelopment and capacity building.

The FY2026 Budget as Enacted added two dedicated revenue streams for the Housing Resources and Homelessness Fund. The state's 5.0 percent rental tax was extended to include whole-home short-term rentals, with 50.0 percent of the revenue directed to the fund and the remaining 50.0 percent split evenly between municipalities and tourism districts. The FY2026 Budget as Enacted also increased the real-estate conveyance tax and dedicated the revenue collected on sale value over $800,000 to the fund.

Housing Production Fund (restricted receipts) ***Informational***

The FY2022 Budget as Enacted established a new fund to finance housing programs in the State. The Housing Production Fund (HPF) is a restricted receipt fund that provides "financial assistance by loan, grant, or otherwise for the planning, production, or preservation of affordable housing in Rhode Island for households earning not more than 80.0 percent of area median income". The fund may also be used to support technical and financial assistance for municipalities to support increased local housing production. It is administered by RIHousing. The authorizing legislation directs RIHousing to prioritize households either experiencing homelessness or earning not more than 30.0 percent of area median income.

The FY2022 Budget also provided a dedicated revenue stream for the fund. Article 14 increased the State's real estate conveyance tax on the portion of real estate value over $800,000, with the marginal new revenue to be deposited into the HPF and used to support increased affordable housing opportunities in the State. The 2021 General Assembly Budget also provided $25.0 million in one-time general revenue to capitalize the HPF. The FY2026 Budget added a new dedicated revenue stream for the HPF resulting from increasing both the first- and second-tier real-estate conveyance tax to 0.75 percent.

The following table shows expenditures and revenues for the Housing Production Fund.

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Beginning Balance	$25.0	$26.4	$16.0	$9.9	$2.7	($11.4)
RECT Receipts	1.4	3.6	3.9	5.2	6.0	6.1*
Obligations/Expenditures	-	(14.0)	(10.0)	(12.5)	(20.0)	(3.2)
Ending Balance	$26.4	$16.0	$9.9	$2.7	($11.4)	($14.6)

$ in millions

**FY2027 RECT Receipts reflects an estimated revenue projection*

***Analyst Note**: FY2027 appears to begin with a negative balance due to a double counting of FY2025 expenditures. FY2025 expenditures were not spent in FY2025 and were intended to shift to FY2026 instead. Because FY2025 Actuals are not yet available, these totals reflect Enacted level funding for both FY2025 and FY2026, both of which included FY2025 obligations.*

According to RIHousing, $37.1 million in HPF funds has been committed and $12.0 million has been spent. The status of these funds is summarized below.

Category	Committed	Allocated	Expended	Status
Housing Production	$22,700,000	$20,536,253	$8,064,192	Financed the development or preservation of 13 developments/762 units, of which 708 are affordable
Extremely Low Income	$9,375,000	$9,375,000	$667,618	Provided funding for operating support of 127 units in 13 developments serving households earning no more than 30% AMI.
Technical Assistance	$5,000,000	$4,475,908	$3,270,474	Funded 46 projects in 33 municipalities, as well as creating and updating templates for municipalities to implement recent land use law changes.
Total	**$37,075,000**	**$34,387,161**	**$12,002,284**	

***Analyst Note**: Dollar amounts reflect program expenditures and do not include administrative costs. Projects within the Extremely Low-Income program category provide rental assistance over a period of 5-15 years and include several projects which are still in development. As such, these funds are expected to draw down more slowly than the other categories.*

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Executive Office of Health and Human Services

Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Central Management	$226.7	$249.1	$280.5	*$31.3*	*12.6%*	$425.8	*$176.7*	*70.9%*
Medical Assistance	3,645.3	3,977.3	3,923.3	*(54.0)*	*-1.4%*	4,182.5	*205.1*	*5.2%*
Total	**$3,872.0**	**$4,226.4**	**$4,203.8**	***($22.7)***	***-0.5%***	**$4,608.2**	***$381.8***	***9.0%***
Expenditures by Source								
General Revenue	$1,380.0	$1,490.4	$1,464.6	*($25.9)*	*-1.7%*	$1,579.7	*$89.3*	*6.0%*
Federal Funds	2,454.2	2,709.5	2,692.5	*(17.1)*	*-0.6%*	3,010.3	*300.7*	*11.1%*
Restricted Receipts	37.8	26.5	46.7	*20.2*	*76.4%*	18.3	*(8.2)*	*-31.0%*
Total	**$3,872.0**	**$4,226.4**	**$4,203.8**	***($22.7)***	***-0.5%***	**$4,608.2**	***$381.8***	***9.0%***
Authorized FTE Levels	233.0	243.0	248.0	*5.0*	*2.1%*	257.0	*14.0*	*5.8%*

$ in millions. Totals may vary due to rounding.

The Executive Office of Health and Human Services (EOHHS) is the umbrella agency which oversees the Departments of Health (DOH); Human Services (DHS); Children, Youth and Families (DCYF); and Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH). EOHHS coordinates the organization, finance, and delivery of publicly-funded health and human services programs and serves as the single State agency for Medicaid. Its mission is to ensure access to high quality and cost-effective services which foster the health, safety, and independence of all Rhode Islanders.

MAJOR ISSUES AND TRENDS

The FY2027 Budget contains an increase of $89.3 million in general revenues due primarily to the projected costs for Medicaid from the May 2026 Caseload Estimating Conference (CEC), the full implementation in October of the biennial rate adjustments required by the Office of the Health Insurance Commissioner (OHIC) Rate Review, pursuant to RIGL 42-14.5, and compliance with changes required by the congressional passage of House Resolution 1 (HR-1) in 2025. The May 2026 Caseload Estimating Conference estimate projected the need for an additional $27.1 million from general revenues ($108.2 million all funds) to support the Medicaid program in FY2027 compared to the FY2026 Enacted level. In anticipation of an increase in uncompensated care due to HR-1, the Budget includes an increase of $25.0 million in disproportionate share hospital (DSH) payments to non-government-owned hospitals, including $10.5 million in general revenue and $14.5 million in federal funds. In addition, the Budget includes $995,037 in general revenue to support wage increases for non-employee Personal Care Attendants (PCAs) and $1.6 million in general revenue to support the Newport Hospital Birthing Center. To partially offset the increased costs, the Budget eliminates Medicaid coverage for GLP-1 medications as prescribed only for weight loss.

In FY2026, general revenues decrease by $25.9 million ($1.2 million all funds) primarily driven by adjustments for the May Caseload Estimating Conference that resulted in a net general revenue decrease of $20.3 million ($63.1 million all funds) due to lower utilization. The increase in restricted receipts is primarily due to updated expenditure projections for the Statewide Opioid Abatement funds and the final expenditures from the Health System Transformation Project (HSTP). The HSTP began in FY2017 as a product of the Governor's Working Group to Reinvent Medicaid, which established a model to reform the State's Medicaid program to shift to value-based payments; coordinate physical, behavioral, and long-term healthcare; rebalance the care delivery system away from high-cost settings; and, promote efficiency, transparency, and flexibility in publicly-funded healthcare.

Rural Health Transformation Program: In December 2025, the Centers for Medicare & Medicaid Services (CMS) announced a $156.2 million federal Rural Health Transformation Program (RHTP) grant award to

Rhode Island for the first of five grant years. Any of the first-year funds not spent by September 30, 2027, must be returned to CMS. Year two begins October 31, 2026, with an expenditure deadline of September 30, 2028. The Executive Office anticipates level funding through the five grant years; however, CMS may adjust the award based on program performance. As recommended in Governor's Budget Amendment 6, the Budget adds $68.8 million in FY2027 and $5.6 million in FY2026 from the new federal Rural Health Transformation Program (RHTP) grant and 5.0 new FTE positions in FY2026 that are carried into FY2027. The funds will be distributed in yearly tranches in federal FY2026 through FFY30 over six state agencies with 10.0 percent available for administrative expenses.

GBA 6 - Rural Health Transformation Program (RHTP) - Grant Year 1

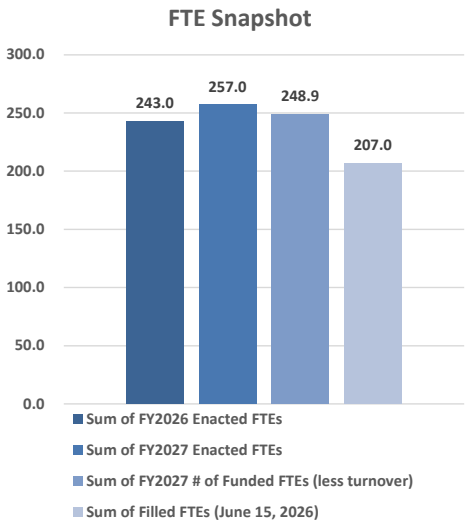
Department	FY2026	FY2027	Total
Business Regulation	$0.4	$21.4	$21.8
Labor and Training	0.4	7.0	7.4
Executive Office of Health and Human Services	5.6	68.8	74.5
Health	2.8	27.3	30.1
Behavioral Healthcare, Development Disabilities and Hospitals	0.5	4.1	4.5
Elementary and Secondary Education	1.1	4.8	5.9
Total	**$10.7**	**$133.5**	**$144.2**
Funds to be appropriated in FY2028			13.4
Total			**$157.6**

$ in millions

Pay for Success: Article 10 makes changes to the State's Pay for Success (PFS) supportive housing program, including extending the pilot and expanding the organizations with whom EOHHS can collaborate in providing annual progress reports; however, no new state funds are provided.

Ladders to Licensure: Article 12 loosens restrictions on the use of funds for the Ladders to Licensure program 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.

Advancing All-Payer Health Equity Approaches and Development (AHEAD): The Budget includes federal funding of $1.4 million in FY2027 and $581,260 in FY2026 toward the implementation of the federal Advancing All-Payer Health Equity Approaches and Development (AHEAD) model, a decrease of $626,361 and $1.4 million respectively from the FY2026 enacted level, effectively shifting unused funding forward. Article 8 requires the Secretary of Health and Human Services to carry out pre- planning and readiness activities and 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. Federal funding for the implementation is also provided through initiative 11 of the Rural Health Transformation Program included in Article 12.



The Budget authorizes 257.0 FTE positions for EOHHS in FY2027 and 248.9 FTE positions in FY2026, an increase of 14.0 FTEs and 5.0 FTE positions, respectively, relative to the FY2026 enacted level. The increase includes 8.0 FTE positions to implement and comply with new HR-1 requirements; 5.0 FTE positions, beginning in FY2026, to manage the new federal Rural Health Transformation Program (RHTP) grant positions; and 1.0 FTE Olmstead position transferred from the DOH to EOHHS

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CENTRAL MANAGEMENT

EOHHS' Central Management Division is responsible for consolidating and coordinating major programmatic and administrative functions of the four health and human services agencies, including budget, finance, and legal services.

Central Management	General Revenue
FY2026 Enacted	$64,008,128
Target and Other Adjustments	*2,059,750*
HR-1 Compliance (8.0 new FTE positions)	*14,086,975*
Medicaid Enterprise System (MES) Transformation Project	5,504,444
Ryan White HIV Care Program	2,000,000
eLTSS Case Management IT	1,609,604
Newport Hospital Birthing Center	1,600,000
Medicaid Management Information System (MMIS)	1,597,048
RIBridges Strategic Planning	1,406,285
Rhode Island Parent Information Network (RIPIN) Contract Savings	(1,240,712)
RIBridges Contractual Inflator	727,688
RI Ecosystem and HealthFacts RI	321,262
Primary Care Assessment	290,500
Home and Community Based Services (HCBS) LTSS Compliance	260,945
OHIC Rate Review	150,000
CCBHC MRSS Staff	143,705
Inflation Adjustment - Actuarial and Financial Analytics Contract	106,000
DCYF Court Monitor	75,000
Early Intervention Program Extension	50,000
OHIC All Payer Claims Database Payment	(50,000)
Olmstead FTE Transfer from RIDOH to EOHHS (1.0 new FTE position)	Informational
FY2027 Enacted	**$94,706,622**

Central Management	Other Fund Changes
Rural Health Transformation Program (federal funds)	$68,846,651
Advancing All-Payer Health Equity Approaches and Development (AHEAD)(federal funds)	($626,361)
Opioid Accounts (restricted receipts)	(7,152,500)
Pay for Success (restricted receipts)	(1,506,525)
EC4 Equity Zone Project (restricted receipts)	(45,454)

HR-1 Compliance (8.0 new FTE positions) ***$14.1 million***

The EOHHS budget includes $15.1 million in general revenue ($36.1 million in all funds) and 8.0 new FTE positions to support the State's compliance with the provisions of the federal HR-1 bill, including the following:

- **HR-1 AI & SNAP Quality Control (PER) – RIBridges ($4.4 million):** The Budget includes $4.4 million in general revenue ($11.0 million in all funds) to support technology services for the Office of Program Integrity (OPI) in DHS and Enhanced Training initiatives to create real-time dashboards to monitor the payment error rate (PER) for Supplemental Nutrition Assistance Program (SNAP) benefits and adjust staff training. The use of automated intelligence enables targeted training in high-error areas, build out of a unified statewide training program for all DHS programs, and real-time dashboards for staff analysis.

  Pursuant to Article 8 of the FY2026 Budget as Enacted, the Secretary of Health and Human Services convened an advisory working group to assist in the review and analysis of the potential impact of federal actions related to Medicaid programs. In October 2025, the Advisory Group published the Federal Compliance Advisory Group: Federal Policy Changes Report containing findings,

recommendations, and options for consideration to comply with HR-1. Additional information is available including Advisory Group Meetings/Materials, the Report at a Glance, and the Final Meeting Slide Deck.

- **RIBridges HR-1 System Compliance ($4.0 million):** The Budget includes $4.0 million in general revenue and $6.0 million in federal funds for contracted services and operating supplies to support compliance with HR-1 changes such as the increased mandatory work requirements and increased Medicaid renewal cycles. According to the EOHHS, more than twenty modifications to the RIBridges system software are needed to comply with the federal mandates within HR-1. Failure to comply could result in penalties and reduced federal funding. System modifications are planned over four years from FY2026 through FY2029 with updates being activated quarterly. In FY2026, EOHHS utilized available resources to meet federal deadlines.
- **HR-1 Managing the HHS Transition - RIBridges (1.0 new FTE position) ($3.8 *million):*** The Budget includes $3.8 million in general revenue and $6.1 million in federal funds to support modifications to the RIBridges software and 1.0 new Interdepartmental Project manager FTE position to coordinate HR-1 compliance efforts across EOHHS, DHS, and HealthSource RI (HSRI). Total funding includes $9.5 million in technology services, $214,677 in operating expenses, and $183,796 in salary and benefits.
- **HR-1 Medicaid FTE & Contract Support (7.0 FTE positions) ($1.2 million):** The Budget includes $1.2 million in general revenue and $1.2 million in federal funds to support 7.0 new FTE positions and contracted services support for the state Medicaid program to implement and comply with new the HR-1 requirements. Of the total $2.3 million funding, $1.0 million will support salaries and benefits while $1.3 million will support contract professional services.
- **HR-1 Community Engagement ($1.0 million federal funds):** The Budget includes $1.0 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. Effective December 31, 2026, certain adults must work at least 80 hours a month or be enrolled in school at least half time in order to be eligible for Medicaid benefits. EOHHS estimates that approximately 24,600 individuals could lose coverage. HR-1 imposed similar work requirements for SNAP eligibility on March 1, 2026, impacting an estimated 9,000 beneficiaries.
- **HR-1 Work Requirement Platform – Verification Hub ($797,090):** The Budget includes $797,090 in general revenue ($1.9 million in all funds) to implement a platform to track community engagement requirement participation across Medicaid, SNAP, and the Temporary Assistance to Needy Families Program (TANF). A centralized verification hub will have three main functions:
  - Tracking and verifying employment, education, and volunteer hours
  - Identifying and verifying exclusions and exceptions that are not currently determined through existing RIBridges data sources
  - Referring and connecting beneficiaries with employment, education, or volunteer opportunities needed to establish or maintain eligibility.

  According to EOHHS a verification hub that provides all of these services does not currently exist; however, vendors are working to fill the gaps. It is expected that additional contracts will be needed for automated data verification from other sources for integration into the hub.

Medicaid Enterprise System (MES) Transformation Project ***$5.5 million***

To reflect the updated project schedule, the Budget increases implementation expenses for the new Medicaid Enterprise System (MES) by $5.5 million in general revenue ($59.5 million in all funds), including $99,957 in general revenue and $899,612 in federal funds to support 5.0 FTE positions within the EOHHS's current authorization. The State's existing Medicaid Management Information System (MMIS), originally implemented in 1993, is a rules-based, table-driven, client server system. The MES is

a module structure for managing data. The existing MMIS system will run in tandem with the new MES modules until the transition is completed.

To facilitate the transition to the modular Medicaid Enterprise System (MES), the Budget provides funding to support the salaries and benefits for 5.0 FTE positions. While the Executive Office requested 5.0 new FTE positions for this purpose, the Budget does not provide additional positions. CMS is requiring states to shift to a modular system. According to the Executive Office, CMS will be reviewing the Federal Medical Assistance Percentage (FMAP) for states that do not comply and has specifically spoken to the RI Medicaid team about ending the contract for the current MMIS system. The project is expected to continue through FY2031; however, the Executive Office cautions that the timeline is in jeopardy without the new FTE positions potentially exposing the state to a lower FMAP. Currently, only 1.0 FTE position is dedicated to this project.

The positions include:

- 1.0 FTE Chief Data Analyst ($234,100 in salaries and benefits) to function as the OASIS Solutions Architect and execute the MES through the mapping of workflow and touch points between the MES modules and the MMIS to ensure accurate system design by the vendor.
- 1.0 FTE Data Analyst III ($206,500 in salaries and benefits) to function as the OAIS release Manager to coordinate the progression of software changes.
- 1.0 FTE Administrator for Medical Services ($197,300 in salaries and benefits) to operate as the Quality Assurance Manager and oversee the quality assurance and testing activities for the system.
- 1.0 FTE Data Analyst II ($178,000) to manage the loading of data into the OASIS data warehouse.
- 1.0 FTE Interdepartmental Project Manager ($183,600 in salaries and benefits) to oversee the project work, testing, and contract management, including processing invoices and contract changes, as well as monitoring Key Performance Indicators (KPIs).
- An additional Interdepartmental Mental Project Manager FTE is requested for FY2028.

The Medicaid Enterprise System (MES), a module structure for managing data, as required by CMS. CMS projects that the modular system will improve functionality and cost-effectiveness by allowing the state to procure technology that fits the state's business and operational needs from multiple vendors. The MES Transformation program includes the procurement, modernization, and modularization of the Medicaid systems and provides 90.0 percent federal funding for design, development, and implementation costs, and 75.0 percent federal funding for maintenance and operation costs.

The cost for the shift to the MES is expected to continue through FY2031 as modules and vendors are procured. Planning for the MES began in FY2023 and modules, including Third-Party Liability (TPL), a System Integrator (SI), and an Operational Data Store (ODS), are scheduled for implementation in late FY2026 and FY2027.

Analyst Note: Current projection assumes a 90/10 FMAP; however, as the project moves from Design, Development, and Implementation (DDI) into Maintenance and Operation (M&O) the FMAP will shift to 75/25.

Ryan White HIV Care Program ***$2.0 million***

The Budget provides $2.0 million in FY2027, and $1.5 million in FY2026, to support escalating pharmaceutical costs for Ryan White HIV Care Program. Congress passed the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act in August 1990 in remembrance of a teenager who contracted AIDS from a blood transfusion and passed one month before his high school graduation. The Ryan White Program provides medical services and supports, such as medications and outpatient services, to qualified Rhode Islanders.

eLTSS Case Management IT ***$1.6 million***

The Budget includes an additional $1.6 million in 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 will support the salary and benefits of the 1.0 Interdepartmental Project Manager FTE, including $45,901 in general revenue, and $10.8 million would support professional services. The Budget includes funding but does not add a new position. This project is part of a multi-year effort, that began in 2022, to make long-term services and support (LTSS) more person-centered and quality-driven with home and community-based services (HCBS) eFMAP funding and is projected to reach initial operating capability by the end of FY2026. However, since the HCBS eFMAP funding is depleted, ongoing development and operation of the system requires a shift to general revenue funding.

The eLTSS is a single electronic case management platform that allows for the coordination of benefits for Medicaid members receiving home and community-based services (HCBS) across programs based on the individual member's needs. The system includes a central client record, a comprehensive assessment tool, support for person-centered planning, and capacity for conflict-free case management.

Newport Hospital Birthing Center ***$1.6 million***

The Budget includes $1.6 million as a state directed grant to the Newport Hospital Birthing Center. Based on the financial update provided by Newport Hospital on May 7, 2026, the Noreen Stonor Drexel Birthing Center is in need of additional funding to support the continued operation of the facility. The Hospital requested $4.9 million, including $2.8 million to support 6.0 additional providers, $1.4 million in management fees, $600,000 in annual labor and delivery loss, and $100,000 for nursing education. Through Section 12 of Article 12, the Budget amends the hospital conversion act, establishing the Rhode Island birthing center access, transparency, and financial accountability act of 2026, which prohibits the closure or significant reduction of services of a birthing center without a review process to determine whether the closure was unavoidable.

Medicaid Management Information System (MMIS) ***$1.6 million***

The Budget includes a $1.6 million increase in general revenue and $8.5 million in federal funds ($36.1 million total funding in FY2027) to support the Medicaid Management Information System (MMIS). In FY2026, the Budget includes an increase of $1.7 million in general revenue and $8.4 million in federal funds ($35.7 million in total funding) to account for a shortfall not included in the FY2026 Budget request. Instead of a two-year contract, CMS would only approve a one-year contract with the possibility of two one-year extensions. This change required a six-month extension while the new contract was negotiated. The budget request did not include the cost of a new one-year contract with Gainwell to provide services beyond September 2025. The new contract took effect on October 1, 2025.

The State's existing MMIS was originally implemented in 1993. This MMIS is a rules-based, table-driven, client server system that supports integrated MMIS functionalities and data management capabilities. 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 CMS, 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. The Executive Office estimates the need for at least two more years of contract services.

RIBridges Strategic Planning ***$1.4 million***

The Budget shifts $1.4 million in general revenue and $2.2 million in federal funds from FY2026 into FY2027 for RIBridges strategic planning efforts, resulting in a net zero impact across FY2026 and FY2027. The Budget had originally assumed level spending over two years, but the updated schedule places most of the spending projections in FY2027. The strategic planning vendor will aid in prioritizing efforts to modernize the eligibility system through modularized components.

Rhode Island Parent Information Network (RIPIN) Contract Savings ***($1.2 million)***

The Budget removes $1.2 million in general revenue ($2.5 million in all funds) to reflect the expiration of contracts with RIPIN related to the Dual Care Management Program (CMP) and the Hospital Care Transition Initiative (HCTI). The CMP coordinated services for beneficiaries eligible for both Medicare and Medicaid, a service now provided through other programs such as the Neighborhood Health Plan of RI (NHPRI) Fully Integrated Dual-Eligible Special Needs Plan (FIDE-SNP). According to EOHHS, the HCTI is no longer eligible for a federal match through Medicaid because the services are duplicative of those provided through FIDE-SNP, the RI Aging and Disability Resource Center at United Way, and RIPIN's RIREACH program. The current contract with RIPIN expires on June 30, 2026. The Budget includes funding for RIPIN to operate the dual ombudsman program in OHIC and funding for hospital transition services in the Office of Healthy Aging.

RIBridges Contractual Inflator ***$727,688***

The Budget includes $727,688 in general revenue and $1.1 million in federal funds ($1.9 million total) to support hourly rate increases provided in the Deloitte contract signed in 2021 while maintaining current services. In FY2027, the total Unified Health Infrastructure Project (UHIP) contract costs within the Executive Office total $111.4 million, including $38.7 million in general revenue. Statewide costs, including the Department of Human Services and HealthSourceRI, total $130.8 million, including $42.0 million in general revenue. RI Bridges is the benefit eligibility determination system that integrates more than 15 health and human services, such as Medicaid, Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF).

Contractual Price per Hour

Fiscal Year	Hourly Rate	*Percent Change*
FY2024[1]	$105	0.0%
FY2025	115	9.5%
FY2026	115	0.0%
FY2027	134	16.5%
FY2028	138	3.0%

[1] *Hourly rate from 7/1/2021 to 6/30/2024.*

Source: EOHHS FY2027 Budget Request

RI Ecosystem and HealthFacts RI ***$321,262***

The Budget provides an additional $321,262 in general revenue 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 of $1.4 million and in FY2026 of $1.6 million in federal funds to reflect the reduction in the federal match from 90/10 to 75/25 as the project moves from design, development, and implementation (DD&I) to maintenance and operation (M&O).

Primary Care Assessment ***$290,500***

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. If the cost were to be provided from the assessment fund, an amendment would be required for RIGL 42-7.4-3. The estimate reflects a service charge of 1.0 percent of the $30.0 million in total program costs. Generally, the fee would represent 3.0 to 5.0 percent of program costs; however, the Executive Office was able to negotiate with the vendor for the reduced fee currently used for the child and adult immunization program assessments. The estimate also includes $70,000 for the technology fee, a 30.0 percent reduction, and $12,000 for the annual audit fee.

The levy is similar to the child and adult immunization program assessments and is projected to be about $4.00 per month per covered life beginning January 1, 2026. The assessment was estimated to generate $30.0 million annually to support primary care and other critical healthcare programs. Based on the effective date, $15.0 million in revenue is estimated for FY2026; however, due to the restrictions in HR-1 on new provider taxes, the Budget sunsets the Primary Care Assessment on October 1, 2026, and reduces state revenue projections by $22.5 million to $7.5 million in FY2027.

Analyst Note: Since the May 2026 CEC included $9.2 million in state-only costs for the assessment after the deadline, the Budget removes these funds from the Medical Assistance program to reflect the discontinuation of the assessment; however, the funding for professional services support in the Central Management program remains.

Home and Community Based Services (HCBS) LTSS Compliance ***$260,945***

The Budget provides $260,945 in general revenue and $684,175 in federal funds to support the ongoing implementation of Conflict-Free Case Management (CFCM) as required under the Corrective Action Plan with CMS. Of the total funding, $162,576, including $40,654 in general revenue, supports the salary and benefits of 1.0 Health Program Administrator FTE position and $782,544, including $220,300 in general revenue, will provide contract professional services. Although the Executive Office requested a new FTE position, the Budget provides funding but not an additional position. The Health Program Administrator will work with EOHHS staff to certify and monitor assisted living residences and Shared Living providers compliance with the settings rule, update certification standards, and educate providers on state and federal requirements. The contracted services will work with CFCM agencies and homecare agencies on training standards and electronic visit verification (EVV) utilization to ensure compliance with state and federal regulations.

OHIC Rate Review ***$150,000***

The Budget includes $150,000 in general revenue and $400,000 in federal funds to support the implementation of the OHIC Rate Review pursuant to RIGL 42-14.5, including $25,000 in general revenue ($50,000 all funds) to provide actuarial support for the implementation of the rate recommendations and $125,000 in general revenue ($500,000 all funds) for IT implementation. The Budget includes $31.2 million in general revenue ($81.4 million in all funds) to fully fund the biennial rate adjustments, starting in October 2026, as addressed in the Medical Assistance section of this analysis.

CCBHC MRSS Staff ***$143,705***

The Budget includes $143,705 in general revenue and $90,342 in federal funds ($234,047 total) to support the contracted manager services for two distinct behavioral health programs.

- **MRSS Director:** Of the total funding, $99,056 in general revenue and $62,275 in federal funds ($161,329 total) would support nine months in contract services for the current Mobile Response and Stabilization Services (MRSS) Director after the current U.S. Substance Abuse and Mental Health Services Administration (SAMHSA) System of Care grant supporting the position expires in September 2026.
- **CCBHC Program Manager:** An additional $44,694 in general revenue and $28,069 in federal funds ($72,718 total) support the contracted services of a Program Manager through Knowledge Services to transition from the use of consulting services to contractor support to manage the Certified Community Behavioral Health Clinic (CCBHC) program. The general revenue will replace the federal SFRF funds used to procure the Program Manager in the fourth quarter of FY2025 that are only available through December 2026.

Inflation Adjustment: Actuarial and Financial Analytics Contract ***$106,000***

The Budget includes $106,000 in general revenue ($212,000 all funds) for two years of inflation at 3.4 percent compounded on the contracted actuarial and financial analytic services provided by Milliman. The adjustment was applied to the contract amount in the FY2026 Budget as Enacted, excluding new projects such as the Pharmacy Initiative.

DCYF Court Monitor ***$75,000***

To support costs required by the consent decree with the United States Department of Justice pertaining to the hospitalization of children with behavioral health disabilities under DCYF care, the Budget includes an increase of $75,000 in general revenue ($250,000 total) for a court monitor to oversee the State's compliance.

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Early Intervention Program Extension ***$50,000***

Sections 1 through 5 of Article 10 amend the general laws to permit children with diagnosed developmental disabilities whose third birthday is between May and August 31 to continue early intervention (EI) services through September 1 after the child's third birthday, beginning January 1, 2028, and requires public and private health insurers to cover the extended EI option. The Budget includes $50,000 in general revenue and $150,000 in federal funds for technology changes needed to support the extension of services. The article shifts responsibility for the Early Intervention program from DHS to the Secretary of EOHHS. The Secretary is required to appoint and convene an implementation advisory committee to advise on the implementation of a plan ensuring the continuation of services and to provide a report evaluating the implementation of the plan no later than September 30, 2031.

Based on information received from EOHHS, six states, including Colorado, Connecticut, Illinois, Maryland, Missouri, Tennessee, and the District of Columbia provide EI services beyond age three. In Connecticut, a family has a one-time choice to remain in EI until the beginning of the school year after the child turns three. In Massachusetts, a developmental specialist is assigned to the family receiving EI services when the child is two years and six months of age. The specialist works with the family to determine if the child needs to transition to an Early Childhood education program when the child turns three.

According to EOHHS, there can be unintended consequences for the providers and the beneficiaries when extending EI services. Some of the reasons states have chosen not to pursue the EI extension include

- Avoiding the creation of a parallel system serving the same age group,
- The more sustainable funding that comes from Part B, preschool special education, than Part C which is funded through Medicaid,
- Investments in preschool special education build expertise within LEAs for all children, and
- Preschool special education is designed to enhance peer interactions and classroom-based learning, while EI is on the individual/family level.

In addition, EOHHS indicated that a State Plan Amendment (SPA) will be needed for Medicaid to pay for services beyond the third birthday and the Part C related regulations will be reviewed to identify necessary changes.

OHIC All Payer Claims Database Payment ***($50,000)***

Since the budget for OHIC contains $50,000 for a payment to EOHHS for use of the All Payer Claims Database, the Budget removes this amount from EOHHS.

Olmstead FTE Transfer from RIDOH to EOHHS (1.0 new FTE position) ***Informational***

The Budget transfers 1.0 FTE Chief of Special Projects position from the DOH to EOHHS to align programmatic direction with where the funding is located but does not include any additional funding although the Executive Office requested an additional $148,065 in general revenue and $49,355 in federal funds to support the position. Olmstead is a 1999 Supreme Court decision that found the segregation of people with disabilities to be discriminatory under the Americans with Disabilities Act (ADA) requiring people with disabilities to have access to the least restrictive setting.

Executive Office of Health and Human Services (5.0 new FTE positions) (federal funds) ***$68.8 million***

Pursuant to a formal request to amend the Budget made by the Governor (GBA 6), the Budget adds $68.8 million in FY2027 and $5.6 million in FY2026 from the new federal Rural Health Transformation Program (RHTP) grant. The following table shows the appropriation to EOHHS by entity and initiative. Additional details on each of the initiatives can be found in the Project Narrative on the EOHHS website.

Federal RHTP Appropriation to EOHHS
Including Subawards Budgeted in EOHHS

Entity	Number[1]	Initiative	FY2026	FY2027
Other Items				
	#1	Integrated Rural Population Health Infrastructure	$1,609,667	$6,383,467
	#3	Expanding Access to Rural Community Resources	4,167	4,709,167
	#6	Expanding Behavioral Health Services Availability in Rural Regions	84,167	1,168,667
	#10	Rural Workforce Program	91,333	5,868,921
	#11	Supporting Hospitals and Primary Care in Value-Based Payment (VBP) Transition	-	1,600,000
	#12	Rural Health Information Technology (HIT) Modernization Program	25,000	13,393,594
	#13	Rural Health Data and Workforce Tracking System	250,000	600,000
		Program Administration and Management Cost for EOHHs and All Sub-Awardees	2,084,588	5,266,082
		Subtotal	**$4,148,921**	**$38,989,897**
Block Island Health Services (BIHS)				
	#8	Building Capacity for BIHS	$387,880	$2,199,900
		Program Administration and Management Cost for EOHHs and All Sub-Awardees	17,503	70,012
		Subtotal	**$405,383**	**$2,269,912**
Care Transformation Collaborative of Rhode Island (CTC-RI)				
	#11	Supporting Hospitals and Primary Care in Value-Based Payment (VBP) Transition	$182,482	$2,532,350
		Program Administration and Management Cost for EOHHs and All Sub-Awardees	13,592	54,369
		Subtotal	**$196,075**	**$2,586,720**
Hospital Association of RI (HARI)				
	#5	Rural Hospital-at-Home Program	$0	$16,207,933
	#11	Supporting Hospitals and Primary Care in Value-Based Payment (VBP) Transition	148,083	3,665,498
		Program Administration and Management Cost for EOHHs and All Sub-Awardees	11,197	44,787
		Subtotal	**$159,280**	**$19,918,218**
League of Cities and Towns				
	#1	Integrated Rural Population Health Infrastructure	$153,009	$1,998,226
		Program Administration and Management Cost for EOHHs and All Sub-Awardees	7,051	16,922
		Subtotal	**$160,060**	**$2,015,147**
Narragansett Indian Tribe				
	#9	Modernizing Health Care Delivery for the Narragansett Indian Tribe	$158,971	$677,532
		Program Administration and Management Cost for EOHHs and All Sub-Awardees	16,078	64,310
			$175,049	**$741,842**
Rhode Island Health Care Association (RICA)				
	#10	Rural Workforce Program	$232,357	$928,114
	#11	Supporting Hospitals and Primary Care in Value-Based Payment (VBP) Transition	166,408	1,372,638
		Program Administration and Management Cost for EOHHs and All Sub-Awardees	6,041	24,163
		Subtotal	**$404,805**	**$2,324,915**
Total			**$5,649,573**	**$68,846,651**

[1] In the Project Narrative, the initiatives are assigned a number and discussed in numerical order.

Source: EOHHS

The Budget adds 5.0 new FTE positions in FY2026 that are carried into FY2027. The positions include the following:

- **Interdepartmental Project Managers/Implementation Coordinators (2.0 FTE positions)** – to manage projects, coordinate with stakeholders, monitor progress, ensure compliance with grant terms, and support data collection
- **Chief Health Program Evaluator (1.0 FTE position)** – to oversee data collection, analysis, and reporting to conduct a comprehensive evaluation of RHTP initiatives
- **Chief Public Affairs Officer (1.0 FTE position)** – to manage all internal and external communications related to RHTP and ensure transparency and familiarity of RHTP initiates across the state
- **Chief Implementation Aide (1.0 FTE position)** – to function as a procurement contracts specialist to manage the purchasing functions under RHTP

TOC

All-Payer Health Equity Approaches and Development (AHEAD) (federal funds) ***($626,361)***

The Budget includes federal funding of $1.4 million in FY2027 and $581,260 in FY2026 toward the implementation of the federal AHEAD model, a decrease of $626,361 and $1.4 million respectively from the enacted level and effectively shifting unused funds forward. Article 8 of the FY2027 Budget recommendation requires the Secretary of Health and Human Services to carry out pre- planning and readiness activities, and implement the AHEAD Model Grant program, in coordination with the Health Insurance Commissioner, with a 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 the long-term value of implementing alternative payment models.

According to EOHHS, the State entered into a cooperative agreement with CMS however, the terms are currently being revised and remain subject to amendment to account for the current federal administration priorities. EOHHS indicated that the intent of the article is to require a detailed overview of grant activities and necessary General Assembly actions moving forward.

Analyst Note: While it is fiscal staff's understanding that the article is not intended to obligate future general revenue expenditures, it is unclear whether the language of the article could do so by requiring the Secretary to implement the AHEAD Model grant program.

In October 2024, Rhode Island was chosen to participate in the federal AHEAD model. In September 2023, CMS announced this voluntary, total cost of care (TCOC) model intended to curb health care cost growth, improve population health, and promote healthier living. According to CMS, the TCOC model holds participating states "accountable for quality and population health outcomes, while constraining costs of health care services delivered in a state or specified sub-state region. As applied by the CMS Innovation Center, this process takes places across all health care payers, including Medicare, Medicaid, and private health insurers and plans."

The first state chosen to participate was Maryland, followed by a second cohort including Connecticut, Hawaii, and Vermont. As part of Cohort 3, Rhode Island began a pre-implementation and readiness period that goes from January 2025 to December 2026. The first of eight performance years will begin in January 2027. Performance years will begin following the completion of the readiness period, subject to final CMS timelines and state approvals.

Through the program, Rhode Island would analyze and plan for potential participation in the following:

- Implementation of state accountability targets, such as TCOC growth, primary care investments, and population health accountability plans;
- Hospital global budgets that provide a pre-determined, fixed annual budget;
- Primary Care AHEAD, which is the primary care component of the model; and
- Cooperative Funding Agreement which provides up to $2.0 million in annual, federal funding over the first five to six years of phased implementation, contingent on CMS approval and state participation milestones.

While EOHHS is still analyzing the initiative, it is unlikely the federal funding will cover all the costs of implementation or the Medicaid hospital and primary care investments requested by stakeholders and recommended by CMS; however, initiative 11 of the Rural health Transformation Program (RHTP) has funding budgeted to transform payment and delivery systems through the federal AHEAD Model and other advanced payment models (APMs).

Opioid Accounts (restricted receipts) *($7.2 million)*

Statewide, the Budget includes $14.3 million in spending from restricted receipt opioid accounts in FY2027 and $50.2 million in FY2026. Of the total in FY2027, $4.6 million is in EOHHS, representing a net decrease of $7.2 million from the enacted, including the following:

Project	FY2024 Actual	FY2025 Actual	FY2026 Enacted	FY2026 Governor	*Change from Enacted*	FY2027 Governor	*Change from Enacted*
Statewide Opioid Abatement Account							
Investment in Community -Based Mental Health - RI Foundation	$1,125,000	$874,973	$1,200,000	$2,100,028	$900,028	$0	($1,200,000)
Overdose Prevention Center	867,642	1,332,358	1,250,000	2,900,000	*1,650,000*	1,000,000	*(250,000)*
Harm Reduction Technologies	189,858	125,324	550,000	870,926	*320,926*	-	*(550,000)*
First Responder/Peer Recovery Specialist Trauma Supports	1,000,000	250,000	250,000	-	(250,000)	-	(250,000)
Housing Capital, Operating, and Services for High-Risk Communities	802,534	1,175,964	1,000,000	4,341,503	3,341,503	200,000	(800,000)
Non-Profit Capacity Building and Technical Assistance - RI Foundation	-	-	-	-	-	-	-
BIPOC Industry Workers and Chronic Pain Treatment and Prevention	160,879	219,402	600,000	1,018,587	418,587	-	(600,000)
Recovery Infrastructure	-	400,000	800,000	1,700,000	900,000	600,000	(200,000)
Family Recovery Supports	450,000	450,000	450,000	450,000	-	400,000	(50,000)
Project Evaluation (contractor)	250,203	365,859	800,000	1,683,938	883,938	350,000	(450,000)
Communications - multilingual media	114,352	160,681	447,500	849,273	401,773	227,500	(220,000)
Emergency Response Set-Aside - Department of Housing	33,100	312,214	1,000,000	2,281,376	*1,281,376*	700,000	*(300,000)*
Racial Equity Across All Agencies	-	-	350,000	820,000	*470,000*	-	*(350,000)*
Youth Treatment Infrastructure	-	-	500,000	-	*(500,000)*	-	*(500,000)*
Post Overdose	-	-	300,000	640,430	*340,430*	-	*(300,000)*
Treatment - Stimulant	-	-	325,000	825,000	500,000	-	*(325,000)*
Program Administration	221,700	422,195	667,500	1,314,632	*647,132*	600,000	*(67,500)*
Harm Reduction Infrastructure/Naloxone	-	-	300,000	-	(300,000)	-	*(300,000)*
Analytical Drug Testing Forensic Toxicology Laboratory	-	-	240,000	240,000	-	-	*(240,000)*
Workforce Supports	-	-	200,000	-	(200,000)	-	(200,000)
Total	**$5,215,268**	**$6,088,969**	**$11,230,000**	**$22,035,691**	***$10,805,691***	**$4,077,500**	***($7,152,500)***
McKinsey Opioid Settlement Fund							
Harm Reduction Communications Campaign	$190,145	$19,945	$24,000	$266,731	*$242,731*	$0	*($24,000)*
Total	**$190,145**	**$19,945**	**$24,000**	**$266,731**	***$242,731***	**$0**	***($24,000)***
Opioid Stewardship Fund							
Administration: Director and Accountant Positions	$347,088	$312,221	$474,128	$438,656	*($35,472)*	$408,300	*($65,828)*
Support for the Task Force Work Group Community Co-Chairs	39,600	57,725	65,000	97,675	*32,675*	65,000	-
Total	**$386,688**	**$369,946**	**$539,128**	**$536,331**	***($2,797)***	**$473,300**	***($65,828)***
Total	**$5,792,101**	**$6,478,861**	**$11,793,128**	**$22,838,753**	**$11,045,625**	**$4,550,800**	**($7,242,328)**

Source: EOHHS

- ***Statewide Opioid Abatement Account:*** The Budget provides $4.1 million in Statewide Opioid Abatement, a.k.a. Distributors Settlement, funds in FY2027 and $22.0 million in FY2026, a decrease of $7.2 million and an increase of $10.8 million respectively from the FY2026 Budget as Enacted. The fund supports 2.5 FTE positions with $551,562 in salaries and benefits. The programming of the Opioid Abatement Account is determined through formal recommendations from the Opioid Settlement Advisory Committee to the Secretary of EOHHS. The Distributors Settlement requires the establishment of an Advisory Committee to ensure that the State and participating municipalities have equal input into the distribution of the funds for approved purposes across the State. Distributions from the McKinsey Settlement Agreement will continue to be deposited into a separate account.

  According to the Opioid Settlement Funded Project Annual Report, dated December 29, 2025, opioid settlement revenue decreased to $10.0 million in FY2027, down from $20.0 million in FY2026, and, over the last two fiscal years, annual expenditures have totaled $11.0 million.

- ***McKinsey Opioid Settlement:*** The Budget provides $266,731 in McKinsey Opioid Settlement restricted receipts in FY2026, and no additional allocations are provided in FY2027. In FY2024, FY2025 and FY2026, the communications funds support the evidence-based, Harm Reduction Campaign. In FY2023, the funding for the communications campaign was used for an interagency evidence-based communications campaign on polysubstance use, fentanyl risk, and harm reduction, and $60,000 was used for the West Elmwood Health Equity Zone.

  In February 2021, the Attorney General's office reached a settlement with McKinsey and Company, consultant to several opioid manufacturers including Purdue Pharma. Rhode Island has received $2.6 million as part of the settlement for McKinsey's role in the opioid epidemic. The

funds must be used to address the impact of the opioid epidemic in the State through treatment, rescue, recovery, and prevention programs.

- ***Opioid Stewardship Fund:*** The Budget provides $473,300 in restricted receipts from the Opioid Stewardship Fund within EOHHS in FY2027 and $536,331 in FY2026, a decrease of $65,828 and $2,797 respectively relative to the enacted level. The funds support 1.5 FTE positions, including one half of the Director of Overdose, Prevention, and Response and a Supervising Accountant.

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

  The Opioid Stewardship Fund is only to be used for opioid addiction treatment, recovery, prevention, education services, and other related programs. The FY2023 Budget as Enacted transferred the management of the Opioid Stewardship Fund and the assessment of the registration fee to EOHHS from DOH. According to the Office of Management and Budget, as the health and human services umbrella agency, EOHHS can better lead and coordinate the Opioid Stewardship Fund efforts.

Pay for Success (restricted receipts) ***($1.5 million)***

The Budget eliminates restricted receipt funding for the five-year pay-for-success (PFS) pilot program within EOHHS in FY2027. However, Section 11 of Article 10 extends the State's Pay for Success (PFS) program from five to six years, ending the pilot program in 2027; adds "person-centered" to describe the housing the pilot program provides; and allows EOHHS to collaborate with other qualified organizations, in addition to the Rhode Island Coalition to End Homelessness (RICEH), in providing annual reports to the General Assembly. According to EOHHS, the language to allow EOHHS to collaborate with other organizations was intended to be broader than for reporting and to ensure continuity should circumstances with RICEH change their ability to participate. In FY2026, the Budget provides a total of $1.7 million including $1.6 million assistance and grants and $83,775 in salaries and benefits.

Analyst Note: While not reflected in the Budget, it appears that the intent is to roll any remaining balance into FY2027 to support program expenses. Historically, the annual outcome payments made to the RICEH have totaled $1.3 million. According to EOHHS the final payment of $1.3 million will be transferred to the Coalition by June 2026 and, if the pilot is extended through Article 10, the remaining balance will be requested for FY2027. Based on a final payment of $1.3 million, the remaining balance would be $280,493. Presumably the funds would be shifted to salaries and benefits, since the final award was made in FY2026. In FY2023 through FY2025, an average of $103,478 was used annually to support salaries and benefits.

The FY2022 Budget as Enacted authorized a five-year pay-for-success pilot program within EOHHS to provide supportive housing and additional wraparound services to a cohort of 125 individuals experiencing homelessness. In addition to $875,000 in federal grant funds, the article limited the State's investment to $6.0 million in one-time general revenues to capitalize a new restricted receipt account within EOHHS for the program. EOHHS must submit annual progress reports to the General Assembly. The first report was submitted January 31, 2023, although the statute required the report by January 30, 2022.

Pay-for-success models provide a method to fund innovative programs while mitigating financial risk. Instead of paying for services directly as they are provided, the State issues social impact bonds to private investors who, in turn, provide upfront capital to non-profits to provide the services. The State then executes a contract which specifies expected program outcomes and associated evaluation and repayment processes.

The State repays investors for the upfront investment plus interest only if the performance metrics are met, i.e. the State only pays for the program if it is successful.

The FY2022 Budget assumed the program would support $10,000 in housing voucher costs per individual per year, with 60.0 percent paid through existing housing voucher resources and 40.0 percent through pay-for-success dollars. In addition, the program was projected to support an estimated $8,000 per individual per year in wraparound services, of which 60.0 percent would be paid through pay-for-success and the remainder through existing resources. Therefore, for 125 individuals, pay-for-success would support approximately $500,000 in housing costs and $600,000 for wraparound services per year, plus $315,000 in other costs, including legal support and program evaluation.

While the FY2022 Budget did not assume savings from the program, it was asserted that providing supportive housing would ultimately reduce the State's overall spending, while improving outcomes for individuals in need. The State completed a pay-for-success feasibility study in 2017, funded by a grant from the federal Departments of Housing and Urban Development (HUD) and Justice (DOJ), which concluded that a successful intervention could reduce shelter days by 70.0 percent, criminal justice days by 40.0 percent, and Medicaid costs by 27.0 percent, for estimated savings of $10,000 to $20,000 per person.

According to the Annual Report, dated December 23, 2025, EOHHS contracted with RICEH to execute the program as lead implementation partner and Faulkner Consulting Group is the independent evaluator. In addition, four service providers have been engaged including Crossroads Rhode Island, East Bay Community Action Program, House of Hope Community Development Corporation, and OpenDoors Rhode Island. Due to a lag in implementation, in 2025 the program "almost completed its second full year of program operations"; consequently, 2026 is the third year of operations, not the fourth. As of December 12, 2025, 88 people were enrolled in the PFS program with 44 housed. EOHHS has transferred three-years' worth of payments to RICEH totaling $4.0 million and RICEH has made eight outcome payments to the lead investor. The five made in 2025 total $1.2 million. According to the annual report dated January 30, 2024, three previous payments were made between December 2023 and June 2024 totaling $392,395 and the lead investor's total funding commitment is $5.0 million.

MEDICAL ASSISTANCE

The Medical Assistance (Medicaid) program provides medical benefits to low-income, elderly, and disabled individuals. The State pays for a growing portion of Medicaid services through *managed care*, whereby the State contracts with managed care organizations (Neighborhood Health Plan of Rhode Island, Tufts Health Plan, and United Healthcare) and pays a fixed monthly fee, or capitation rate, for each enrolled beneficiary. A smaller portion of Medicaid services continue to be financed through *fee-for-service* arrangements, whereby providers bill the Medicaid program directly based on the specific services utilized.

Medical Assistance	**General Revenue**
FY2026 Enacted	$1,426,413,116
Target and Other Adjustments	-
OHIC Rate Review	31,164,508
May 2026 Caseload Estimating Conference	27,130,938
Disproportionate Share Hospital (DSH) Payment to Private Hospitals	10,547,500
Primary Care Assessment Sunset	(9,200,000)
Glucagon-Like Peptide-1 (GPL-1) Coverage Removal	(6,408,353)
Long-Term Services and Supports Resource Threshold	3,907,862
Personal Care Attendants	995,037
Nursing Home Behavioral Health Per-Diem	357,301
Nursing Home Assisted Living – Tier C Rate Increase	92,300
FY2027 Enacted	**$1,485,000,209**

The changes attributed to the Medicaid initiatives, described below, are calculated relative to the caseload estimate, rather than the Enacted Budget.

OHIC Rate Review — *$31.2 million*

The Budget includes $31.2 million in general revenue ($81.4 million in all funds) to fully fund the biennial rate adjustments, starting in October 2026. required by the OHIC Rate Review pursuant to RIGL 42-14.5., including administrative expenses and premium tax payments for benefits received through managed care organizations. To support the implementation of the rate changes, $150,000 in general revenue and $400,000 in federal funds is budgeted within Central Management, including $25,000 in general revenue ($50,000 all funds) to provide actuarial support for the implementation of the rate recommendations and $125,000 in general revenue ($500,000 all funds) for IT implementation.

OHIC Rate Review - FY2027 Budget as Enacted

Service Category	General Revenue	Total
Home and Community Based Services	$16.5	$42.7
Children's Services	1.9	5.1
Behavioral Health	10.9	28.4
Managed Care Administration and Taxes	1.9	5.1
Total	**$31.2**	**$81.4**

$ in millions, totals may vary due to rounding

May 2026 Caseload Estimating Conference — *$27.1 million*

Each November and May, the Caseload Estimating Conference (CEC) estimates expenditures for human services and medical entitlement programs for the current and budget year. These adopted expenditure levels determine the appropriations for the Governor's and Enacted Budgets. Projections are based on enrollment trends as well as inflation-based price adjustments.

	FY2026 Enacted		FY2027 May CEC		*Change to Enacted*	
May 2025 CEC	***GR***	***AF***	***GR***	***AF***	***GR***	***AF***
Hospitals - Regular	$130,443,116	$408,226,193	$131,254,291	$413,500,000	*$811,175*	*$5,273,807*
Hospitals - DSH	5,794,894	13,900,000	5,864,410	13,900,000	*69,516*	-
Nursing and Hospice Care	204,266,507	477,321,981	204,164,100	483,000,000	*(102,407)*	*5,678,019*
Home and Community Care	125,703,952	293,779,386	128,754,420	304,600,000	*3,050,468*	*10,820,614*
Managed Care	464,278,305	1,117,462,318	480,454,643	1,171,000,000	*16,176,338*	*53,537,682*
Rhody Health Partners	140,718,732	341,201,948	138,019,801	336,500,000	*(2,698,931)*	*(4,701,948)*
Rhody Health Options	94,258,122	220,353,823	111,736,117	270,300,000	*17,477,995*	*49,946,177*
Medicaid Expansion	78,747,971	730,790,208	81,544,159	735,800,000	*2,796,188*	*5,009,792*
Pharmacy	3,669,654	7,800,000	844,239	1,200,000	*(2,825,415)*	*(6,600,000)*
Clawback	96,400,000	96,400,000	95,900,000	95,900,000	*(500,000)*	*(500,000)*
Other Medical Services	82,131,863	233,812,840	75,007,873	223,500,000	*(7,123,990)*	*(10,312,840)*
Total	**$1,426,413,116**	**$3,941,048,697**	**$1,453,544,054**	**$4,049,200,000**	***$27,130,938***	***$108,151,303***

The May 2026 CEC projected a net general revenue increase of $27.1 million ($108.2 million all funds) relative to the FY2026 Budget as Enacted. The estimates project total Medicaid spending of $4,049.2 million in FY2027, including $1,453.5 million from general revenues. More detailed information is provided in the May 2026 Caseload Estimating Conference Report.

Disproportionate Share Hospital (DSH) Payments to Private Hospitals — *$10.5 million*

In anticipation of an increase in uncompensated care due to HR-1, the Budget includes an increase of $25.0 million in DSH payments to non-government-owned hospitals, including $10.5 million in general revenue and $14.5 million in federal funds. This increase brings the aggregate amount to $38.9 million, including a limit of $12.9 million to Pool C government-owned hospitals and $26.0 million to Pool C hospitals. Through the narrowing of "qualified alien" categories for federal Medicaid and Children Health Insurance

Programs (CHIP), effective October 1, 2026, and the implementation of Medicaid work and community engagement requirements, effective December 31, 2026, roughly 33,000 individuals are at risk of losing Medicaid coverage.

The DSH payments are required under federal statute and intended to offset uncompensated care costs for hospitals in order to improve access for Medicaid and uninsured patients, as well as improving the financial stability of safety-net hospitals. The Budget provides the increase as part of the response to the federal HR-1 legislation to offset a portion of the increased costs associated with uncompensated care. The DSH program subsidizes hospitals with high uncompensated care costs, which include certain expenses that are not covered by Medicaid or other sources. DSH payments are lump-sum disbursements issued each June and are subject to the applicable FMAP at the time of issuance. Funds are distributed in proportion to each hospital's share of statewide uncompensated care.

Payments to both government-owned and other participating hospitals must be made by June 30, 2027, and are conditioned upon approval by the Secretary of the United States Department of Health and Human Services of all state plan amendments necessary to secure the benefit of federal financial participation for the DSH payments in FFY2026.

Primary Care Assessment Sunset ***($9.2 million)***

Due to the restrictions in HR-1 on new provider taxes, the Budget sunsets the Primary Care Assessment enacted in the FY2026 Budget on October 1, 2026. Since the May CEC included $9.2 million in state-only costs for the assessment after the deadline, the Budget removes these funds to reflect the discontinuation of the assessment. The assessment was estimated to generate $30.0 million annually to support primary care and other critical healthcare programs.

Glucagon-Like Peptide-1 (GPL-1) Coverage Removal ***($6.3 million)***

As part of the constrained budget, the Executive Office proposed to eliminate Medicaid coverage for GLP-1 as prescribed only for weight loss for a savings of $6.3 million in general revenue and $13.9 million in federal funds ($20.2 million all funds). The Budget includes the proposal. According to EOHHS, Medicaid, GLP-1 drug expenditures under Managed Care for weight loss are projected to increase by 400.0 percent between early FY2024 to the third quarter of FY2025, and between 130.0 percent to 200.0 percent by the end of FY2027. According to a report by the Kaiser Family Foundation (KFF), as of January 2026, 13 states, including Massachusetts and Rhode Island, provide Medicaid coverage for GLP-1s for obesity treatment; however, three states, including New Hampshire have eliminated coverage since October 2025. Currently, Connecticut, Maine, and Vermont do not provide coverage. In addition, other states are considering eliminating coverage or only providing coverage to beneficiaries with the highest risk of obesity-related complications in FY2026 or FY2027.

Analyst Note: In January 2026, Massachusetts imposed new restrictions on GLP-1 coverage.

Long-Term Services and Supports ***$3.9 million***

The Budget adds $3.9 million in general revenue and $5.3 million in federal funds to support additional participants due to increasing the resource threshold for Medicaid beneficiaries. Article 8 increases resource limits, effective January 1, 2027, for Community Medicaid, long-term-service and supports (LTSS), and medically needy beneficiaries to $8,000 for individuals and $12,000 for couples, up from $2,000 and $3,000 for non-LTSS elderly and adults with disabilities and $4,000 and $6,000 for LTSS and the medically needy.

Personal Care Attendants ***$995,037***

The Budget includes $995,037 in general revenue to support wage increases for non-employee Personal Care Attendants (PCAs). Under the Home and Community Based Services (HCBS) Personal Choice program, a Medicaid member, who is eligible for LTSS HCBS, may choose to self-direct their services with support from a Conflict Free Case Management (CFCM) agency and a Fiscal Intermediary agency. An assessment of the Medicaid member's needs to support daily living at home is used to determine the

member's budget. The member can then hire a PCA at an hourly rate within the range established by the Secretary of Health and Human Services. The member hires, trains, manages, and determines the hours and wages for the PCA. The Fiscal Intermediary is responsible for managing payroll, issuing the paychecks, and monitoring spending to stay within the assigned budget.

Prior to January 1, 2026, the salary range approved by the Secretary was $15 to $21 per hour; however, pursuant to RIGL 28-12-3, Rhode Island's standard minimum wage is $16.00 per hour effective January 1, 2026, shifting the approved range to $16 to $21 per hour. The state minimum wage is set to increase to $17.00 per hour effective July 1, 2027.

In May 2025, 2,000 PCAs voted to unionize in an effort to increase wages and benefits. Through ongoing talks with the State, SEIU 1199 continues to negotiate benefits such as expanding training and professional development, increasing reimbursement rates, and establishing a grievance process.

Nursing Home Behavioral Health Per-Diem ***$357,301***

The Budget includes $357,301 in general revenue ($846,885 in all funds) to implement and update the behavioral health per-diem add-on program for particularly complex patients. The estimate assumes a start date of April 1, 2027, and the admission of 20 new residents.

Currently, nursing facilities with a distinct and separate Nursing Facility Specialized Psychiatric Unit (NFSPU) can receive $175 per-diem, in addition to the base rate, for particularly complex patients who have been hospitalized for at least six months, meet nursing facility level of care criteria, and have been approved for specialized service through a Level II Preadmission screening and Resident Review (PASRR). As provided in the NFSPU certification standards, the program was designed to provide a safe, less restrictive environment for "individuals who require nursing home level of care and have complex needs that can be barriers to placement in a traditional nursing home unit"; however, the current waiver language is too restrictive. The Medicaid Resolution in Article 8 authorizes the Secretary of EOHHS to pursue waiver amendments to the program, starting April 1, 2027, to include patients who:

- Require nursing home level of care and have a history of persistent, disruptive behaviors that are barriers to placement in a traditional nursing home,
- Would be in the least restrictive setting as required by federal Olmstead laws, and
- Meet nursing facility level of care requirements and have been approved for specialized services through a Level II PASRR process.

The changes to the current language include removing the 6-month hospitalization requirement and other changes to the certification standards to expand coverage to more patients.

Nursing Home Assisted Living – Tier C Rate Increase ***$92,300***

The Budget includes $92,300 in general revenue and $126,075 in federal funds to support a 13.0 percent increase in the assisted living Tier C reimbursement rate effective January 1, 2027, and the Medicaid Resolution in Article 8 authorizes the Secretary of EOHHS to pursue necessary waiver amendments. The Medicaid reimbursement rates to nursing facilities include three tiers of care based on the required level of care for the assisted living resident. Tier C is the highest level of care for individuals with high-acuity medical needs, dementia, or complex wound care. The increase would bring the rate to about $170 a day.

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Department of Children, Youth, and Families

Expenditures by Program	2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$29.3	$33.2	$42.2	*$9.0*	*27.1%*	$34.6	*$1.4*	*4.2%*
Child Welfare	273.7	307.5	300.9	*(6.6)*	*-2.1%*	308.0	*0.4*	*0.1%*
Children's Behavioral Health Services	16.2	15.9	24.0	*8.1*	*50.7%*	17.8	*1.9*	*12.0%*
Higher Education Incentive Grants	0.2	0.2	0.2	*0.00*	-	0.2	*0.00*	-
Youth Development Services	39.9	37.6	55.2	*17.6*	*47.0%*	49.4	*11.9*	*31.6%*
Total	**$359.2**	**$394.4**	**$422.5**	***$28.1***	***7.1%***	**$410.0**	***$15.6***	***4.0%***

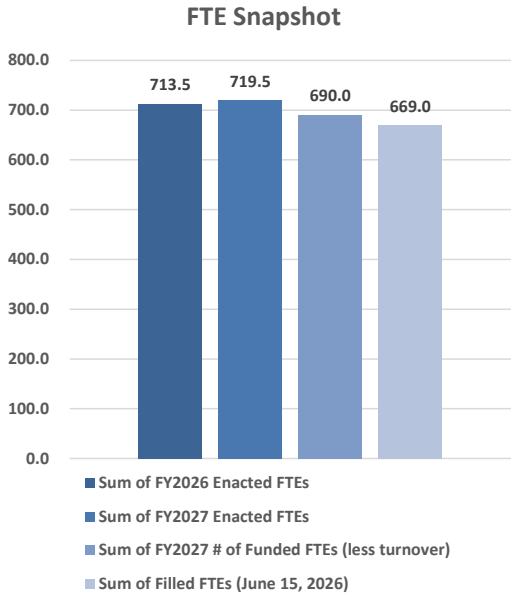
Expenditures by Source	2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
General Revenue	$260.6	$262.8	$265.8	*$3.0*	*1%*	$276.6	*$13.8*	*5.2%*
Federal Funds	83.9	118.6	127.8	*9.2*	*7.7%*	111.4	*(7.2)*	*-6.1%*
Restricted Receipts	1.4	1.7	1.9	*0.1*	*7.2%*	0.1	*(1.7)*	*-96.5%*
Other Funds	13.3	11.3	27.1	*15.8*	*1.4*	22.0	*10.7*	*1.0*
Total	**$359.2**	**$394.4**	**$422.5**	***$28.1***	***7.1%***	**$410.0**	***$15.6***	***4.0%***
Authorized FTE Levels	714.5	713.5	719.5	*6.0*	*0.8%*	719.5	*6.0*	*0.8%*

$ in millions

The Department of Children, Youth, and Families (DCYF) is charged with implementing a statewide network of supports to protect vulnerable children and families. The Department develops, oversees, and evaluates programs which provide opportunities for children to reach their full potential. DCYF has three major operational divisions: Children's Behavioral Health Services; Child Welfare (including child protective services, family services, and permanency supports); and Youth Development Services (formerly Juvenile Correctional Services), which includes the Rhode Island Training School and juvenile probation. The Department supports an average of 3,400 children and their families and indirectly services thousands more through community-based programs.

MAJOR ISSUES AND TRENDS

The Budget includes $410.0 million in all funds for the Department of Children, Youth, and Families (DCYF). This includes $276.6 million in general revenue, $111.4 million in federal funds, $61,261 in restricted receipts, and $22.0 million in other funds. General revenue funding increases by $13.8 million, or 5.2 percent relative to the FY2026 Budget as Enacted. Federal funding decreases by $7.2 million, or 6.1 percent. Restricted receipt funding decreases by $1.7 million, or 96.5 percent, due primarily to a reduction in restricted receipts funds originally budgeted from children's supplemental security income. Article 10 of the FY2027 Budget requires the Department to conserve these benefits moving forward rather than utilize them for foster care payments and other youth services as was previously the practice.



The Budget authorizes 719.5 FTE positions in both FY2026 and FY2027, an increase of 6.0 FTE positions from the Enacted level. These include 5.0 social service analysts and 1.0 caseload work

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supervisor to assist with implementing changes necessary for the consent decree. As of June 15, 2026, the Department had 669.0 positions filled.

Accreditation

In light of ongoing challenges at the Department, the 2019 General Assembly required that DCYF seek accreditation from the national Council on Accreditation (COA) in order to ascertain how its operations compare to national standards and identify areas for improvement. Article 13 of the FY2020 Budget as Enacted amended RIGL 42-72-5.3 required the Department to initiate the application process by September 1, 2019, with a final accreditation plan due by October 1, 2020, to inform the Governor and the General Assembly on necessary organizational changes needed to obtain and maintain accreditation along with the resources required to do so.

The Department engaged with the COA in September 2019 and submitted its accreditation plan on October 1, 2020. The plan analyses the Department's alignment with 59 COA standards and establishes a timeline and process to implement policy, practice, programmatic, and operations changes needed to reach accreditation. The analysis is limited to the Department's child welfare and behavioral health standards. Benchmarks for the juvenile justice population are reviewed separately by the Annie E. Casey Foundation.

The analysis found that many of the Department's practice models, screening tools, risk assessments, and service planning already comport with many COA standards. The report recommended replacing the Department's case management information system, known as the Rhode Island Children's Information System (RICHIST).

The report also highlighted that staffing is the primary structural barrier to accreditation. Specifically, it identified the Department's need for an additional 34.0 Child Protective Investigators, 7.0 Child Protective Supervisors, 24.0 Social Case Workers, and 5.0 Casework Supervisors to satisfy COA per-worker caseload standards in the Child Protective Services and Family Services units. In addition, the report identified the need for 2.0 FTEs to notify kin of a DCYF placement, 1.0 FTE to monitor assessments of adolescent life skills development, 10.0 FTEs to enhance clinical capacity for behavioral health services, 5.0 FTEs for a permanent unit to manage accreditation and ongoing reform activities, and 3.0 additional staff to support continuous data monitoring and staff training and development functions at DCYF. The additional 91.0 FTE positions and pay incentives would require a sustained investment of approximately $10.8 million from all funds per year. The report also recommends an additional $300,000 to boost efforts to recruit resource families and $291,851 for fixed expenditures to maintain support from the COA, including site visits and application fees.

The report recommends a "Prioritized Practice" approach for the Department, occurring over a four-year period, where the Department completes a self-study and gradually demonstrates alignment with COA standards. The timeline is "contingent upon the approval and appropriation by the Governor and the General Assembly of sufficient and sustained funding necessary for the Department to achieve COA accreditation". Accordingly, the FY2022 Budget as Enacted authorized and funded the 91.0 FTE positions and incidental operating costs identified in the COA report. The Budget also provided a financing mechanism to replace the RICHIST system. These investments provide the necessary support for the Department to continue its progress towards accreditation.

Accreditation Update: On February 14, 2025, the Department received notification that it had received accreditation and the final accreditation report containing the scores from the review team was provided. The accreditation is valid through February 28, 2029. The Department is developing a calendar and monitoring procedure to ensure each division remains on track to maintain key standards and related activities. The Department will submit quarterly and annual reports to COA over the next four years, at which time they will need to be re-accredited. This re-accreditation process will begin in FY2028 and is expected to have a budgetary impact.

RICHIST Replacements

The FY2021 Revised Budget transferred $17.0 million to the Information Technology Investment Fund (ITIF) to provide upfront capital to fund the 60.0 percent State share of the costs to replace RICHIST, the Department's case management information system, over a three-year period. RICHIST was developed in 1998 and serves as a registry for all confidential case, financial, provider, and staff management information. RICHIST also generates the caseload and financial data which the Department reports to the Governor, General Assembly, and federal government. While Rhode Island was a national leader when RICHIST was first developed, it now relies on antiquated technology that has not adapted well to changes over the last 23 years. The existing system will be maintained as portions of the new system are developed and phased in, with a full transition occurring when all components of the new system are sufficiently tested. The project was initially scheduled to take place from FY2022 to FY2024, but the FY2023 Budget as Enacted included an adjusted schedule stretching the project into FY2025 due to project delays. The FY2025 Budget stretched the project into FY2026 and added a general revenue line to account for IT personnel expenditures related to the project. The RICHIST project technically appears under the Department of Administration budget.

RICHIST Replacement Update: The FY2027 Budget is the final year of the project, estimated to be $56.9 million across all funding sources. The project officially kicked off with the selected vendor in January 2025. Following the completion of the Discovery phase, the project moved into the Build and Configuration phase as of the summer of 2025 and is expected to continue in this phase for approximately one year. The project is scheduled to begin the next phase, testing, in January 2027.

***Analyst Note**: The FY2027 Capital Budget request indicates total project costs have decreased to $45.6 million; however, the Department of Administration has identified this as a data error where spending data from pre-FY2026 was erroneously omitted.*

Children's Rights Settlement

In January 2018, the State and DCYF settled a long-standing class action lawsuit. The lawsuit, initially filed in 2007, demanded systemic reforms to the State's child welfare system and cited deficiencies throughout DCYF, including excessive caseworker assignments and an inappropriate residential service array. The settlement outlined a number of new screening and reporting requirements to be met by the Department and overseen by the Office of the Child Advocate. The Department continued to monitor these benchmarks and provide monthly reports pursuant to the settlement until exiting the settlement agreement on June 6, 2025.

Children's Behavioral Health Consent Decree

In December 2024, a Consent Decree was filed following a federal investigation which found that, from 2017 to 2022, children with behavioral health disabilities in the care of the State of Rhode Island were unnecessarily segregated in an acute-care psychiatric hospital, a violation of federal civil rights law. The State worked with the U.S. Department of Health and Human Services and the U.S. Attorney's Office to develop the Consent Decree, which formally went into effect on January 7, 2025. The Consent Decree is intended to strengthen community-based services for children with behavioral health disabilities, transition children who have been hospitalized at Bradley Hospital to family settings, and to prevent further avoidable psychiatric hospitalization. There are three intended phases; a planning phase lasting from 2025-2026, an implementation phase from 2026-2028, and a monitoring phase through 2029. A Court Monitor and consultant team were assigned to monitor and support the State's progress.

Status Update: The first action step in the Consent Decree was a Baseline Data Report due 180 days from the effective date. This report was delivered on July 3, 2025, and includes an overview of the focus population including Bradley Hospital admissions, the availability of community-based services and therapeutic foster care parents, and the number of children with open cases experiencing three or more emergency room visits in twelve-month period. A third-party consultant report on preliminary observations

and recommendations from the Baseline Data Report was due within six months from the completion of the Baseline Data Report. This consultant report was completed and submitted in January 2026. A proposed Implementation Plan was due within 90 days from the submission of the consultant's report. This plan was received in May 2026, and was filed with the court on June 1, 2026. The State will provide quarterly updates to this report as it works towards the implementation areas identified in the consent decree. The Budget includes 6.0 new FTE positions, including 5.0 social service analysts and 1.0 caseload worker supervisor, in both FY2026 and FY2027, to implement changes necessary for the agreement.

Psychiatric and Intensive Residential Treatment Facilities

The FY2023 Budget included funding for the expansion of a current psychiatric residential treatment facility (PRTF) as well as the construction of a new step-down facility, both of which will help increase state capacity to house female youth with severe behavioral challenges. A current shortage of available, in-state, residential facilities for these youth results in, on average, approximately 25 to 30 female youth being placed out of state at any given time.

Psychiatric Residential Treatment Facility: The FY2023 Budget as Enacted included $11.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to expand existing in-state capacity at private facilities. The Department announced a signed agreement for the expansion of services with St. Mary's Home for Children, the only existing licensed PRTF in the State, on February 9, 2023. The expansion was intended to consist of the construction and operation of an additional 12-bed facility on the St. Mary's Campus in North Providence, bringing their total capacity to 26.

The project was officially paused on June 14, 2024, following the issuance of a letter from the Division of Purchases requiring St. Mary's to cease all work and $644,724 in unexpended funds was returned to the State. All children were transitioned out of St. Mary's, with no children remaining in its facilities as of June 2024, and the facility was closed in August 2024, ending the contract for this project. The FY2026 Governor's proposal shifted unspent funds from the project to the expansion and maintenance of a similar facility at Bradley Hospital, however, this project was ultimately discontinued. In August 2025, the St. Mary's Board unanimously accepted a letter of intent from the state and the Division of Capital Asset Management and Maintenance (DCAMM) began conducting a due diligence assessment on the St. Mary's property to determine a potential forward course of action for the project.

PRTF Status Update: The Department purchased the St. Mary's facility for $760,000, stating that it meets all requirements for a new residential treatment facility. The FY2027 Budget includes $1.0 million in general revenue for maintenance and $28.1 million in RICAP funds to support renovations. The facility is projected to be completed in 2028. In a follow-up to a Senate Finance hearing on the facility, the Department indicated that they intend to release an RFP for provider services approximately one year in advance of the facility's expected opening.

Intensive Residential Treatment Facility: The FY2023 Budget included $15.0 million per year in RICAP funds from FY2024 through FY2026, for a total of $45.0 million in RICAP funds for the construction of a new, 16-bed, intensive residential treatment facility. $1.0 million in SFRF funding was also included for the initial design and construction stage of the project. The IRTF facility began construction in FY2024 and is anticipated to open in the fall of 2026.

IRTF Status Update: Construction on the facility began on August 13, 2024. The SFRF portion of the project is considered completed as of September 18, 2024, and a closeout report was issued on October 1, 2024. In April 2026, it was announced that Family Service of Rhode Island had been selected as the operator for both clinical and educational services at the center, which has been named South County Academy, and is expected to begin operations with the academic year in fall of 2026. The total project costs are estimated at $42.1 million.

CENTRAL MANAGEMENT

The Central Management program includes the Office of the Director and Support Services. Central Management functions are primarily administrative and strive to improve policies and maximize operational efficiency. These functions provide coordination and oversight, fiscal management, accountability supports, facility management, legal services, and youth development services.

Central Management	General Revenue
FY2026 Enacted	$17,937,159
Target and Other Adjustments	*837,619*
Independent Rate Model Support	2,000,000
PRTF Property Maintenance	1,000,000
Consent Decree	935,015
Align Personnel Expenses with FY25 Spend	(703,030)
Contracted Services	623,480
Assessment and Reduction of Discretionary Spending	(250,000)
FY2027 Enacted	**$22,380,243**

Central Management	Other Fund Changes
RICHIST Replacement (federal funds)	Informational

Independent Rate Model Support *$2.0 million*

The Budget includes $2.0 million in general revenues ($4.0 million all funds) to support providers transitioning to Medicaid direct billing. The transition to an independent rate model is anticipated to begin July 1, 2027, following a Department of Justice consent decree. This funding is intended to assist providers with the infrastructure expenses necessary to prepare for the implementation of the new rate model and ensure service delivery is not disrupted.

PRTF Property Maintenance *$1.0 million*

The Budget includes $1.0 million in general revenue to support property maintenance of the newly purchased facility at the former St. Mary's Home for Children. The Department purchased the facility for $760,000 in December 2026 with the intention to create a psychiatric residential treatment facility (PRTF) onsite.

In FY2023, the State had contracted with St. Mary's Home for Children to address the well-documented need for increased psychiatric residential and step-down facilities for adolescent girls in the state. However, in 2024, the facility ceased all operations, transferring all outpatient services to Tides Family Services after a 2023 report from the Office of the Child Advocate detailing abuse, neglect, and insufficient psychiatric care at the facility. St. Mary's served as the only psychiatric residential treatment facility in Rhode Island. A new Intensive Residential Treatment step-down facility is intended to open in Exeter in the fall of 2026 and will serve 16 youth.

Consent Decree *$935,015*

The Budget includes an additional $935,015 in general revenue ($1.1 million all funds) to implement changes necessary to comply with the conditions of the consent decree and support 6.0 new FTE positions. A total of 6.0 FTE Social Worker II positions were initially replaced with Social Service Analysts to accommodate staffing that was required by the consent decree. The Budget instead includes 6.0 new FTE positions, including 5.0 social service analysts and 1.0 caseload worker supervisor II, and restores the shifted positions to their original classification. Funding for these positions is included within the Central Management program, while additional funding for implementation and supporting activities is included within the Child Welfare program.

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Align Personnel Costs with FY2025 Expenditures ***($703,030)***

The Budget includes a general revenue reduction of $703,030 ($1.4 million all funds) within the Central Management program as part of a department-wide initiative to reduce personnel expenses in FY2027. These reductions are intended to more closely align the Department's personnel costs with FY2025 actuals.

Align Personnel Expenses with FY25 Spend	General Revenue	Federal Funds	Total
Child Welfare	($1,455,245)	($860,706)	($2,315,951)
Central Management	(703,030)	(708,816)	(1,411,846)
Youth Development Services	(701,584)	-	(701,584)
Children's Behavioral Health Services	(150,442)	-	(150,442)
Total	**($3,010,301)**	**($1,569,522)**	**($4,579,823)**

Contracted Services ***$623,480***

The Budget includes an additional $623,480 in general revenue to support contracts related to the Medicaid Independent Rate Model (IRM) process. The Department, in conjunction with the Executive Office of Health and Human Services, conducted a Children's Services Rate Setting project to promote broad access to services, provide high-quality care, and ensure the long-term sustainability of services. The project created better alignment between Medicaid and DCYF by transitioning individually contracted rates for DCYF services to uniform standards by FY2027. These funds help implement the new rates set forth by the rate-setting project.

Assessment and Reduction of Discretionary Spending ***($250,000)***

The Department's constrained budget request included a $1.3 million general revenue reduction, resulting in decreased nonessential spending while preserving DCYF's mission effectiveness. The Budget concurs with this request, including the $1.3 million in general revenue savings across the Central Management, Child Welfare, and Youth Development Services programs, including a reduction of $250,000 within the Central Management program. Examples of discretionary expenditures impacted include travel related to conferences and trainings, employee events, office supplies, contract work, and parking garage validation.

RICHIST Replacement (federal funds) ***Informational***

The Budget includes $6.3 million in federal funds to finance the costs to replace RICHIST, the Department's case management system, a decrease of $5.8 million from the FY2026 Enacted level. The Budget also includes $5.0 million in restricted receipts for this purpose within the Department of Administration (DOA) to draw funds from the Large Systems Initiative Fund (LSIF), which is housed in DOA. The upgrade was initially planned to take approximately three years, from FY2022 to FY2024, and $28.0 million from all funds, with the costs shared 60/40 between the state and federal governments. The FY2024 Budget adjusted the funding schedule to stretch the project through FY2026 to reflect project delays as well as an increase in project costs. The FY2025 Budget added a general revenue line to capture IT personnel expenditures related to the project, increasing total project funding across all years and sources to $56.5 million. In the FY2026 Budget, the project stretched an additional year into FY2027, and the general revenue line item was extended, increasing project costs to $56.9 million. The FY2027 Budget includes a total of $12.5 million all funds, including $1.3 million in general revenue.

RICHIST Replacement - *Revised Schedule*	Pre-FY2026	FY2026	FY2027	Total
State Funds - LSIF	$3.7	$15.9	$5.0	$24.6
General Revenue	1.3	1.3	1.3	$3.8
Federal Funds	5.0	17.2	6.3	$28.5
Total	**$10.0**	**$34.4**	**$12.5**	**$56.9**

$ in millions

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The FY2021 Revised Budget transferred $17.0 million to the ITIF to provide upfront capital to fund the 60.0 percent State share of the system replacement over the three-year period. The Governor proposed issuing debt, in the form of certificates of participation (COPs), which would have accrued $2.7 million in interest over ten years; instead, the Budget used one-time general revenues to provide interest-free financing.

RICHIST was developed in 1998 and serves as a registry for all confidential case, financial, providers, and staff management information. RICHIST also generates the caseload and financial data which the Department reports to the Governor, General Assembly, and federal government. While Rhode Island was a national leader when RICHIST was first developed, it now relies on antiquated technology that has not adapted well to changes over the last 23 years. Most significantly, the existing RICHIST system does not enable easy mobility for staff in the field, which inhibits the Department's ability to operate efficiently.

The new system would be a modular system that enables data analytics and reporting, allows easy access to real-time information when making important decisions for children and families, and simplifies the system's mobile interface. The federal government encourages use of modular systems because they are more comprehensive and flexible and enhance the ability to navigate case information and incorporate data analytics into child welfare practice. Modern systems are also more dynamic, allowing child welfare agencies to respond more adeptly to frequent changes in standards and practices. The Budget assumes the use of Custom-Off-the-Shelf (COTS) software package which can be adapted from interfaces being used in other states, as opposed to custom-building a solution from scratch. The existing system will be maintained as portions of the new system are developed and phased in, with a full transition occurring when all components of the new system are sufficiently tested.

CHILDREN'S BEHAVIORAL HEALTH SERVICES

The Children's Behavioral Health Services program designs, implements, and monitors a statewide system of care for children and youth requiring mental health services, including those children who are involved with the Department due to abuse, neglect, or delinquency. The Department seeks to support all children and youth with developmental disabilities or emotional disturbances in the least restrictive settings possible.

Children's Behavioral Health Services	General Revenue
FY2026 Enacted	$7,109,636
Target and Other Adjustments	*(76,711)*
Personnel Correction	1,092,671
Children's Mental Health Caseload Increase	1,092,116
Align Personnel Expenses with FY 25 Spend	(150,442)
FMAP Adjustment	85,239
FY2027 Enacted	**$9,152,509**

Personnel Correction ***$1.1 million***

The Budget increases general revenues by $1.1 million to reflect the shifting of personnel that had previously been budgeted in other programs and are now more accurately reflected in the Children's Behavioral Health Services program.

Children's Mental Health Caseload Increase ***$1.1 million***

The Budget includes a $1.1 million increase in the Children's Mental Health subdivision in FY2027. These funds support community-based services and reflect an increase in the Home and Community Based Services (HCBS) caseload.

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Align Personnel Costs with FY2025 Expenditures ***($150,442)***

The Budget includes a general revenue reduction of $150,442 within the Children's Behavioral Health Services program as part of a department-wide initiative to reduce personnel expenses in FY2027. These reductions are intended to more closely align the Department's personnel costs with FY2025 actuals.

Align Personnel Expenses with FY25 Spend	General Revenue	Federal Funds	Total
Child Welfare	($1,455,245)	($860,706)	($2,315,951)
Central Management	(703,030)	(708,816)	(1,411,846)
Youth Development Services	(701,584)	-	(701,584)
Children's Behavioral Health Services	(150,442)	-	(150,442)
Total	**($3,010,301)**	**($1,569,522)**	**($4,579,823)**

FMAP Adjustment ***$85,239***

The Budget includes a general revenue increase of $85,239 to reflect changes to the blended Federal Medical Assistance Percentage (FMAP) rate. There is a corresponding reduction in federal funds.

CHILD WELFARE

The Child Welfare division has two major sub-programs:

- **Child Protective Services (CPS):** CPS reviews and responds to reports of child abuse and neglect. CPS staff includes child protective investigators who specialize in the investigation of these reports. If a child is deemed to be at imminent risk of harm, they may be removed from the home and placed in State care for up to 48 hours, pending petitions before the Rhode Island Family Court.
- **Family Services Unit (FSU):** Staff members within Family Services provide ongoing social services and case management to children and families who become involved with DCYF due to abuse, neglect, substance abuse, or behavioral health issues.

The Child Welfare program includes out-of-home placements such as foster and congregate care. Foster care settings include kinship and non-kinship placements as well as private agency homes. Congregate care settings encompass residential treatment facilities, group homes, semi-independent living, and independent living. Child Welfare also includes the Permanency Services Unit, which oversees the administration of the adoption and guardianship subsidy program for children and youth in permanent placements.

Child Welfare	General Revenue
FY2026 Enacted	$211,849,897
Target and Other Adjustments	*5,053,213*
Maintain FY2026 Rates for all Provider & Parental Rates	(6,387,750)
Consent Decree	3,787,385
Federal Match Shortfall	3,000,000
Align Personnel Expenses with FY25 Spend	865,142
SSI Foster Care Benefits	977,331
Compliance with Overtime Policy	(950,000)
Assessment and Reduction of Discretionary Spending	(825,000)
FY27 FMAP Adjustment	697,219
FCCP Flex Funds - 8.5% Reduction	(600,000)
FTE Correction	197,516
FY2027 Enacted	**$217,664,953**

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Maintain FY2026 Rates for all Providers and Parental Rates ***($6.4 million)***

The Budget includes a reduction of $6.4 million to reflect keeping payment rates for providers, adoption, guardianship, and foster parents level with FY2026. This reduction also includes the reduction of temporary staffing and redistributions of staff from child welfare to children's behavioral health services.

Consent Decree ***$3.8 million***

The Budget includes an additional $3.8 million in general revenue ($4.6 million all funds) to implement changes necessary for the consent decree and support 6.0 new FTE positions. These positions include 5.0 social service analysts and 1.0 caseload worker supervisor II. Funding for the positions totals $864,639 all funds and is included within the Central Management program. The additional $3.8 million within the Child Welfare program is to support consent decree activities and implementation. Specifically, funding is allocated for Therapeutic Foster Home enhancements, enhanced transition support, home and community based services and supports, and ongoing comprehensive needs assessment and court monitor fees.

Federal Match Shortfall ***$3.0 million***

The Budget increases general revenues by $3.0 million related to a projected decrease in federal funds claimed for the Department's service array. The Department's third-quarter report projected a $6.0 million general revenue overspend in FY2026, attributed primarily to a decrease in federal funds, including Medicaid and Title IV-E, for home-and community-based services. The Budget Office provided an updated $4.4 million general revenue deficit projection for FY2026; the $3.0 million increase in FY2027 is to replace federal funds in anticipation of the claiming shortfall continuing into FY2027. The Budget includes a corresponding decrease in federal funds.

Align Personnel Costs with FY2025 Expenditures ***$865,142***

The Budget includes a net increase of $865,142 in general revenue ($2.3 million all funds) for personnel costs across several initiatives. The Governor's Budget proposal included a general revenue reduction of $1.5 million ($2.3 million all funds) within the Child Welfare program as part of a department-wide initiative to reduce personnel expenses in FY2027. These reductions were intended to more closely align the Department's personnel costs with FY2025 actuals. The General Assembly restored some of these savings, providing an additional $2.3 million in general revenue ($4.6 million all funds) for personnel costs within the Child Welfare program and resulting in a net increase of $865,142 in general revenue as shown below.

Align Personnel Expenses with FY25 Spend	General Revenue	Federal Funds	Total
Child Welfare	$865,142	$1,418,907	$2,284,049
Central Management	(703,030)	(708,816)	(1,411,846)
Youth Development Services	(701,584)	-	(701,584)
Children's Behavioral Health Services	(150,442)	-	(150,442)
Total	**($689,914)**	**$710,091**	**$20,177**

SSI Foster Care Benefits ***$977,331***

The Budget increases general revenues by $977,331 to account for the discontinuation of a practice wherein supplemental security income benefits for youth in the care of the Department were being used to offset agency expenses for foster care payment and other services. The Budget includes an additional $325,777 in federal funds for this same purpose. $1.6 million in restricted receipts was initially included in the FY2027 Budget from these benefits sources.

Compliance with Overtime Policy ***($950,000)***

The Budget reduces general revenues by $950,000 ($1.1 million all funds) to reflect the reduction of overtime related to the accreditation process now that the Department has received accreditation from the Council on Accreditation. The new funding level reflects compliance with the existing overtime policy.

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Assessment and Reduction of Discretionary Spending ***($825,000)***

The Department's constrained budget request included a $1.3 million general revenue reduction, resulting in decreased nonessential spending while preserving DCYF's mission effectiveness. The Budget concurs with this request, including the $1.3 million in general revenue savings across the Central Management, Child Welfare, and Youth Development Services programs, including a reduction of $825,000 in the Child Welfare program. Examples of discretionary expenditures impacted include travel related to conferences and trainings, employee events, office supplies, contract work, and parking garage validation.

FY27 FMAP Adjustment ***$697,219***

The Budget includes a general revenue increase of $697,219 to reflect changes to the Federal Medical Assistance Percentage (FMAP) rate in FY2027. There is a corresponding reduction in federal funds.

FCCP Flex Funds – 8.5% Reduction ***($600,000)***

The Budget includes a $600,000 general revenue reduction to reflect decreased funding for Family Care Community Partnerships (FCCP). This 8.5 percent reduction is intended to be offset by the winding down of the Department's utilization of hotel placements for families.

FTE Correction ***$197,516***

The Budget increases general revenues by $197,516 to reflect the restoration of 3.7 FTE Social Worker II positions that had previously been replaced with Social Service Analysts.

YOUTH DEVELOPMENT SERVICES

The Youth Development Services program (formerly Juvenile Correctional Services) includes two major sub-programs.

- **Rhode Island Training School (RITS):** The RITS is a secure correctional facility for adjudicated juvenile offenders as well as those who are detained and awaiting trial. The facility has a maximum capacity of 148, with 124 beds for male residents and 24 beds for female residents. The Training School is a 24-hour, 365-day operation providing housing, food, clothing, medical care, education, vocational training, and other programs and services to meet the needs of its residents.
- **Juvenile Probation and Parole:** Juvenile Probation supervises all formerly adjudicated youth placed on probation by the Family Court. Each youth is evaluated to determine their risk for recidivism. Staff members then create and enforce individualized plans to address the factors which contribute to delinquent behavior in order to prevent recidivism.

Youth Development Services	General Revenue
FY2026 Enacted	$25,678,366
Target and Other Adjustments	*273,271*
Assistance and Grants	1,576,858
Align Personnel Expenses with FY 25 Spend	(701,584)
Contracted Services	538,359
Assessment and Reduction of Discretionary Spending	(200,000)
FY2027 Enacted	**$27,165,270**

Youth Development	Other Fund Changes
OJJDP Grant (federal funds)	($234,115)

Assistance and Grants ***$1.6 million***

The Budget includes a general revenue increase of $1.6 million, correcting the omission of two contracts from the FY2026 Budget as Enacted. The FY2026 Budget inadvertently omitted a contract with Tides Family Service for outreach and tracking of reentry services, as well as one with Rhode Island Hospital for comprehensive medical services at the Training School.

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Align Personnel Costs with FY2025 Expenditures ***($701,584)***

The Budget includes a general revenue reduction of $701,584 in the Youth Development Services program as part of a department-wide initiative to reduce personnel expenses in FY2027. These reductions are intended to more closely align the Department's personnel costs with FY2025 actuals.

Align Personnel Expenses with FY25 Spend	General Revenue	Federal Funds	Total
Child Welfare	($1,455,245)	($860,706)	($2,315,951)
Central Management	(703,030)	(708,816)	(1,411,846)
Youth Development Services	(701,584)	-	(701,584)
Children's Behavioral Health Services	(150,442)	-	(150,442)
Total	**($3,010,301)**	**($1,569,522)**	**($4,579,823)**

Contracted Services ***$538,359***

The Budget includes a $538,359 general revenue increase in contracted services to more closely align program expenses with FY2025 spending levels. The increase includes $433,244 in institutional support services and $105,272 in juvenile parole and probation services. These funds support programs at the Training School including music, sports and therapeutic programs, and tutoring sessions for youth who are still in high school or studying for their GED.

Assessment and Reduction of Discretionary Spending ***($200,000)***

The Department's constrained budget request included a $1.3 million general revenue reduction, resulting in decreased nonessential spending while preserving DCYF's mission effectiveness. The Budget concurs with this request, including the $1.3 million in general revenue savings across the Central Management, Child Welfare, and Youth Development Services programs, including a reduction of $200,000 in the Youth Development Services program. Examples of discretionary expenditures impacted include travel related to conferences and trainings, employee events, office supplies, contract work, and parking garage validation.

OJJDP Grant (federal funds) ***($234,115)***

The Governor's Budget proposal for FY2027 included a reduction of $400,000 in federal funds to reflect a federal grant award from the Office of Juvenile Justice and Delinquency Prevention (OJJDP) that expired in FY2026. A Governor's Budget Amendment dated March 11, 2026, increased federal funds by $165,885 to reflect funds from this award intended to continue into FY2027 but inadvertently omitted from the recommendation. This correction results in a net decrease of $234,115 in federal funds as compared to the FY2026 Budget as Enacted.

HIGHER EDUCATION INCENTIVE GRANTS

The Higher Education Incentive Grant Program provides tuition assistance for former foster youth to attend a wide range of post-secondary institutions. The program is funded by State higher education incentive grants and federal Education and Training Vouchers (ETVs). General revenue funding for the incentive program is set by statute at $200,000 per year. DCYF coordinates with the Office of the Post-Secondary Education Commissioner's Division of Higher Education Assistance (DHEA) to administer this grant program and provide tuition assistance to between 50 and 75 former foster youth each year. DHEA provides information regarding cost of attendance and financial aid for each applicant to the program. This allows DCYF to ensure that funding is distributed equitably across participants.

Higher Education Incentive Grants	General Revenue
FY2026 Enacted	$200,000
Target and Other Adjustments	-
FY2027 Enacted	**$200,000**

CAPITAL PROJECTS

The Budget includes a total of $50.0 million in Rhode Island Capital Plan (RICAP) funds from FY2026 through FY2031, including $26.3 million in FY2026 and $22.8 million in FY2027.

Psychiatric Residential Treatment Facility: The Governor's Proposed Budget included $28.1 million, including $5.6 million in FY2026 and $22.5 million in FY2027, to support renovations to the newly acquired property formerly known as St. Mary's Home for Children, which will serve as an in-state psychiatric residential treatment facility for adolescents requiring psychiatric residential placements. A Governor's Budget Amendment from February 10, 2026, shifts $774,813 from FY2027 to FY2026 to reflect updated cost schedules for the project, bringing Enacted funding levels for this project to $6.4 million in FY2026 and $21.7 million in FY2027.

Intensive Residential Treatment Facility: The Budget includes $20.2 million in FY2026 for the construction of a 16-bed Intensive Residential Treatment Facility (IRTF) for female youth in Rhode Island. A current shortage of available, in-state residential facilities for female youth with severe behavioral challenges results in an average of approximately 25 to 30 female youth being placed out of state at any given time. The facility began construction in FY2024 and expected to begin serving youth in the fall of 2026. Total funding for the project is $42.1 million, including $34.8 million in RICAP funds and $7.3 million in SFRF funds. The SFRF allocation was provided pre-FY2026 for the initial design and construction phase of the project. This spending has been completed, and a closeout report has been issued.

Training School Asset Protection: The Budget funds improvements and ongoing maintenance at the Training School, including resolving security system, water heater, and other structural issues. The Budget includes $573,000 in FY2026 and $250,000 per year in FY2027 through FY2031. Pre-FY2026 spending on this project totals $1.4 million, for a total project total of $3.2 million.

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Department of Health

Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$19.4	$32.5	$39.0	*$6.6*	*20.2%*	$29.6	*($2.8)*	*-8.7%*
Community Health and Equity	134.7	157.8	144.4	*(13.4)*	*-8.5%*	154.8	*(3.0)*	*-1.9%*
COVID-19	83.4	15.2	17.8	*2.6*	*17.2%*	7.5	*(7.7)*	*-50.5%*
Customer Services	23.1	-	0.0	-	-	0.0	-	-
Emergency Preparedness and Infectious Disease	0.1	17.1	18.6	*1.5*	*8.9%*	20.2	*3.1*	*18.1%*
Environmental Health	19.6	22.4	22.0	*(0.4)*	*-1.7%*	22.1	*(0.3)*	*-1.2%*
Health Laboratories	17.6	20.9	29.7	*8.8*	*41.9%*	13.7	*(7.2)*	*-34.4%*
Healthcare Quality and Safety	0.0	15.8	16.6	*0.82*	*0.0%*	19.1	*3.2*	*20.5%*
Policy, Information, and Communication	6.1	9.2	11.5	*2.3*	*25.0%*	35.8	*26.5*	*287.8%*
Prepardness, Response, Infectious Disease, and Emergency Medical Services	17.4	-	0.0	-	-	0.0	-	-
Medical Examiner	0.0	4.6	4.3	-	-	4.6	*0.0*	*0.8%*
Total	**$321.4**	**$295.5**	**$304.0**	***$8.5***	***2.9%***	***$307.4***	***$11.9***	***4.0%***

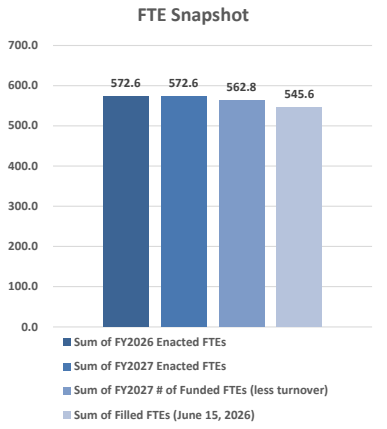
Expenditures by Source	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
General Revenue	$37.6	$40.8	$42.0	*$1.1*	*2.8%*	$43.9	*$3.1*	*7.5%*
Federal Funds	214.5	152.9	162.1	*9.3*	*6.1%*	175.2	*22.4*	*14.6%*
Restricted Receipts	68.1	93.1	83.9	*(9.2)*	*-9.9%*	87.9	*(5.2)*	*-5.6%*
Other Funds	1.2	8.8	16.1	*7.3*	*83.2%*	0.4	*(8.4)*	*-95.4%*
Total	**$321.4**	**$295.5**	**$304.0**	***$8.5***	***2.9%***	***$307.4***	***$11.9***	***4.0%***
Authorized FTE Levels	575.6	572.6	572.6	-	-	572.6	-	-

**$ in million. Totals may vary due to rounding.*

The mission of the Rhode Island Department of Health (RIDOH) is to prevent disease and to protect and promote the health and safety of the people of Rhode Island. Since Rhode Island has no local health departments the Department coordinates public health activities across the State. The Department's responsibilities include licensing and regulation, collection and analysis of health data, disease surveillance, prevention, and control, vital records, and state laboratories. The Department also houses the Office of the Medical Examiner, the agency responsible for investigating and certifying suspicious or otherwise unexplained deaths.

MAJOR ISSUES AND TRENDS

The FY2027 Budget allocates funding for the nine programs within the Department of Health (DOH): Central Management, Community Health and Equity, COVID-19, Emergency Preparedness and Infectious Disease, Environmental Health, Health Laboratories, Healthcare Quality and Safety, Policy, Information and Communications, and Medical Examiner. The Budget includes $307.4 million in all funds for FY2027, an increase of $11.9 million from the FY2026 Budget as Enacted. General revenues total $43.9 million, an increase of $3.1 million from the FY2026 Budget as Enacted.



The Budget includes $304.0 million in all funds for FY2026, an increase of $8.5 million from the FY2026 Budget as Enacted. General revenues total $42.0 million, an increase of $1.1 million from the FY2026 Budget as Enacted.

The Budget includes a total authorized FTE count of 572.6, level with the FY2026 Enacted Budget.

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Nursing Home Minimum Staffing Levels

The Budget includes a general revenue increase of $200,000 to support changes to the Nursing Home Minimum Staffing Levels. For FY2027, the Department has requested $538,324 in general revenue to implement the nursing home minimum staffing laws. Article 10 of the FY2026 Budget as Enacted amended RIGL 23-17.5-32, the state nursing home laws, revising the amount of required staffing hours for certain types of professionals in nursing homes. Penalties for noncompliance will result in a 3.0 percent fine of Medicaid payments for the last year. The law requires RIDOH to develop regulations and conduct analyses of payroll data to determine compliance.

To comply with the new statutes, RIDOH requested 2.5 new FTE positions including, 1.0 Senior Legal Counsel, 1.0 Health Facility Surveyor, and 0.5 Licensing aid, as well as $331,566 in salary and fringe benefits. The Department also requested $200,000 to engage UMASS Medical, the consulting firm originally retained upon passing the law several years ago, to review and analyze CMS payroll data. The remaining funds are to support operations such as in-state travel and supplies. The Budget includes $200,000 in general revenue to engage UMASS Medical to review and analyze CMS payroll data but not funding for the requested FTE positions.

Article 10 of the FY2026 Budget as Enacted made several changes to RIGL 23-17-5, entitled 'Rights of Nursing Home Patients', to alleviate the strain on nursing home resources. Specifically, the article increased the definition of "direct caregiver" to include director of nursing services and RNs and LPNs with administrative duties. The amendment also increased the direct hours of nursing care per resident from 3.58 hours to 3.81 hours. However, it decreased the time in which direct care is provided by a certified nursing assistant from 2.6 hours to 2.2 hours.

Penalties and Fines: Article 10 waived all fines prior to the third quarter of FY2025 and implemented a new penalty structure beginning **July 1, 2025**. Article 10 implemented a fine of up to $1,000 per day in a quarter in which the facility fails to comply with the minimum nursing staff requirement. The Department of Health may reduce the penalty to $250 a day at its discretion. According to the Office of Management and Budget, the estimated net costs of compliance enforcement fines would have totaled approximately $60.0 million.

Fine Exemption: The Article also introduced exemptions to these fines. The Department may waive penalties in circumstances where mitigating factors exist. The Article defined mitigating factors as an extraordinary circumstance facing the facility, or an acute labor supply shortage of nurse aides, certified nursing aides, licenses practical nurses, or registered nurses.

Direct Care Waiver: Article 10 also introduced a waiver of minimum direct care staffing requirements for organizations who are unable to meet the requirement. Waivers are granted by the Director of the Department of Health for periods up to one year and will be assessed on the following criteria:

- Acuity levels of residents and how stable those acuity levels are based on the case of mixed residents
- Documented evidence of the facility's inability to meet the minimum staffing requirements, despite their best efforts, such as offering competitive wages for nursing staff
- Whether the facility has undergone a system-wide culture change
- The quality performance of the nursing facility as evidenced by a four- or five-star rating from the Centers for Medicare and Medicaid

The Director may consult with the Department of Labor and Training concerning labor availability in connection with any waiver request. The legislation does not indicate any processes extending beyond evaluated criteria related to the waiver. However, the legislation charges RIDOH with the authority to promulgate rules and regulations related to Minimum Staffing Levels.

Rhode Island Kratom Act

The 2025 General Assembly passed the Rhode Island Kratom Consumer Protection Act, which requires the Rhode Island Department of Health to monitor and license all Kratom businesses, enforce product safety and labeling standards, and prohibit sales to individuals younger than 21. The Budget includes $251,408 for 1.0 FTE position and start-up costs.

The Department had requested $588,921 in general revenue to establish a new comprehensive licensing, inspection, and enforcement program for kratom manufacturers, distributors, and retailers pursuant to the Rhode Island Kratom Consumer Protection Act of 2025. $466,166 of the funds were to support salary and benefits for 3.4 FTE positions, and the remaining funds would support training, audits, response, and enforcement.

Rural Health Transformation Program

On December 29, 2025, the Centers for Medicare and Medicaid Services (CMS) awarded Rhode Island $156.2 million under the federal Rural Health Transformation Program (RHTP) for the first of five grant years. Grant funds will be distributed in annual tranches over federal fiscal years (FFY) 2026 through 2030, with up to 10.0 percent available for administrative expenses. First-year funds must be expended by September 30, 2027, or returned to CMS. The second grant year begins October 31, 2026, with an expenditure deadline of September 30, 2028.

The total award consists of $100.0 million in base funding available to all participating states and an additional $56.2 million contingent upon Rhode Island's implementation of the policy initiatives included in Article 12. Article 12 amends multiple statutes governing the regulation and delivery of health care services to advance the objectives of the Rural Health Transformation Program, including expanding access to care, strengthening the health care workforce, and promoting innovative models of health care delivery. Key initiatives include:

- Expansion of the Acute Hospital Care at Home Program;
- Expansion of the scope of practice for pharmacists and dental hygienists;
- Adoption and implementation of interstate licensure compacts for physicians, physician assistants, and nurses;
- Establishment of nutrition-focused continuing medical education requirements for physicians; and
- Revisions to Certificate of Need (CON) requirements.

The majority of the statutory initiatives required to secure the contingent federal funding fall within the purview of the Department of Health. To support implementation, the Department has been appropriated $26.3 million in federal funding to carry out the statutory amendments and related programmatic activities necessary to secure the full $156.2 million grant award. These resources will support implementation of the nine statutory changes contained in Article 12 and fund 13.4 existing or repurposed full-time equivalent (FTE) positions responsible for administering, overseeing, and ensuring compliance with the associated federal grant requirements.

CENTRAL MANAGEMENT

Central Management provides overall leadership, management, and administrative functions for the Department. The Division includes two subprograms: Executive Functions, and Management Services.

Central Management	General Revenue
FY2026 Enacted	$5,338,732
Target and Other Adjustments	*278*
Primary Care Training Sites	(2,000,000)
Enterprise Resource Planning (statewide adujstments)	(575,815)
PediPRN	450,000
Centralized Services (statewide adjustments)	151,190
Accounts and Control (statewide adjustment)	11,205
FY2027 Enacted	**$3,375,590**

Central Management	Other Fund Changes
Indirect Cost Recovery(restricted receipts)	$1,744,357
Opioid Overdose Preventions (restricted receipts)	(2,282,666)
Laboratory Facility Operating Budget (restricted receipts)	803,533
Elimination of Academic Institute (restricted receipts)	(39,046)

Primary Care Training Sites ***($2.0 million)***

The Budget includes a decrease of $2.0 million in one-time general revenue support for primary care training sites, established through Article 11 of the FY2025 Budget as Enacted. These funds supported the implementation of the Office of Primary Care and grants of up to $90,000 for participating training sites. Article 11 also provided the Department with the authority to enter into contracts with participating primary care sites with a curriculum based on the patient-centered medical home model (PCMH), a model of care placing patients at the forefront of care. PCMH's build better relationships between patients and physicians, resulting in high quality and efficient care, improving both patient and staff experience. These funds have been completely expended.

PediPRN ***$450,000***

The Budget includes $450,000 in general revenue for PediPRN, a statewide teleconsultation program that supports healthcare practitioners by providing same-day psychiatric consultations, clinical guidance, and mental health resource and referral services related to children.

The program has historically been funded through a combination of federal and state resources, but recent federal policy changes have put funding at risk. In 2025, the General Assembly established a new insurance assessment to support initiatives intended to improve and increase access to primary healthcare. One of these initiatives involves earmarking a portion of the primary care assessment revenue to provide a dedicate state match for the PRN teleconsultation programs. Federal policy on the amount states are permitted to assess insurers has since changed and effectively prohibits the new primary care assessment from being charged after October 1, 2026. Additionally, the federal grant RIDOH uses to support PediPRN is set to expire at the same time. According to RIDOH it intends to apply for a renewal of the grant, but funding is uncertain, and awards won't be known until September 2026.

To address concerns around the long-term sustainability of the popular PRN programs, Article 12 makes certain changes to state policy. First, in response to the new federal cap on assessment amounts, the article repeals statutory language requiring the PRN to be funded through the new primary care assessment (Section 15 of the article eliminates the assessment in its entirety after October 1, 2026). Secondly, the article codifies the PRN telecommunication programs, thereby requiring them to exist in the absence of funds from the federal grant program that established them. The article also authorizes RIDOH to manage any and all funds appropriated for the PRN programs.

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Indirect Account Alignment (restricted receipts) ***($4.1 million)***

The Budget includes a net decrease of $4.1 million related to changes in the indirect cost recovery expenditures resulting from changes in various federal grant programs accounts within DOH. 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 Department submits an indirect cost proposal requesting federal approval of the indirect rate for the upcoming fiscal year.

Opioid Overdose Preventions (restricted receipts) ***($3.2 million)***

The Budget includes a restricted receipt decrease of $3.2 million reflecting expenditure changes in several opioid abatement accounts. The decrease reflects the removal of opioid abatement grants allocated to the Department from the Executive Office of Health and Human Services (EOHHS). As settlement revenue continues to decline, funding for opioid abatement will continue to be depleted. The 2019 General Assembly enacted an annual $5.0 million assessment fee; however, additional and permanent funding will be required to continue the State's current activities that respond to opioid abatement. According to EOHHS, the Governor recommended $4.6 million in settlement funds to the Department.

Laboratory Operating Budget (restricted receipts) ***$803,533***

The Budget includes $803,533 in restricted receipts to maintain the new State Health Laboratory facility at 150 Richmond Street. The Budget provides total funding of $1.9 million, with $1.1 million in general revenue appropriated to the Division of Health Laboratories.

Programs within the new facility includes shellfish testing. clinical and forensic toxicology, wastewater testing, and pathogen genome sequencing. Previously, operational support has been funded though DCAMMS ISF funds. However, these services will now be contracted through a building administrator, Cushmen and Wakefield. The Chapin building, the States' previous health laboratory, required a total of $1.0 million in general revenue for operating expenses, which has been removed from the Department's budget.

Elimination of Academic Institute (restricted receipts) ***($39,046)***

The Budget includes a restricted receipts reduction of $39,046 in Central Management and $362,423 for the entire agency, to shift 1.0 FTE Associate Director of Health position from general revenue to restricted receipts and cut federal and restricted funding for 2.6 FTE positions. The Department asserts that the responsibilities of these positions can be absorbed throughout other programs. This recommendation is a one-time shift, and general revenue will be required in future years. These funds were supported through indirect cost recoveries, which the Department applies through an indirect cost proposal, which is submitted directly to the U.S. Department of Health and Human Services (DHHS).

The Academic Institute was created in 2015 to collaborate with academic partners through a multidisciplinary approach to achieve excellence in public health. The institute includes a working group to learn about the past, present and potential collaborations between RIDOH and academicians in Rhode Island. The Institute explores collaborations with RIDOH Programs, putting research and teaching interests into practice.

COMMUNITY HEALTH AND EQUITY

The Division of Community Health and Equity aims to eliminate health disparities, assure healthy child development, control disease, and strive for healthy communities. The Division includes four centers: chronic care and disease management, health promotion and wellness, perinatal and early childhood health, and preventive services.

Community Health and Equity	General Revenue
FY2026 Enacted	$2,051,358
Target and Other Adjustments	-
Maternal Infant and Early Childhood Home Visiting	377,000
Community Health and Equity Federal Award Delays	24,594
FY2027 Enacted	**$2,452,952**

Community Health and Equity	Other Fund Changes
Immunizations (restricted receipts)	($4,521,938)
Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program (federal funds)	3,577,179
Overdose Prevention (restricted receipts)	(535,960)
Women, Infant, and Children (WIC) Expenses (federal funds)	323,762
Advancing Health Equity (federal funds)	(267,295)
Suicide Prevention (federal funds)	230,104
Oral Health Workforce (federal funds)	(137,563)
Pediatric Mental Health Care Access (federal funds)	(79,713)
Pregnancy and Postpartum Death Review Committee (federal funds)	(51,178)

Maternal Infant and Early Childhood Home Visiting Match *$377,000*

The Budget includes $377,000 in general revenue, with a corresponding federal funds increase of $3.6 million, to support the Maternal, Infant, and Early Childhood Home Visiting program, a federal initiative that supports pregnant women and young children through home visits and other services. The maximum match is $787,000, which unlocks an additional $1.1 million in federal funds. Currently, the Department has gathered $410,000 in matching funds, requiring an additional $377,000 more to reach the maximum match.

The Budget increases federal funds by $3.5 million to support the Department's share of the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program. This program is financed through two federal grants, the Maternal and Child Health Block grant and the Maternal and Infant Early Childhood Home Visiting grant, which is set to be renewed in FY2027. The influx is primarily related to the Department budgeting all funds from the Maternal and Infant Early Childhood Home Visiting grant in FY2027. Despite the awards history of underspending, which is due to slow spending and invoicing, the Department intends to spend all funds to catch up on incurred invoices and expenditures.

The Home Visiting Program improves public health systems for mothers, children, and their families. The Department emphasizes health equity as an underlying principle of the program, which results in improving the health of women and children by reducing perinatal health disparities, reducing maternal mortality rate, strengthening the bond between mother and baby, ensuring school readiness, supporting behavioral health in adolescence, and ensuring effective care coordination.

Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program	FY2026 Enacted	FY2027 Enacted	*Change from Enacted*
Maternal and Child Health Block Grant (FFY25)	-	$1,719,089	*$1,719,089*
Maternal and Child Health Services Block Grant	67,807	-	*(67,807)*
Maternal Health Innovation Program	1,005,202	998,398	*(6,804)*
Maternal, Infant and Early Childhood Homevisiting Grant	2,592,479	1,131,000	*(1,461,479)*
MCH Title V Block Grant	1,851,405	-	*(1,851,405)*
MIECHV (FFY 2024)	4,339,923	1,354,623	*(2,985,300)*
MIECHV FFY 2025	-	8,230,885	*8,230,885*
Total	**$9,856,816**	**$13,433,995**	***$3,577,179***

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Community and Health Equity Federal Award Delays ***$24,594***

The Budget includes a general revenue increase of $24,594 to reflect the redistribution of subprogram costs to sustain activities related to the federal tobacco program. In FY2026, the Department experienced a delay in grants from the federal tobacco program, which supported contract and FTE positions. As such the Department terminated the contracts linked to the grant and shifted funding to general revenue to sustain program activities. The federal award ends in April 2026, and the Department does not anticipate more federal funding. Consequentially, the delay has caused a shift in funds from assistance and grants and salaries and benefit to operating and contract expenses in FY2027. There is a general revenue increase of $39,643 within the Health Equity Institute to support the Minority Health Programs accreditation and training, which is partially offset by a $20,290 decrease in the Associate Directors Office.

Immunizations (restricted receipts) ***($4.5 million)***

The Budget includes a decrease of $4.5 million to support immunization efforts within the Department. The immunization estimates were done in 2025 without exact costs and dosage requirements; actual vaccine costs and demand were lower than projected. This decrease reflects revised projections for vaccine costs, dosage, and demand in FY2027.

Overdose Preventions (restricted receipts) ***($535,960)***

The Budget includes a restricted receipt decrease of $535,960 for removal of opioid abatement grants allocated to the Department from the Executive Office of Health and Human Services (EOHHS). As settlement funding continues to decline, funding for opioid abatement will continue to be depleted. The 2019 General Assembly enacted an annual $5.0 million assessment fee; however, additional and permanent funding will be required to continue the State's current activities that respond to opioid abatement. According to EOHHS, the Governor recommended $4.6 million in settlement funds to the Department.

Overdose Prevention	FY2026 Enacted	FY2027 Governor	*Change from Enacted*
Prevention Block Grant FFY2024	846,655	-	*(846,655)*
PDMP - MMIS-IAPDU	590,181	747,555	*157,374*
Harold Rogers Prescription Drug Monitoring Program	389,642.00	$525,947	*$136,305*
OD2A Prevention (CE23-0002)	2,090,518	2,143,435	*52,917*
OD2A Surveillance (CE23-0002)	1,161,584	1,120,058	*(41,526)*
OD2A Biosurveillance (CE23-0002)	324,774	330,399	*5,625*
Total	**$5,403,354**	**$4,867,394**	***($535,960)***

Women, Infant and Children (WIC) Expenses (federal funds) ***$323,762***

The Budget includes an increase of $323,762 to support the Department's Women, Infant, and Children (WIC) Supplemental Nutrition program. In FY2025, the Department received an allotment of funds from the U.S. Department of Agriculture (USDA) to provide food assistance to pregnant and postpartum women, and children. The Department's WIC program provides monthly payment of $25 in cash benefits to children up to age 5, $44 in benefits to pregnant and postpartum women, and $49 in benefits to breastfeeding participants.

Advancing Health Equity (federal funds) ***($267,295)***

The Budget includes a federal funds decrease of $267,295 to support equitable health opportunities to Rhode Island residents. The Budget includes funding to support populations with or at risk for diabetes, teen pregnancy prevention, and asthma control.

Advancing Health Equity	FY2026 Enacted	FY2027 Governor	*Change from Enacted*
Advancing Health Equity for Priority Populations with or at Risk for Diabetes	933,760.00	$946,199	*$12,439*
Equity-Centered Approaches to Teen Pregnancy Prevention	980,237	714,688	*(265,549)*
RI Advancing Health Equity in Asthma Control	488,291	474,106	*(14,185)*
Total	**$2,402,288**	**$2,134,993**	***($267,295)***

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Suicide Prevention (federal funds) ***$230,104***

The Budget includes a $230,104 increase in federal funds to support the Department's suicide prevention initiatives. These funds help the Department maintain Prevent Suicide RI and Rhode Island Youth Suicide Prevention Project, as well as provide resources, educate parents and develop the suicide prevention State Plan.

Pediatric Mental Health Care Access (federal funds) ***($79,713)***

The Budget includes a federal fund decrease of $79,713 related to the federal Pediatric Mental Health Care Access which supports access to pediatric mental health care. Rhode Island has received upwards of $12 million in federal support to address pediatric mental health by increasing access to early intervention, providing resources to school and primary care providers to better identify and address mental health challenges, and integrate mental health services with other social and healthcare services.

Pregnant and Postpartum Death Review Committee (federal funds) ***($51,178)***

The Postpartum Committee is a multidisciplinary review board charged with examining the death of individuals who were pregnant or died within one year of pregnancy to identify factors that may have contributed to the death. The Committee is comprised of 50 members, all of whom are health professionals with various organizations. The Committee also provides recommendations on how to improve systems of care through their reports. The Committee established a data sharing relationship with the Center for Disease Control and Prevention (CDC) to contribute to national data regarding maternal mortality. Past appropriations have derived from general revenue only, and FY2026 was the first year that the Committee received federal funding. The Budget includes a total of $295,373, a decrease of $51,178 from the Enacted Budget to fund the operations of the Committee.

COVID-19

The COVID-19 program was established within the Department of Health in FY2021 to support Rhode Island's pandemic response. The program primarily consists of federal appropriations related to the public health response to the COVID-19 pandemic. This program continues into the FY2024 Revised and FY2025 Enacted budgets. The Department of Health is responsible for coordinating the State's efforts in combatting COVID-19 with contact tracing and case investigations, treatment, testing, vaccinations, and lab processing.

COVID-19	Other Fund Changes
COVID-19 Adjustments (federal funds)	($7,657,539)

COVID-19 Adjustments (federal funds) ***($7.7 million)***

The Budget decreases federal funds by $7.7 million to reflect expenditure towards the State's response to the COVID-19 pandemic. Expenditures were funded through the Consolidated Appropriations Act 2021, the CARES Act, PPHCE, FEMA disaster resources, and from the American Rescue Plan Act (ARPA) direct appropriations. The funding within the Department of Health supported efforts in testing, contact tracing, vaccination, other public health-related activities, and the construction of a new State Health Laboratory. The Budget includes $7.2 million in ARPA funds and $330,878 in the other COVID-19 funds.

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COVID-19 Agency Expenditures	FY2026 Enacted	FY2027 Enacted	*Change from Enacted*	
Other Support Services	$6,939,926	$7,204,162	*$264,236*	*3.8%*
Contact Tracing/ Case Investigation	4,165,720	177,666	*(3,988,054)*	*-95.7%*
Data Anlytics, Tech, & Modeling	2,332,023	60,459	*(2,271,564)*	*-97.4%*
Testing	1,571,206	76,821	*(1,494,385)*	*-95.1%*
Communications	167,772	-	*(167,772)*	*-100.0%*
Total	**$15,176,647**	**$7,519,108**	***($7,657,539)***	***-50.5%***

COVID-19 by Funding Source	FY2026 Enacted	FY2027 Enacted	*Change from Enacted*	
ARPA Direct	$7,107,772	$7,188,230	*$80,458*	*1.1%*
CARES Act	748,114	-	*(748,114)*	*-100.0%*
PPEHCE	2,327,522	67,162	*(2,260,360)*	*-97.1%*
Consolidated Appropriations Act	4,993,239	263,716	*(4,729,523)*	*-94.7%*
Total	**$15,176,647**	**$7,519,108**	***($7,657,539)***	***-50.5%***

According to the Department, the allocation of FTEs funded through CDC funds were reallocated to the Division of Emergency Preparedness and Infectious Disease as a placeholder for FY2027. All COVID employees are being evaluated and reallocated to existing or new funding sources for FY2027. RIDOH Staff is working to maintain new funding to sustain a portion of the testing, reporting, and monitoring work established under COVID. However, some work will end as the Department scales back pre COVID operations and funding sources.

- **Other Support Services:** The Budget increases federal funds by $264,236 for support services. These services include miscellaneous costs associated with the overall response to the public health crisis. These include costs related to community mitigation, high density cases, human services relief, childcare, and government readiness.
- **Contact Tracing and Case Investigations:** The Budget decreases federal funds by $4.0 reflecting decreased need for the infrastructure required for contract tracing and investigations, operating support, and the personnel to manage the overall process.
- **Data Analytics, Tech, and Modeling:** The Budget decreases federal funds by $2.3 million for costs related to tracking data associated with COVID-19. This includes tracking cases, tests, treatment, hospitalizations, and deaths as well as infrastructure needed to develop models that predict disease projections.
- **Testing:** The Budget decreases federal funds by $1.5 million for costs related to equipment, staffing, and contracted services related to COVID-19.
- **Communications:** The Budget decreases federal funds for communications by $167,772 due to expenditures of available funds in FY2026. This funding reduction reflects a decreased need for infrastructure related to delivering information to Rhode Island residents that will assist them in making appropriate health decisions.

EMERGENCY PREPAREDNESS AND INFECTIOUS DISEASE

The Division of Emergency Preparedness and Infectious Disease is responsible for creating and promoting a state of readiness and prompt response to protect the health of Rhode Islanders during catastrophic events, large-scale disasters, and other types of emergencies as well as controlling person-to-person spread of infectious disease. The Division oversees the Center for Acute Infectious Disease Epidemiology, Center for HIV, Hepatitis, STD, and TB Epidemiology, Center for Emergency Preparedness and Response, and Center for COVID-19 Epidemiology.

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Emergency Preparedness and Infectious Disease	General Revenue
FY2026 Enacted	**1,907,851**
Target and Other Adjustments	*5,917*
Durable Medical Equipment Maintenance, Storage, and Deployment	$500,000
Personnel Adjustments (statewide adjustments)	30,750
Enterprise Resource Planning (statewide adjustments)	(27,604)
Accounts and Control (statewide adjustments)	8,915
FY2027 Enacted	**$2,425,829**

Emergency Preparedness and Infectious Disease	Other Fund Changes
Federal Funds Changes (federal funds)	$2,585,798

Durable Medical Equipment and Maintenance, Storage, and Deployment ***$500,000***

The Budget includes $500,000 in general revenue to maintain medical supplies and equipment that were purchased in 2020 as part of the State's response to the COVID-19 pandemic. The Department proposes maintaining this equipment as part of its deployable medical cache for future emergencies where specific equipment exceeds hospital's available assets. The Department will deploy the equipment during acute disasters, including mass casualty incidents. This work is currently supported by COVID-19 funds, which will be fully depleted by July 31, 2026.

Federal Fund Changes (federal funds) ***$2.6 million***

The Budget includes an increase of $2.6 million in federal funds, reflecting increased expenses for salaries and benefits. The Department shifted 12.0 FTE positions from the COVID-19 Division to the Division of Emergency Preparedness and Infectious Disease, funding them with two federal grants supporting HIV prevention and surveillance.

Federal Funds Change by Program	FY2026 Enacted	FY2027 Enacted	*Change from Enacted*	
Acute Infectious Disease	$5.0	$6.7	*$1.7*	*35.0%*
Emergency Preparedness and Response	7.1	7.3	*0.2*	*2.2%*
HIV, Hep, STDs and TB	3.1	3.8	*0.7*	*22.1%*
Total	**$15.2**	**$17.8**	***$2.6***	***17.0%***

According to the Department, the allocation of FTEs funded through CDC funds were reallocated to the Division of Emergency Preparedness and Infectious Disease as a placeholder for FY2027. All COVID employees are being evaluated and reallocated to existing or new funding sources for FY2027. RIDOH Staff is working to maintain new funding to sustain a portion of the testing, reporting, and monitoring work established under COVID. However, some work will end as the Department scales back pre-COVID operations and funding sources.

ENVIRONMENTAL HEALTH

The Environmental Health program holds responsibility for the licensure and regulatory activities related to Environmental Health and all activities related to Healthy Homes. The program regulates and provides oversight of population-based activities related to safe food; clean water; healthy homes in the areas of lead, asbestos, radon; and, health and safety in the workplace. The program includes three Centers: The Center for Food Protection, the Center for Drinking Water Quality, and the Center for Healthy Homes and Environment.

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Environmental Health	General Revenue
FY2026 Enacted	$6,836,896
Target and Other Adjustments	*45,798*
Elimination of Academic Institute	(301,357)
Rhode Island Kratom Consumer Protection Act	251,408
Food Protection and Sanitation	241,631
Turnover (statewide adjustment)	(42,013)
Enterprise Resource Planning (statewide adjustments)	26,298
FY2027 Enacted	**$7,058,661**

Elimination of Academic Institute ***($301,357)***

The Budget includes a general revenue reduction of $301,357 in the Division of Environmental Health and $362,423 in all funds for the entire agency, shifting 1.0 FTE Associate Director of Health position from general revenue to restricted receipts and eliminated federal and restricted funding for 2.6 FTE positions. The Department asserts that the responsibilities of the eliminated positions can be absorbed throughout other programs and staff. This recommendation is a one-time shift, and general revenue will be required in future years.

The Academic Institute was created in 2015 to collaborate with academic collaborations through a multidisciplinary approach to achieve excellence in public health. The institute includes a working group to learn about the past, present and potential collaborations between RIDOH and academicians in Rhode Island. The Institute explores collaborations with RIDOH Programs, putting research and teaching interests into practice.

Rhode Island Kratom Consumer Protection Act ***$251,408***

The 2025 General Assembly passed the Rhode Island Kratom Consumer Protection Act, which requires the Rhode Island Department of Health to monitor and license all Kratom businesses, enforce product safety and labeling standards, and prohibit sales to individuals younger than 21. The Budget includes $251,408 for 1.0 FTE position and start-up costs.

The Department had requested $588,921 in general revenue to establish a new comprehensive licensing, inspection, and enforcement program for kratom manufacturers, distributors, and retailers pursuant to the Rhode Island Kratom Consumer Protection Act of 2025. $466,166 of the funds were to support salary and benefits for 3.4 FTE positions, and the remaining funds would support training, audits, response, and enforcement.

Food Protection and Sanitation ***$241,631***

The Budget includes a general revenue increase of $241,631, restoring 1.0 FTE Food Inspector position that was shifted to restricted receipts in FY2026, and additional costs related to salary and benefits due to the Department hiring FTEs resulting in a shift from contracted services.

In FY2026, the budget shifted $137,657 in general revenue funds to restricted receipts to preserve 1.0 FTE Food Inspector position. The position is responsible for ensuring food safety and sanitation in licensed food businesses, including restaurants, hospitals, schools, cottage foods, etc.

The remaining expenses relate to increased salary expenses. In FY2026, the Department reduced contractor services for Food Protection and began to hire FTEs. The Department shifted these expenses from miscellaneous expenses. According to the Department, federal grants provided by the Federal Drug Administration (FDA) were discontinued, causing personnel expenditures to shift to general revenues.

It is common for the Department to place funds for future FTE positions within operating expenditures and then remove these costs the following fiscal year when the position is filled. It is unclear why the Department is budgeting funds for personnel in operating expenditures.

HEALTH LABORATORIES

The Division of Health Laboratories provides laboratory services to state and municipal agencies, health care providers, and the general public, for the purposes of public health, environmental protection, and forensic science.

Health Laboratories	General Revenue
FY2026 Enacted	$9,514,520
Target and Other Adjustments	*(18,173)*
Laboratory Facility Operating Budget	1,071,467
Personnel Adjustments (statewide adjustments)	137,057
FY2027 Enacted	**$10,704,871**

Laboratory Facility Operating Budget *$1.1 million*

The Budget includes $1.1 million in general revenue to maintain the new State Health Laboratory facility at 150 Richmond Street. The Budget provides total funding of $1.9 million, with an additional $803,533 in restricted receipts appropriated to the Division of Central Management.

Programs within the new facility include shellfish testing, clinical and forensic toxicology, wastewater testing, and pathogen genome sequencing. Previously, operational support has been funded though DCAMM ISF funds. However, these services will now be contracted through a building administrator, Cushmen and Wakefield. The Chapin building, the States' previous health laboratory, required a total of $1.0 million in general revenue for operating expenses, which has been removed from the Department's budget upon the Departments transition from Chapin to the new Health Lab. Maintenance and operating expenditures for the Chapin building are now under the Division of Capital Asset Management and Maintenance (DCAMM).

HEALTHCARE QUALITY AND SAFETY

The Division of Healthcare Quality and Safety oversees the minimum standards for the provision of healthcare services. The Division licenses, investigates, and disciplines healthcare professionals, healthcare facilities, and health-related facilities. The Division encompasses three centers; the Center for Professional Licensing, Boards, and Commissions, the Center for Health Facilities Regulation, and the Center for Emergency Medical Services.

Healthcare Quality and Safety	General Revenue
FY2026 Enacted	$7,868,321
Target and Other Adjustments	*(34,863)*
My License Office (MLO) Upgrade/Replacement	2,083,333
Personnel Adjustments (statewide adjustments)	223,427
Nursing Home Minimum Staffing	200,000
Turnover (statewide adjustments)	(42,013)
FY2027 Enacted	**$10,298,205**

Healthcare Quality and Safety	Other Fund Changes
Personnel Salary and Benefits Reallocation (restrcted receipts)	93,195
Personnel Salary and Benefits Reallocation (federal funds)	62,130

My License Office (MLO) Upgrade/Replacement *$2.1 million*

The Budget includes a $2.1 million general revenue increase to replace the expiring My License Office system that provides licensure for more than 145,000 individuals and 433 license types across 80 professions. As of June 30, 2027, MLO will reach its end of life, risking loss of regulatory compliance, data

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security, and $33.0 million in biennial State revenue from licensing fees. The recommendation ensures unnecessary licensing operations, maintains statutory mandates, and supports health, food, water, and environmental workforce deployment. In its budget request, the Department requested $3.1 million in general revenue noting that it was the lowest possible request and required RIDOH to work with the vendor to implement the new system instead of relying solely on the vendor. The Budget includes $1.0 million less than the Department's request, consistent with the Governor's recommendation.

Nursing Home Minimum Staffing ***$200,000***

The Budget includes $200,000 in general revenue to implement the minimum staffing in nursing homes law. The FY2026 Budget as Enacted amended the State nursing home laws, revising the amount of required staffing hours for certain types of professionals in nursing homes. Penalties for noncompliance will result in a 3.0 percent fine of Medicaid payments for the last year. The law requires RIDOH to develop regulations and conduct analyses of payroll data to determine compliance. These funds support the contract with UMass Medical Center, which reviews payroll data and calculates nursing home staffing compliance fines. The Governor recommends $200,000 in general revenue, $338,324 less than the requested. The Budget, consistent with the Governor's recommendation, omits 2.5 new FTE positions requested by the Department to comply with statute.

In the FY2027 Budget Request, the Department requested $538,324 in general revenue to comply with the new statutes. These funds were to support 2.5 new FTE positions including, 1.0 Senior Legal Counsel, 1.0 Health Facility Surveyor, and 0.5 Licensing aid, totaling $331,566 in salary and benefits. The Department is also requested $200,000 to engage UMASS Medical, the consultant firm originally retained upon passing the law several years ago, to review and analyze CMS payroll data. The remaining funds were to support operation costs such as in-state travel, and supplies.

Personnel Salary and Benefits Reallocation (federal funds) ***$62,130***

The Budget includes a $62,130 federal funds increase, with a corresponding restricted receipt increase of $93,195 to correct the salary and benefits funding for an FTE position in the Healthcare Quality and Safety program that was miscalculated.

POLICY, INFORMATION, AND COMMUNICATIONS

The Division of Policy, Information, and Communication is responsible for public health communications; data collection, analysis, and dissemination; coordination of the Department's legislative and regulatory functions; and ensuring standards of care are maintained in new and existing healthcare facilities. The Division includes four centers: Public Health Communications, Health Data and Analysis and Public Informatics, Health Systems Policy and Regulation, and Legislative and Regulatory Affairs.

Policy, Information, and Communications	General Revenue
FY2026 Enacted	$2,785,613
Target and Other Adjustments	*(1,500)*
Health Professional Loan Repayment	200,000
Desk Audit	34,887
FY2027 Enacted	**$3,019,000**

Healthcare Quality and Safety	Other Fund Changes
Rural Health Transformation Program (federal funds)	$26,301,377
Health Professional Loan Repayment (federal funds)	(530,427)
Medicaid Initiatives (federal funds)	352,396
Hospital Conversion Monitoring (restricted receipts)	178,176
All Payor Claims Database (restricted receipts)	(176,338)

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Health Professional Loan Repayment ***$200,000***

The Budget includes an increase of $200,000 in general revenue for the health professional loan repayment program, bringing total general revenue support to $400,000. The program provides loan repayment assistance to licensed primary care, dental, and mental health clinicians who commit to practicing for a minimum of two years in an approved health professional shortage area. The program is intended to improve access to care and address provider shortages that contribute to health disparities.

The Budget also includes a decrease of $530,427 in federal funds for the health professional loan repayment program, reflecting changes to the federal funding requirements. Effective September 1, 2025, states are required to provide a matching contribution to receive federal loan repayment funds. In prior years, the state's matching requirements were satisfied through private contributions from UnitedHealthcare, the Rhode Island Health Care Association, Neighborhood Health, Delta Dental, Blue Cross Blue Shield of Rhode Island, and the Rhode Island Foundation, without the use of general revenue. The General Assembly included $200,000 in general revenue in FY2026 to partially support the required state match and maintain participation in the federal program.

Desk Audit ***$34,887***

The Budget includes a general revenue increase of $34,887, shifting funds from operating and contracted services to salary and benefits as a result of a desk audit within the Division. According to the Department, 3.0 FTE positions were found to be performing duties outside of their job classifications.

Rural Health Transformation Program (federal funds) ***$26.3 million***

The Budget includes $26.3 million in federal funding through the new Rural Health Transformation Program grant. Article 12 also amends various statutes related to the delivery and oversight of health care, enabling the state to secure an additional $132.4 million in federal funding through the Rural Health Block Grant.

In total, the state was awarded $156.2 million in federal funding. The Budget appropriates $131.9 million in FY2027, with the remaining $10.8 million scheduled for appropriation in FY2026 and $13.5 million in FY2028.

All statutory amendments necessary to secure the full $156.2 million in federal funding fall within the Department's purview. These resources will support implementation of the nine statutory changes included in Article 12 and fund 13.4 existing or repurposed FTE positions needed to administer and oversee these initiatives.

Medicaid Initiatives (federal funds) ***$352,396***

The Budget includes a federal funds increase of $352,396 to support 2.0 FTE contract positions who work on Medicaid activities. These employees produce Medicaid advanced planning documents for the Department. These positions serve as Medicaid Informatics Coordinators, a specialized healthcare professional who bridges the gap between IT, data analysis, and Medicaid policy to improve healthcare delivery efficiency, and compliance.

Hospital Conversion Monitoring (restricted receipts) ***$178,176***

The Budget includes a $178,176 restricted receipt increase in the Hospital Conversion Monitoring Program. These support the vacancy of 1.0 existing FTE position for security services. The program, which was established in 1997 through the Hospital Conversion Act, authorizes the Department of Health and the Office of the Attorney General, to review, approve, and monitor hospital ownership and operational changes. RIDOH reviews applications based on the statutory criteria set in the Hospital Conversion Act.

All Payor Claims Database (restricted receipts) ***($176,338)***

The Budget includes a decrease of $176,338 in restricted receipts for HealthFacts RI, the State's all payor claims database. HealthFacts RI collects healthcare claims data from a variety of sources including

Medicare and Medicaid. The reduction is a result of an updated plan with the Executive Office of Health and Human Services where the Office will cover maintenance costs.

MEDICAL EXAMINER

The Office of the Medical Examiner (OSME) determines the cause and manner of death through postmortem investigations of all known or suspected homicides, suicides, accidental deaths, sudden infant deaths, drug-related deaths, medically unattended or unexplained deaths, and deaths that may constitute the threat of an epidemic or in any way endanger the public. OSME interacts with federal, state, and local law enforcement agencies when a death is found to be due to a crime. Medical examiners provide testimony in court as subject matter experts during criminal prosecutions.

State Medical Examiner	General Revenue
FY2026 Enacted	$4,521,784
Target and Other Adjustments	-
Deputy Medical Examiner Reclassification	79,392
Turnover (statewide adjustments)	(42,013)
FY2027 Enacted	**$4,559,163**

Deputy Medical Examiner reclassification ***$79,392***

The Budget includes $79,392 in general revenue to support the reclassification of the Deputy Medical Examiner position. Effective June 19, 2026, the position was reclassified from an annual salary of $82,382 to $330,810 to attract more applicants to the position. The State has experienced vacancies within the Assistant Medical Examiner positions for more than eight years, partly due to lower salaries when compared to neighboring states. Furthermore, in January 2025, R.I Medical Examiner, Dr. Marius Tarau, asserted that the hiring of two permanent assistant medical examiners is a priority, and will lead to the restoration of the office's accreditation.

CAPITAL PROJECTS

Health Laboratories & Medical Examiner Equipment

The Budget includes $400,000 in Rhode Island Capital Plan (RICAP) funds within the Department for various capital improvement projects in FY2026 and FY2027, with a total project fund of $2.9 million from FY2026 through FY2031. The funding will support the Laboratory Medical Equipment Fund to replace laboratory equipment at the State Health Laboratory. Much of the equipment is obsolete or no longer supported by the manufacturer. Failure to replace the equipment could result in the Health Lab losing the capability to complete necessary testing on food and water, infectious diseases, insect-borne viruses, forensics, and air quality.

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Department of Human Services

Expenditures by Program	FY2025 Actuals	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$15.6	$16.4	$16.5	*$0.1*	*0.7%*	$17.6	*$1.2*	*7.1%*
Child Support Enforcement	17.7	18.4	17.5	*(1.0)*	*-5.3%*	18.1	*(0.4)*	*-2.0%*
Health Care Eligibility	24.5	27.2	28.0	*0.8*	*3.0%*	31.4	*4.2*	*15.6%*
Individual and Family Support	182.5	164.0	175.2	*11.2*	*6.8%*	164.9	*0.9*	*0.6%*
Office of Healthy Aging	33.5	38.9	37.7	*(1.2)*	*-3.1%*	42.1	*3.1*	*8.0%*
Office of Veterans Affairs	48.5	51.9	53.5	*1.5*	*3.0%*	55.7	*3.8*	*7.3%*
State Funded Programs	370.5	384.7	351.9	*(32.7)*	*-8.5%*	344.1	*(40.6)*	*-10.5%*
Rhode Island Works/ Child Care	105.6	119.1	99.3	*(19.8)*	*-16.6%*	99.3	*(19.8)*	*-16.6%*
Supplemental Security Income Program	16.7	16.7	16.7	*0.0*	*0.2%*	16.8	*0.1*	*0.4%*
Total	**$815.1**	**$837.4**	**$796.5**	***($40.9)***	***-4.9%***	**$789.9**	***($47.5)***	***-5.7%***

Expenditures by Source	FY2025 Actuals	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
General Revenue	$134.3	$136.0	$137.2	*$1.1*	*0.8%*	$159.1	*$23.0*	*16.9%*
Federal Funds	667.6	690.0	645.5	*(44.5)*	*-6.5%*	618.4	*(71.5)*	*-10.4%*
Restricted Receipts	8.0	6.0	7.6	*1.5*	*25.7%*	6.4	*0.4*	*6.1%*
Other Funds	5.2	5.4	6.3	*0.9*	*16.2%*	6.1	*0.7*	*12.2%*
Total	**$815.1**	**$837.4**	**$796.5**	***($40.9)***	***-4.9%***	**$789.9**	***($47.5)***	***-5.7%***
Authorized FTE Levels	1,067	1,079	1,089	*10.0*	*0.9%*	1,128	*49.0*	*4.5%*

$ in millions. Totals may vary due to rounding.

The Department of Human Services (DHS) administers programs and services that support the needs of children and families, adults and children with disabilities, veterans, and the elderly. These services include health care, child care, cash assistance, and other supportive services for working parents and families.

MAJOR ISSUES AND TRENDS

The FY2027 Budget includes total funding of $789.9 million, a $47.5 million decrease from the FY2026 Budget as Enacted. This includes a general revenue increase of $23.0 million.

The Budget authorizes 1,128.0 FTE positions for FY2026, an increase of 49.0 FTE positions to accommodate changes related to HR-1.

HR-1

In July 2025, Congress passed HR-1 making numerous changes to human services programs, including the Supplemental Nutrition Assistance Program (SNAP), the Health Exchange, and Medicaid. The impacts of HR-1 are not yet fully quantified while the Department continues to wait for official guidance from its federal partners. However, the Department expects significant cuts to federal funding streams that once supported SNAP benefits and increased call volume for eligibility verification and customer service staff. Eligibility, benefits, and financial changes include the following:

SNAP Eligibility Changes

- **Work Requirement Modifications:** HR-1expands the Able Bodied Adults without Disability age requirement to ages 18-64, strengthens exemptions, and increases the monthly work requirement to 80 hours a month (20 hours a week). These changes are anticipated to impact around 9,000 beneficiaries and increase risk for errors. According to a report published by the Center on Budget and Policy Priorities (CBPP), most working-age adults without disabilities who receive SNAP benefits supplement their low wages with SNAP or receive SNAP when they're out of work. Many working adults on SNAP

work low paying jobs that have unpredictable hours and don't offer benefits, resulting in more frequent periods of joblessness. According to a report published by the Executive Office of Health and Human Services (EOHHS), this will likely cause a reduction of $13.4 million in federal funds in FY2027 and $12.6 million in federal funds in FY2026.

- **Standard Utility Allowance:** Standard Utility Allowances (SUA) are the standard amounts that represent low-income household utility costs in lieu of a household's actual costs when determining eligibility and benefit amount. Individuals receiving benefits must now provide heating and cooling bills, unless disabled or elderly. Previously, any individual residing in a shelter could apply for SUA without providing heating and cooling bills. Now, HR-1 restricts shelter deductions to elderly and disabled individuals and counts only third-party aid. Approximately 20,000 households are anticipated to be affected by this change. The change will also increase the Department's eligibility workload. According to a report published by EOHHS, this will likely cause a reduction of $13.6 million in federal funds in FY2027 and $13.0 million in federal funds in FY2026.
- **Non-citizen Eligibility Restrictions:** HR-1 limits SNAP to citizens and legal permanent residents, resulting in approximately 2,300 individuals losing eligibility. According to a report published by the EOHHS, this will likely cause a reduction of $1.3 million in federal funds in FY2027 and $1.5 million in federal funds in FY2026.

Benefit Changes

- **Thrifty Food Plan:** HR-1 freezes benefit adjustments to inflation for costs of a nutritious, low-cost diet, causing gradual erosion of benefit value and greater strain on food assistance networks. Previously, the Thrifty Food Plan was adjusted using the consumer price index.

Financial Changes

- **SNAP-Ed Grant:** HR-1 eliminates $1.5 million Nutrition Education and Obesity Prevention Program, which provided evidence-based education and community-based interventions that promoted healthy food choices, physical activities, and obesity prevention.
- **Administrative Cost Sharing:** HR-1 reduces federal match from 50.0 percent to 25.0 percent, increasing state costs by approximately $9.3 million in FY2027, and $13.0 million in out years.
- **Payment Error Rate (PER):** HR-1 requires States with error rates in excess of 6.0 percent to share SNAP benefits costs. In 2024, Rhode Island PER was 11.5 percent which would trigger a clawback of 15.0 percent or $51.5 million. If the PER is above the national average for two consecutive years, there is an additional $2.5 million penalty.

SNAP Payment Error Rate (PER) Improvement Plan

DHS, in conjunction with Human Service Group, submitted the SNAP PER Improvement plan on September 29th, 2025, outlining various policy recommendations and decisions related to decreasing Rhode Island's SNAP Error Rate. Article 10 of the FY2026 Budget as Enacted established the one-time report in response to changes to SNAP in the House Resolution, which implemented penalties in relation to SNAP payment error rates and a new tiered benefit cost share for states with a payment error rate (PER) exceeding 6.0 percent. Furthermore, if a state's PER exceeds the national average for two consecutive years, there is a $2.5M penalty assessed, of which 50.0 percent is to be reinvested in the program, and 50.0 percent paid to US Food and Nutrition Administration (FNA). The claw back is expected to take effect in CY2028.

Error Rate	State Cost Share (%)	State Cost Share ($)
0-5.99%	0%	$0.00
6-7.99%	5%	17.10
8-9.99%	10%	34.40
10% or More	15%	51.50

** $ in Millions*

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As of July 2026, Rhode Island's FFY25 PER exceeds 10.0 percent (12.4 percent). Depending on Rhode Island's FFY26 error rate, Rhode Island is at risk of a claw back of 15.0 percent, or $51.5 million. As of July 2026, a DHS report to the House Oversight Committee reports a FFY26 PER of 15.7 percent, exceeding the federal threshold despite new quality control and assurance measures deployed upon the implementation of HR-1. The United States Department of Agriculture (USDA) Food and Nutrition Administration (FNA) will submit official Federal Fiscal Year 2026 rates in June 2027.

A cumulative PER of 13.33% or above for Federal Fiscal Year 2026, which ends on September 30th, 2026, would trigger an exemption to the HR-1 cost sharing provisions, known as the 'Alaska Rule'. The exemption delays the state's benefit cost sharing requirement until October 1, 2029 (Federal Fiscal Year 2030).

The plan identifies the top three drivers of the federal fiscal year FFY2024 PER as wages and salaries, shelter deductions, and household composition and targets six reform areas. SNAP Reform strategies are grouped within the identified target areas and link specific DHS reforms with the top drivers to deliver the most impactful reduction to the error rate.

Targeted Reform Areas
Policy Simplification and Federal Flexibility
Move to simplified reporting for all households.
Assign 24-month certification periods to Elderly and Disabled Simplified Application Project (ESAP) households.
Revoke the Change of Address waiver.
Quality Assurance (QA) Framework
Conduct urgent "Find and Fix" reviews of the ESAP population with surge staff.
Build a culture of shared responsibility through organizational change management.
Quality Control (QC) Improvements
Standardized review processes with process maps and performance standards.
Business Process Optimization
Standardize eligibility procedures and documentation.
Provide simulation-based interview training.
IT Systems and Workload Management
Expand use of commercial data sources to track employment and household changes.
Procure an AI-driven Smart Policy Hub that links policy, QA, and training.

Implementation of new SNAP processes began October 2025. While the Department expects to see improvements in the SNAP errors within the first few weeks of implementation, the report cautions that there will be a lag in total measurable impacts of all reforms given the structure of the programs and policies set in place. This lag is primarily influenced by several factors, including the federal sample including cases processed under new and old rules, and the cycle structure of recertification periods of 12-, 24-, and 36-months, which delays the impact of certain policy changes. In all, the report sets out a 16-month timeline in which all implemented policy reforms will be in effect, and the Department will begin to observe measurable outputs impacting the PER.

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Pertinent Dates for HR-1 Implementation

According to the Department, implementation of SNAP changes have begun. As of October 2025, eligibility changes, which include changes to work requirements, SUA, and non-citizen eligibility have begun. As of October 2025, the SNAP-ed grant has been removed as well. Changes to administrative cost sharing, where the State's share will increase from 25.0 percent to 50.0 percent, will begin in October 2026. Changes to the Thrifty Food Plan, and the Error Matching Rate will begin in October 2027.

Section No.	Short Name	Effective Date
Eligibility Changes		
10102	Work Requirements	Oct-25
10103	SUA Allowances	Oct-25
10108	Non-Citizen Eligibility	Oct-25
Total		
Benefit Changes		
10101	Thrifty Food Plan	Oct-27
Finance Changes		
10105	Error Rate Matching	Oct-27
10106	Administrative Cost Sharing	Oct-26
10107	SNAP-Ed Grant	Oct-25

**Sourced from the Federal Compliance Advisory Group Federal Policy Changes Report dated Oct 30, 2025.*

**Effective dates may change due to lawsuits and delays.*

HR- 1 Response: The Budget includes 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 Budget includes $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 Budget includes $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 the SNAP, Medicaid, Temporary Assistance to Needy Families (TANF) program, Comprehensive Community Action program (CCAP), and related programs.
- **Enhanced Training:** The Budget includes $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.

HR- 1 SNAP Administrative Cost Share: The Budget includes $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.

RI Bridges

The RI Bridges Project, previously known as Unified Health Infrastructure Project (UHIP), is the largest information technology (IT) project undertaken by the State intended to fully integrate health and human service programs, and establish a State-based health insurance exchange, HealthSource RI. The project was developed in two phases. Phase I, launched in 2013, created an online portal for purchasing commercial health insurance and income-based Medicaid eligibility. Phase II of UHIP, launched in September of 2016, was intended to expand the system to serve as a portal through which residents apply for and enroll in other health and human service programs such as Child Care, Supplemental Nutrition Assistance Program (SNAP), General Public Assistance (GPA), and Supplemental Security Income (SSI) programs.

The terms UHIP and RI Bridges tend to be used interchangeably by the State's health and human services agencies; however, they are distinct. UHIP is the infrastructure that coordinates health and human services programs as supported by the RI Bridges system. RI Bridges is the major eligibility and enrollment system supporting health and human services programs administered by DHS, HSRI, and Medicaid. The UHIP budget supports agency operations and the ongoing development, maintenance, and operation of RI

Bridges, which is allocated across three agencies: the Executive Office of Health and Human Services (EOHHS), DHS, and HealthSource RI (HSRI), totaling $177.0 million in FY2026 and $242.2 million in FY2027. The Department's FY2027 budget includes a total of $13.2 million related to RI Bridges/UHIP expenditures, an increase of $424,136 from the FY2026 Budget as Enacted level.

UHIP Expenditures (General Revenue)				
	Pre FY2026 Expenditures	FY2026 Enacted	FY2027 Enacted	Total
Department of Administration (HSRI)	-	-	-	-
Department of Human Services (DHS)	$29,310,243	$3,618,132	$3,339,273	$35,414,077
Executive Office of Health and Human Services (EOHHS)	142,959,433	22,368,654	38,651,742	236,950,256
Total	**$204,386,532**	**$25,986,786**	**$41,991,015**	**$272,364,333**

UHIP Expenditures (Federal Funds)				
	Pre FY2026 Expenditures	FY2026 Enacted	FY2027 Enacted	Total
Department of Administration (HSRI)	-	-	-	-
Department of Human Services (DHS)	$86,860,861	$8,619,840	$9,843,543	$105,844,952
Executive Office of Health and Human Services (EOHHS)	348,761,389	56,857,323	72,778,976	669,940,452
Total	**$435,622,250**	**$65,477,163**	**$82,622,519**	**$775,785,404**

UHIP Expenditures (Restricted Receipts)				
	Pre FY2026 Expenditures	FY2026 Enacted	FY2027 Enacted	Total
Department of Administration (HSRI)	$75,063,879	$6,314,296	$6,155,247	$87,533,422
Department of Human Services (DHS)	-	-	-	-
Executive Office of Health and Human Services (EOHHS)	-		$0	-
Total	**$75,063,879**	**$6,314,296**	**$6,155,247**	**$87,533,422**

UHIP Expenditures (All Funds)				
	Pre FY2026 Expenditures	FY2026 Enacted	FY2027 Enacted	Total
Department of Administration (HSRI)	$75,063,879	$6,314,296	$6,155,247	$87,533,422
Department of Human Services (DHS)	116,171,104	12,237,972	13,182,816	141,591,892
Executive Office of Health and Human Services (EOHHS)	491,720,822	79,225,977	111,430,718	682,377,517
Total	**$682,955,805**	**$97,778,245**	**$130,768,781**	**$911,502,831**

RI Bridges Data Breach

On December 13, 2024, the State was informed by Deloitte, the vendor for RI Bridges, that there had been a major security threat to the RI Bridges system, which manages the States social and human services programs. According to the State and Deloitte, there is a high probability that cybercriminals obtained personal information for individuals enrolled in the RI Bridges system. This includes names, date of birth, home addresses, and social security numbers. Any individual who received or applied to State health coverage or health and human services programs or benefits could be impacted by this breach.

In January 2025, the State began notifying individuals affected by the data breach, sending out individual notification letters to those whose information was stolen. As of February 5, 2025, it has been reported that personal information of more than 650,000 Rhode Islanders was stolen in the breach and prevented approximately 2,000 Rhode Islanders from enrolling in state-paid healthcare coverage. Deloitte agreed to pay $5.0 million to the State to cover expenses incurred because of the data breach, as well as credit monitoring and identity theft protection services for the 650,000 individuals who had their data stolen. The FY2026 Budget does not reflect any additional expenditures related to the breach.

The Budget includes $150,000 in general revenue and $587,139 in settlement funds in FY2027 to support mitigation and abatement activities related to the data breach.

Caseload Estimating Conference

Every November and May, the State revises cash assistance caseload forecasts in order to estimate entitlement program spending for both the current and the following fiscal year. The May 2026 Caseload Estimating Conference adopted estimates dictate the entitlement program appropriations included in the FY2027 Budget.

Overall spending for cash assistance programs, including RI Works, childcare subsidies to working families, Supplemental Security Income (SSI) state supplement, and General Public Assistance (GPA), is estimated to be $118.1 million in FY2027, a decrease of $19.9 million from the FY2026 Enacted level. Major contributors to the increase include eligibility expansion for the Child Care Assistance Program (CCAP) program, increased childcare reimbursement rates, a Rhode Island Works benefit increase, and the elimination of full family sanctions. The FY2026 Budget authorized a 3-year extension of the Childcare for Childcare Educator's Pilot, and an increase in Infant childcare rates, which also contributed to the increased caseload and costs.

Cash Assistance Program - May 2026 Adopted Estimates

	FY2025 Actual	FY2026 Enacted	FY2026 Final	FY2027 May	FY2027 Enacted	*Change to Enacted*
Rhode Island Works						
Persons	9,362	9,875	8,056	6,600	6,600	*(3,275)*
Monthly Costs per Person	$285.0	$298.0	$286.8	$286.8	$286.8	*(11.2)*
Federal Funds*	**$34.2**	**$37.6**	**$29.8**	**$24.6**	**$24.6**	***(13.0)***
Child Care						
Subsidies	6,464	6,818	6,410	6,700	6,937	*119*
Annual Cost per Subsidy	$10,970	$11,956	$10,850	$10,700	$10,761	*($1,195)*
Federal Funds*	**$60.8**	**$71.6**	**$59.7**	**$61.9**	**$64.9**	***($6.7)***
General Funds*	**$10.1**	**$9.9**	**$9.9**	**$9.8**	**$9.8**	***($0.1)***
SSI - State Supplement						
Persons	30,835	30,757	30,480	30,550	30,550	*(207)*
Monthly costs per Person	$45.0	$45.0	$45.5	$45.5	$45.5	*$0.5*
General Revenue*	**$16.7**	**$16.7**	**$16.7**	**$16.8**	**$16.8**	***$0.1***
General Public Assistance						
Persons	632	780	707	718	718	*(62)*
Monthly Costs per Person	$136.0	$169.0	$162.0	$162.0	$162.0	*($7.0)*
General Revenue*	**$1.6**	**$2.2**	**$2.0**	**$2.0**	**$2.0**	***($0.2)***
Total	**$123.4**	**$138.0**	**$118.1**	**$115.1**	**$118.1**	***($19.9)***
Federal Funds*	$95.0	$109.2	$89.5	$86.5	$89.5	*($19.7)*
General Revenue*	$28.4	$28.8	$28.6	$28.6	$28.6	*($0.2)*

**$ in millions.*

CENTRAL MANAGEMENT

Central Management, which includes the Office of the Director, supervises, coordinates, and monitors all departmental functions within DHS. This division also includes the Office of Policy Analysis, Research, and Development; the Operations Management Unit; the Collections, Claims, and Recoveries Unit; and, the Fraud Investigation Unit.

Central Management	General Revenue
FY2026 Enacted	$8,050,831
Target and Other Adjustments	-
State Directed Grants	$2,375,000
Enterprise Resource Planning (statewide adjustments)	(1,176,490)
Personnel Adjustments (statewide adjustments)	(176,714)
Accounts and Control (statewide adjustments)	38,151
Centralized Services (statewide adjustments)	(26,247)
FY2027 Enacted	**$9,084,531**

Central Management	Other Fund Changes
Overtime (restricted receipts)	$350,000

State Directed Grants ***$2.4 million***

The Budget includes a general revenue increase of $2.4 million to support the Department's Community Service Grants, reflecting a $2.0 million increase to support the RI Community Food Bank, $25,000 to support Higher Ground International, $200,000 for Farm Fresh RI Bonus Bucks Program, $100,000 for United Way, $25,000 for Oasis International, $25,000 for Higher Ground International and $25,000 for New Bridges for Haitian Success. Generally, community service grants are appropriated to reflect the General Assembly's priorities and provide additional support to organizations outside of the Department's scope. The Budget now includes a total of $5.1 million in all community service grants in DHS.

Overtime (restricted receipts) ***$350,000***

The Budget includes a restricted receipt increase of $350,000 to support overtime expenses related to increased activity for eligibility services for the State's assistance programs. In May 2025, Congress passed HR-1, which made numerous changes to eligibility and funding for public assistance programs. The Department requires additional overtime expenses to ensure accessible customer support and transition. These funds are sourced from indirect cost revenue, which is recouped on Low Income Home Energy Assistance Program (LIHEAP) and Office of Rehabilitative Services Grants.

CHILD SUPPORT ENFORCEMENT

The Office of Child Support Enforcement assists families by ensuring payment of court-ordered child support payments. The Office provides the following services: location of non-custodial parents, establishment of paternity, establishment and modification of child support orders, and enforcement, through the use of license suspensions, tax refund intercepts, and liens. Collections recovered from families that receive state support through Rhode Island Works or Medicaid are retained by the State, while other collections are distributed directly to families.

Child Support Enforcement	General Revenue
FY2026 Enacted	$4,390,046
Target and Other Adjustments	-
Personnel Adjustments (statewide adjustments)	217,445
Lease Renewal	9,265
FY2027 Enacted	**$4,616,756**

Child Support Enforcement	Other Fund Changes
Assistance and Grants (federal funds)	($1,933,280)
Child Support Pass Through Federal Max (federal funds)	228,611
Child Support Case Management System Transition (federal funds)	102,960
Lease Renewal (federal funds)	57,922

Lease Renewal ***$9,265***

Article 9 authorizes the Department of Human Services to renew the lease with 77 Dorrance Street LLC in Providence for a five-year period. DHS currently holds a lease agreement with 77 Dorrance Street for office space to be administered by the Office of Child Support Services. The Budge includes $9,265 in general revenue, with a corresponding federal funds increase of $57,922 to support the lease.

Assistance and Grants (federal funds) ***($1.9 million)***

The Budget includes a federal funds reduction of $1.9 million to account for a new way the childcare pass-through funds are now reflected in the budget. Previously, passthrough was deposited as revenue, but according to the Department of Administration this is not how they should be treated. Funds are now used to credit expenses in the Office.

Child Support Pass-through (federal funds) ***$228,611***

Article 10 increases the child support pass-through to $100 for families with one child and $200 for families with more than one child, an increase from $50 per family. The statutory change will result in a Departmental receipt decrease of $167,389 in general revenue, with a corresponding federal funds increase of $228,611. Rhode Island receives more federal support when increasing the pass-through because the federal government waives its required share of collected support. These funds will support the statutory change, ultimately providing more funds, via child support, to families receiving TANF.

In Rhode Island, the child support program is managed by the Department of Human Services Office of Child Support Services (OCSS) and granted authority under title IV-D of the Social Security Act. Both Federal and Rhode Island laws require the custodial RIW parent to assign to the State any rights to support from any other person, these supports act as public assistance cost recovery to the State. Pursuant to RIGL 40-5.2-10, beneficiaries received a $50 passthrough, which is disregarded as income. The article now aligns with federal guidance, allowing the pass-through of $100 for families with one child and $200 for families with more than one child.

Child Support Enforcement Case Management System Transition (federal funds) ***$102,960***

The Budget includes a federal funds increase of $102,960 to support the transfer of RIKidsBridge, the primary mainframe utilized by the Office of Child Support Enforcement, off the mainframe and into a web-based platform. While the mainframe is utilized by the Office, it has become outdated (designed in the early 1990s). Additionally, by CY2028, the Office will be the only tenant following the end of the current contract. The system supports approximately 70,000 child support cases and is the collection platform for about $93.0 million in child support annually.

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OFFICE OF HEALTHY AGING

The Office of Healthy Aging, previously the Division of Elderly Affairs, provides comprehensive services, advocacy, and public policy dedicated to the needs of older Rhode Islanders, adults with disabilities, their caregivers, and families. The Office implements a system of community-based care for individuals sixty years and older as well as adults with disabilities. The Office is responsible for developing and implementing a State Plan on Aging under the federal Older Americans Act. The Office oversees the Aging and Disability Resource Center (called "The Point") and a network of community information specialists who provide referrals to services and other resources to elders and adults with disabilities.

Office of Healthy Aging	General Revenue
FY2026 Enacted	$15,623,340
Target and Other Adjustments	*6,199*
RIPIN Hospital Transition Services	500,000
MMIS- Elderly 65 and Over	373,528
Personnel Adjustments (statewide adjustments)	249,884
OHIC Adjustments	201,662
Senior Center Grants	200,000
Long Term Care Ombudsman	60,000
VGP and Legal Assistance Developer	50,000
Gas Tax Adjustment	27112
FY2027 Enacted	**$17,291,725**

RIPIN Hospital Transition Services ***$500,000***

The Budget includes a general revenue increase of $500,000 to support the Rhode Island Parent Information Network's Hospital Care Transition program, which assists seniors, older adults, and patients with complex or chronic health needs who are Medicare or Medicaid eligible after they are discharged from hospitals. The program notifies patients of less expensive home and community-based alternatives to institutional placements such as nursing homes and ensures that patients are equipped with the necessary services to support systems. The program was preciously funded through the EOHHS through a Medicaid match, which is no longer available.

MMIS – Elderly 65 and Over ***$373,528***

The Budget includes a general revenue increase of $373,528, aligning more closely with FY2025 actual spending for the at home supports programs. The Office provides at home support programs such as adult day care and home care, to residents aged 65 and older to support independent living.

OHIC Adjustments ***$201,662***

The Budget includes a general revenue increase of $201,662, with corresponding federal funds, partially implementing the new rates as suggested by the Office of the Health Insurance Commissioner (OHIC). The rate changes affect OHA's at-home support, including case management, adult day care, and in-home services.

The FY2023 Budget Enacted required the Office of the Health Insurance Commissioner to conduct a statewide analysis on reimbursement rates related to social and human services. The Office conducted a total of nine assessments concerning an array of services within the Medicaid fee-for-service (FFS) fee schedules, as well as services financed through the State through Medicaid and other funding areas.

Senior Center Grants ***$200,000***

The Budget includes a general revenue increase of $200,000 ($2.9 million total), resulting in rates equal to $9.00 per senior. The Office intends to reach rates equal to $10.00 per senior by 2030.

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Senior Centers are tasked with meeting the needs of the aging community and are one of the most widely used services among older adults. According to Rhode Island Senior Center Directors' Association, senior centers are significantly underfunded with the present rate equal to approximately $8.19 per senior in each municipality. The Directors Association concurs with the Governor's goal to increase funding to $10.00 per senior and asserts the funding goal will provide the necessary funding to provide holistic, connective, and compassionate services to Rhode Island residents as they age.

As of 2024, 31.0 percent of Rhode Island's population is age 55 or older, exceeding national rates of 28.0 percent. By 2030, it is estimated that one in four Rhode Island residents will be 65 or older. As the population ages, the utilization and needs for senior services will continue to increase. The Office of Health Aging asserts that increasing funding now may mitigate organizational and industry challenges.

Long Term Care Ombudsman ***$60,000***

The Budget includes $100,000 in total general revenue to support the long term care ombudsman, provided by the Alliance for Better Long-Term Care. The FY2026 Enacted included $40,000 in support, and the General Assembly allocated an extra $60,000 for the program. The program advocates for residents in nursing homes, assisted living facilities, and hospice care who have been victims of abuse, neglect, or financial exploitation. The Ombudsman works to resolve the problems these individuals face and advocate for change at the local, state, and national levels to improve quality of care by educating residents and their families about residents rights and good care practices, ensuring residents have regular and timely access to the office, representing resident interests, and seeking legal and administrative remedies to protect residents.

VGP and Legal Assistance Developer ***$50,000***

The Budget includes a general revenue increase of $50,000, bringing total general revenue funding to $90,000, to support a legal assistance developer who acts as an important advocate for legal services, a strategic connector, and works across networks to strengthen the delivery system for older adults and adults living with disabilities. A Legal Assistance Developer (LAD) is a state-level specialist mandated by the Older Americans Act that works with state aging units to coordinate, develop, and enhance legal services for older individuals. According to the Office, the EOHHS assigned OHA's legal counsel to the Department of Behavioral Health, Developmental Disabilities, and Hospitals (BHDDH) and never backfilled the position. The lack of a dedicated LAD may initiate penalties or a corrective action plan. This position would administer the Volunteer Guardianship Program (VGP), which provides volunteer health care decision making guardians to low-income older adults and adults living with disabilities.

OHA currently utilizes $40,000 in general revenue for a part-time contractor to oversee administrative duties related to the VGP. BHDDH allow OHA to utilize a portion of their Senior Legal Counsel's time for legal support. The current Senior Legal Counsel has indicated that they plan to retire in 2025, and there is no guarantee that OHA will continue to receive legal support from BHDDH. The Budget includes the $50,000 increase to bring total VGP funds to $90,000.

HEALTH CARE ELIGIBILITY

Health Care Eligibility is responsible for determining Medicaid eligibility. This includes the determination of eligibility for medical benefits for certain low-income individuals and/or families with dependent children, and individuals who meet eligibility criteria within the following populations: RI Works participants; SSI participants; Children with Special Health Care Needs; children in foster care or subsisted adoption within the Department of Children, Youth, and Families; low income families; and aged, blind, or disabled individuals.

Health Care Eligibility	General Revenue
FY2026 Enacted	$10,511,087
Target and Other Adjustments	*50,997*
Personnel Adjustments (statewide adjustments)	509,516
HR-1 FTEs	332,026
SNAP AI Training Platform	275,478
HR-1 SNAP Chat Bot	252,258
Centralized Services (statewide adjustments)	229,297
Accounts and Control (statewide adjustments)	176,177
HR-1 SNAP Quality Control	98,132
Shepard Building Parking	41,535
FY2027 Enacted	**$12,476,503**

HR-1 FTEs ***$332,026***

The Budget includes a general revenue increase of $332,026, and $498,464 in corresponding federal funds to support 12.3 new FTE positions in the Division of Health Care Eligibility. These positions include:

- 7.1 FTE Eligibility Technician I ($375,000)
- 2.6 FTE Eligibility Technician Specialist ($162,980)
- 1.9 FTE Interdepartmental Project Manager ($181,882)
- 0.71 FTE Supervising Eligibility Technician ($46,710)

HR-1, passed in July 2025, made several changes to human service programs including Medicaid, SNAP, and the Health Exchange. The eligibility verification of these programs is housed within DHS. To effectively handle increased call volume and ensure equitable and effective access to these services, the Department requires additional FTE positions.

SNAP AI Training Platform ***$275,478***

The Budget includes a general revenue increase of $275,478, with a corresponding federal funds increase of $275,478, to finance technology modernization, new training support roles, and increased accuracy. These funds support 5.4 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-life dashboards to monitor and adjust staff-training.

- 1.1 FTE Assistance Administrator Community and Planning Services ($88,626)
- 2.2 FTE Clinical Training Specialist ($161,268)
- 2.1 FTE Principal Human Services Policy and Systems Specialist ($162,612)

HR-1 SNAP Chat Bot ***$252,258***

The Budget includes a general revenue increase of $252,258, with a corresponding federal funds increase of the same amount, to improve customer service. These funds will finance technology improvements to existing phone systems. AI-powered chat bots will handle immediate customer questions, call recording, and analytics, with a goal of improving customer services.

HR-1 SNAP Quality Control ***$98,132***

The Budget includes a general revenue increase of $98,132, with a corresponding federal funds increase of $189,903 to support the creation of the Office of Program Integrity. This proposal spans across the agency and additional funds appear in the Division of Individual and Family Support. The Office of Program Integrity houses 25.0 FTE positions and will oversee corrective training and oversight of the Department's eligibility technician to prevent errors and control the State's payment error rate.

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Shepard Building Parking ***$41,535***

The Budget includes a general revenue increase of $41,535, with a corresponding federal funds increase of the same amount to accommodate the adjustment for increased parking due to the reallocation of long-term supportive services from Warwick to the Shepard Building. According to the Department, employee passes are $195 a month per employee. The current budget supports 53 FTE positions, but the Budget adds an additional 100 FTEs to account for those employees moving from the Powers building to the Shepard building. This is a portion of an agency wide initiative. There is an additional $150,930 within the Division of Individual and Family Support, bringing total funding to $234,000.

INDIVIDUAL AND FAMILY SUPPORT

The Division of Individual and Family Support (IFS), also referred to as the Division of Economic Support, operates the Department's economic benefits and work support programs, including the federal Supplemental Nutrition Assistance Program (SNAP), the Emergency Food Assistance Program, child care subsidies, the Rhode Island Works cash assistance program, Supplemental Security Income (SSI), and General Public Assistance (GPA).

The Division also provides services to individuals with disabilities, operating the Office of Rehabilitation Services (ORS), which includes the State's vocational rehabilitation program, services for the blind and visually impaired, and disability determination.

Individual and Family Support	**General Revenue**
FY2026 Enacted	$35,143,366
Target and Other Adjustments	*1,655*
SNAP Administration Adjustments	7,215,033
FTEs for HR-1	1,093,658
SNAP Chat Bot	640,267
SNAP/All Program Accuracy & Efficiency Initiative	618,750
Reduce ORS CNOM Programs to FY25 Levels	(565,176)
SNAP AI Training Platform	432,833
SNAP Quality Control	405,792
Turnover (statewide adjustments)	(172,884)
Shepard Building Parking	100,386
Accounts and Control (statewide adjustments)	228,297
Centralized Services (statewide adjustments)	753,506
FY2027 Enacted	**$45,895,483**

Individual and Family Support	**Other Fund Changes**
Transfer Weatherization Assistance Program to OER (federal funds)	($10,939,693)
Preschool Development Grant (federal funds)	2,905,951
Refugee Social Services Program (federal funds)	(1,102,872)
Incredible Beginnings (federal funds)	80,000
Organ Transplant Fund (restricted receipt)	15,000

SNAP Administration Adjustments ***$7.2 million***

The Budget includes a general revenue adjustment of $7.2 million, with a corresponding federal funds decrease of $11.5 million associated with changes to the Supplemental Nutrition Assistance Program pursuant to the passage of HR-1 in May 2025. HR-1 amended the federal reimbursement for SNAP administration from 50.0 percent to 25.0 percent, requiring the State to increase its SNAP administrative costs by $7.2 million.

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FTEs for HR-1 ***$1.1 million***

The Budget includes $1.1 million in general revenue to support 2.7 new FTE positions in the Division Individual and Family Support. These positions include:

- 1.3 Eligibility Technician Specialist ($46,764)
- 1.4 Interdepartmental Project Manager ($67,722)

HR-1, passed in May 2025, made several changes to human service programs including Medicaid, SNAP, and Health Exchange. The eligibility verification of these programs is housed within the Department of Human Services. To effectively handle increased call volume and ensure equitable and effective access to these services, the Department requires additional FTE positions.

SNAP Chat Bot ***$640,267***

The Budget includes a general revenue increase of $640,267 in an effort to improve customer service. These funds will finance technology improvements to existing phone systems. AI-powered chat bots will handle immediate customer questions, call recording, and analytics, aimed at improving customer services.

SNAP/All Program Accuracy & Efficiency Initiative ***$618,750***

The Budget includes $618,750 in general revenue, with a corresponding federal match of $381,250 in federal funds to develop technology supports that increase worker accuracy and efficiency, to mitigate State fiscal risks associated with the 25 percentage point decreased federal match (from 50.0% to 25.0%), and increased state costs tied to the payment error rate. This initiative includes the implementation of Knowledge Base, Natural Language Understanding, Chat Bots, call recording and analytics, and Agent Assistants. These improvements extend digital capacity to reduce reliance on manual workflows.

Reduce ORS Cost Not Otherwise Matchable (CNOM) Programs to FY2025 Levels ***($565,176)***

The Budget includes a $565,476 general revenue reduction, with a corresponding $816,389 federal funds reduction ($1.3 million total) to reduce ORS services cost, which is not otherwise matchable services to recent spending levels. This is a one-time constrained request to meet the required 7.5 percent savings target. This reduction will impact three programs, including the home modification, personal care assistant, and social services for the blind. The office notes that FY2025 spending was abnormally low.

SNAP AI Training Platform ***$432,833***

The Budget includes a general revenue increase of $432,833, and $171,804 in federal funds to finance technology modernization, new training support roles, and increased accuracy. These funds support 4.5 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.

- .92 FTE Assistance Administrator Community and Planning Services ($75,863)
- 1.8 FTE Clinical Training Specialist ($138,032)
- 1.8 FTE Principal Human Services Policy and Systems Specialist ($139,192)

The use of automated intelligence will enable targeted trainings in high-error areas, building out a unified statewide training program for all DHS programs, and utilization of real-time dashboards to monitor and adjust staff training.

SNAP Quality Control ***$405,792***

The Budget includes $405,792 in general revenue, with a corresponding federal funds increase of $184,621 to support the creation of the Office of Program Integrity. This proposal spans across the agency and additional funds appear in the Division of Individual and Family Support. The Office of Program Integrity will oversee corrective training and oversight of the Department's eligibility technician to prevent errors and control the State's payment error rate.

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Shepard Building Parking ***$100,386***

The Budget includes a general revenue increase of $100,386, with a corresponding federal funds increase of $50,544 to accommodate the adjustment for increased parking due to the reallocation of long-term supportive services from Warwick to the Shepard Building. According to the Department, employee passes are $195 a month per employee. The current budget supports 53.0 FTE positions, but the Budget adds an additional 100 FTEs to account for those employees moving from the Powers building to the Shepard building. This is a portion of an agency wide initiative. There is an additional $83,070 within the Division of Health Care Eligibility, bringing total funding to $234,000.

Transfer Weatherization Assistance Program to OER (federal funds) ***($10.9 million)***

The Budget includes a federal funds decrease of $10.9 million for the transfer of the Weatherization Assistance Program to the Office of Energy Resources. The request will transfer a total of 4.0 federally funded FTEs to the Office of Energy Resources. According to the Department, this transfer will programmatically and administratively align the weatherization program with the rest of the States federally funded weatherization and energy efficiency grants, effectively streamlining energy initiatives. The Department does not conduct any income eligibility activities, as this is contracted out to CAP agencies. CAP agencies will continue to perform income eligibility verification.

Preschool Development Block Grant (federal funds) ***$2.9 million***

The Budget includes a $2.9 million increase to the Preschool Development Block Grant to reflect a new federal grant received in June 2025. These funds will be used to support the Step Up to Wage$ program. The Wage$ Program provides supplemental revenue for wages for childcare workers that will aid in the recruitment and retention of staff.

Refugee Social Services Program (federal funds) ***($1.1 million)***

The Budget includes a decrease of $1.1 million to reflect expenditure changes that support refugee social services. In May, Congress changed the refugee assistance eligibility from 12 months to 4 months, significantly cutting expenditures. According to the Department, the number of refugees coming onto the program went down to zero. These funds support resettlement activities such as case management, employment services, cash and legal assistance, and youth mentoring. These funds are distributed to two resettlement organizations – Dorcas International Institute and Catholic Social Services – as well as to RIDOH, Providence Public Schools, and the Refugee Dream Center.

Incredible Beginnings Program (federal funds) ***$80,000***

The Budget includes $80,000 federal funds increase to support the creation of the "Incredible Beginnings" program, an expansion of the existing "Incredible Years" program. Incredible Years operates evidence-based early intervention programs for parents, teachers, early childhood educators, counselors, and other professionals who work with children aged 0-12. The program focuses on social emotional learning, academic skills, and positive behavioral outcomes. Incredible Beginnings was introduced in Rhode Island in 2017, and trains teachers and childcare providers to create supportive and emotionally responsive learning environments.

Organ Transplant Fund (restricted receipts) ***$15,000***

The Budget restores $15,000 in restricted receipts to the organ transplant fund. In the FY2026 Budget as Enacted, the Department shifted funding from the EOHHS to the DHS to fully support the fund. The fund was shifted from the EOHHS to the Department in 2026. It is funded through charitable donations only.

RHODE ISLAND WORKS/CHILD CARE

Rhode Island Works provides cash assistance and employment support services, including childcare assistance, to enable working parents with children to support their families. Applicants may have up to $5,000 in resources (excluding a home) and one vehicle per adult. Rhode Island Works (RIGL 40-5.2-5)

replaced the Family Independence Program in 2008. This program is funded through the federal Temporary Assistance to Needy Families (TANF) program.

Article 13 of the FY2022 Budget as Enacted adjusted the payment standard (the maximum monthly assistance amount provided to eligible families) for families receiving cash assistance under the RI Works program to match 40.0 percent of the 2022 federal poverty line. The payment standard was increased again in the FY2025 Budget as Enacted by 20.0 percent to bring the payment back up to about 40.0 percent of the federal poverty line. As of March 2025, the FY2027 payment standard of $865 for a family of three is around 38.0 percent of the federal poverty line.

The FY2022 Budget as Enacted also amended the RI Works program to include children who are over 18 and still in high school, and amended the Income section of the RI Works program, such that the first six months of earned income received by a RI Works member, in compliance with their employment plan, shall be excluded from the family's income as it pertains to receiving cash assistance. Article 13 of the FY2023 Budget as Enacted further amended the earned income disregard, increasing it from $170 to $300. The FY2023 Budget also raised the resource limit from $1,000 to $5,000. Article 11 of the FY2025 Budget again increased the earned income disregard by $225, from $300 to $525, and eliminated full family sanctions and terminations.

Prior to FY2022, beneficiaries were not allowed to receive cash assistance for more than 24 months (consecutive or not) within 60 continuous months. Article 13 of the FY2020 Budget as Enacted eliminated this constraint. Article 13 of the FY2023 Budget as Enacted extended the lifetime limit to 60 months, aligning Rhode Island with a majority of the country. The lifetime limit includes Temporary Assistance for Needy Families (TANF) cash assistance paid to the beneficiary in other states. Cash assistance provided to a child will not be counted toward their lifetime limit should they need to apply for benefits as adults.

The FY2023 Budget as Enacted expanded child care supports to include families, at or below 200.0 percent of the Federal Poverty Level, with parents enrolled at a Rhode Island institution of higher education or in a qualified training program. The FY2024 Budget as Enacted implemented the Child Care for Child Care Workers pilot, extending CCAP eligibility to individuals working in child care centers earning less than 300.0 percent of the federal poverty line.

The FY2023 Budget as Enacted also expanded the work requirements and now allows RI Works recipients to participate in continuing education programs or vocational training at a Rhode Island institution for up to 24 months while still receiving cash assistance, provided that they successfully completed the first 12 months.

Article 11 of the FY2025 Enacted Budget increased the RI Works benefit by 20.0 percent, increased the earned income disregard to $500, increased childcare reimbursement rates by 5.0 percent across all age groups and tiers, increased child care eligibility to 261.0 percent of the FPL, and extended the Child Care for Child Care Workers Pilot.

Article 10 of the FY2026 Budget as Enacted increased infant childcare rates by 20.0 percent and extended the Child Care Workers Pilot for an additional three years.

In FY2027, Article 10 increased infant rates by 5.0 percent and increased eligibility to 285.0 percent of the federal poverty line.

Rhode Island Works / Child Care	General Revenue
FY2026 Enacted	$9,891,538
Target and Other Adjustments	-
May CEC - Childcare Assistance Program	(107,317)
FY2027 Enacted	**$9,784,221**

Rhode Island Works / Child Care	Other Fund Changes
May CEC- RI Works (federal funds)	(22,674,721)
Child Care Income Eligibility to 285 Percent	2,587,627
Child Care Infant Rates - 5 Percent Increase	371,649
Child Care for Child Care Educators	Informational

May CEC – Childcare Assistance Program ***($107,317)***

The Budget includes $9.8 million in general revenue for child care assistance in FY2027 as determined in the May 2026 Caseload Estimating Conference (CEC), a decrease of $107,317 from FY2026 Enacted levels. The May CEC assumed a total of 6,937 subsidies, a increase of 119 child care subsidies. The cost per subsidy decreased by $1,195 compared to the FY2026 Budget as Enacted, to $10,761. There is a corresponding federal funds decrease of $6.7 million.

May CEC - RI Works (federal funds) ***($22.7 million)***

The Budget includes a decrease of $22.7 million in federal funds within the RI Works program as a result of the May 2026 Caseload Estimating Conference (CEC). The May 2026 CEC adopted a RI Works caseload estimate of 6.600 at a monthly cost of $286.8 per person. The total federal fund cost of the RI Works program in FY2027 is $24.6 million, a decrease of $13.0 million from the FY2026 Enacted level. The RI Works program is primarily funded through the federal Temporary Assistance to Needy Families (TANF) grant.

Child Care Eligibility to 285 percent FPL (federal funds) ***$2.6 million***

The Budget includes a federal funds increase of $2.6 million to increase eligibility for the Child Care Assistance Program from 261 percent of the federal poverty level (FPL) to 285 percent of the FPL. The current law income level to exit the program remains at 300 percent FPL.

Child Care Infant Rates 5 percent increase (federal funds) ***$371,649***

The Budget includes a federal funds increase of $371,649 to support a 5.0 percent rate increase for infant rates, resulting in an average weekly increase of $17.80 among all Brightstar rankings.

Licensed Child Care Centers Infant Rates	Current Rate	Article 10	*Changes from Current Rate*	
Tier 1	$334.00	$351.00	*$17.00*	*5.1%*
Tier 2	341.00	358.00	*17.00*	*5.0%*
Tier 3	355.00	373.00	*18.00*	*5.1%*
Tier 4	364.00	382.00	*18.00*	*4.9%*
Tier 5	378.00	397.00	*19.00*	*5.0%*

Child Care for Child Care Educators (federal funds) ***Informational***

Article 10 of the FY2026 Budget as Enacted extended the Child Care for Child Care Workers Pilot for three years, from July 1, 2025, to July 1, 2028. Eligible participants' income must be at or below 300.0 percent of the federal poverty level (FPL) According to the Department of Health and Human Services (HHS), the average family of three who earns 300.0 percent of the FPL grosses about $65,708 a year. The program exempts eligible staff and educators from copayments and allows them to choose their preferred childcare

facility. The Budget included an additional $2.7 million in Temporary Assistance to Needy Families (TANF) funds to support this initiative.

STATE FUNDED PROGRAMS

State Funded Programs incorporates two different programs, General Public Assistance (GPA) and the Supplemental Nutrition Assistance Program (SNAP); however, only one of these programs is state-funded.

GPA is a state-funded program (RIGL 40-6-3) that provides basic cash assistance to adults between the ages of 19 and 64, with very limited income and resources, who have an illness, injury, or medical condition that is expected to last 30 days or more and prevents them from working. GPA also includes the hardship contingency fund, intended as the benefit of last resort for Rhode Islanders who do not qualify for Rhode Island Works or SSI. This benefit and funding level are directed by statute and does not typically fluctuate from year to year.

SNAP, or "food stamps", is a federal nutrition program that provides food assistance to low-income households. SNAP benefits are fully federally funded. SNAP's benefit disbursements are budgeted within this program; however, administrative responsibility of SNAP, as well as corresponding budgetary resources, are maintained by the Individual and Family Support program.

State Funded Programs	General Revenue
FY2026 Enacted	$2,231,840
Target and Other Adjustments	-
SNAP Retail Incentives Pilot	4,056,000
May CEC	(211,048)
FY2027 Enacted	**$6,076,792**

State Funded Program	Other Fund Changes
SNAP Benefits (federal funds)	(41,921,728)
Refugee Assistance (federal funds)	(2,500,680)

SNAP Retail Incentives Pilot ***$4.1 million***

The Budget includes a general revenue increase of $4.1 million to support the extension of the Eat Well Be Well program, which was enacted to encourage healthy habits by reimbursing beneficiaries $0.50 for every $1.00 spent on eligible foods such as fruits and vegetables. All SNAP recipients were enrolled in the program, with each beneficiary receiving up to $25.00 a month to participate. According to the Department, these funds are equal to FY2026 actuals. However, should there be funds remaining once the year ends, the program will continue until all funds are expended.

May CEC ***($211,048)***

Estimators at the May 2026 Caseload Estimating Conference (CEC) projected that, in FY2027, 718 people would receive general public assistance (GPA) at a monthly cost of $162.00 per person. Expenditures for monthly cash payments, indigent burials, and the GPA hardship contingency fund are projected to be $2.0 million in FY2027, a $200,000 general revenue reduction from FY2026 enacted levels.

SNAP Benefits (federal funds) ***($41.9 million)***

The Budget includes $323.2 million in federal funds for SNAP benefits, a decrease of $41.9 million from the FY2026 Budget as Enacted. These funds are directly awarded to beneficiaries receiving SNAP benefits. The decrease primarily related to changes in eligibility guidelines pursuant to HR-1.

Refugee Assistance (federal funds) ***($2.5 million)***

The Budget includes a federal funds reduction of $2.5 million to support the Refugee Cash Assistance Program, reflecting changes in eligibility pursuant to HR-1. The program provides cash benefits to refugee

adults without children, and the decrease in federal funding is attributable to federal changes associated with federal refugee assistance programs where time of benefits have decreased from 12 months to 4 months. Additionally, the State's refugee caseload has essentially decreased to zero.

SUPPLEMENTAL SECURITY INCOME

The Supplemental Security Income (SSI) program is a federal income support program that provides basic cash assistance to individuals aged 65 or older, and to adults and children with serious disabilities. Individuals eligible for SSI are also eligible for Medical Assistance (Medicaid) and SNAP (food stamps). Like all but four states (Arizona, North Dakota, Mississippi, West Virginia), Rhode Island pays beneficiaries a state supplement to the SSI benefit (RIGL 40-6-27).

The federal government, through the Social Security Administration, pays a basic benefit to SSI recipients. The actual monthly benefit depends on the recipient's income; generally, the more income an individual earns, the lower the monthly benefit. Like most states, Rhode Island provides a supplemental state-funded payment to each recipient of the federal payment. The State also makes a state-only payment to some individuals who exceed the federal income eligibility requirements.

The total payment (state and federal) is set at a specific level and is recalculated each year as the federal benefit is adjusted so that the benefit keeps pace with inflation. As of January 1, 2024, the federal SSI payment was increased 3.2 percent based on the cost of living adjustment (COLA) calculated by the Bureau of Labor and Statistics. The state portion of the SSI payment remained the same at $39.92 for individuals and $79.38 for couples. Currently, the maximum federal monthly payment is $943.00 for an individual and $1,415.00 for a couple.

For SSI recipients in an assisted living residence, a majority of the payment goes to the facility and the resident retains up to $75.00 of the payment as a personal needs allowance.

In order to be eligible for SSI, an individual must be age 65 or older, blind, or disabled. For the purposes of determining eligibility for SSI, "disabled" means that an individual over the age of 18 has a medically determinable physical or mental impairment that results in an inability to perform any "substantial gainful activity" and that is either expected to result in death or to last for a year or more. For a child, it is a condition that results in "marked and severe functional limitations" and is expected to either result in death or to last for a year or more.

SSI-eligible individuals must also have "limited resources," defined as less than $2,000 in resources for an individual or child, and less than $3,000 in resources for a couple. Certain assets and resources are not included in the resource calculation, including the individual's home, household goods and personal effects, burial plots, and a single vehicle.

Supplemental Security Insurance Program	General Revenue
FY2025 Enacted	$16,680,780
Target and Other Adjustments	-
May CEC	71,520
FY2027 Enacted	**$16,752,300**

May CEC ***$71,520***

The May 2026 Caseload Estimating Conference (CEC) adopted a Supplemental Security Income (SSI) estimate of 30,550 persons at a monthly cost of $45.5, and $60,000 for transaction fees. This is a decrease of 207 persons to the FY2026 Budget as Enacted. The total general revenue cost of the SSI program in FY2027 is $16.8 million, an increase of $71,520 from the FY2026 Enacted level.

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VETERANS' SERVICES

The Office of Veterans' Services, previously the Division of Veterans' Affairs, serves Rhode Island's veteran population of approximately 70,000. The program operates the Rhode Island Veterans' Home, a state-run nursing facility in Bristol, Rhode Island, and the Veterans' Cemetery in Exeter, Rhode Island.

Office of Veterans Services	General Revenue
FY2026 Enacted	$33,499,864
Target and Other Adjustments	*132,871*
VETS Foxtrot Expansion	2,990,062
Personnel Adjustments (statewide adjustments)	1,187,356
VETS Per Diem	(543,229)
Turnover(statewide adjustments)	(172,883)
FY2027 Enacted	**$37,094,041**

VETS Foxtrot Expansion ***$3.0 million***

The Budget includes $2.9 million in general revenue, and $100,484 in federal funds, to support the partial reopening of the foxtrot housing neighborhood at the RI Veterans' Home. 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. According to the Department, this puts Veterans' Home on path to full occupancy (191 residents) in FY2028.

- 12.0 FTE Certified Nursing Assistant ($89,808 each)
- 1.0 FTE Chief Program Development ($157,584)
- 4.0 FTE Cook ($88,500 each)
- 1.0 Nursing Instructor ($223,686)
- 3.0 Registered Nurse A ($169,131 each)
- 3.0 Registered Nurse B ($172,323 each)

According to the Veterans Home, applicants must complete an application and submit both their military service record and a medical certification confirming the need for nursing care. Once all required documentation has been received, applications are reviewed to determine eligibility, and eligible applicants are placed on the waiting list.

As of April 2026, the Home reported having 124 completed applications and 50 individuals who had expressed interest in residency. The Home also noted that some veterans complete the application process before they are ready to relocate. In these cases, applicants are placed on an "inactive list." When they are ready to move, they must re-engage with the Home, at which point they are offered expedited admission.

The Department requested $425,951 in general revenue to increase CNA staff salaries. The Veterans' Home continues to face staffing challenges related to recruitment and retention due to low CNA wages, which creates staffing shortages, increases resident waitlists, and creates an unsafe environment. According to the Department, CNA compensation begins at about $47,350 annually and caps out at $51,514 annually. The salaries listed for the 12.0 new CNA positions begin at $47,242. The Governor did not provide funding to increase CNA salaries in the Budget.

Vets Per Diem ***($543,229)***

The Budget includes a $543,229 shift from general revenue to federal funds based on the federal per diem reimbursement rate, which is released annually on October 1. The increase is driven by the increases in national healthcare costs. The VA pays per diem for nursing home care, domiciliary care, and adult day health care.

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CAPITAL PROJECTS

The Budget includes $1.4 million in Rhode Island Capital Plan (RICAP) funding for FY2027 and $1.9 million in FY2026. Projects include:

Crypt Installation and Cemetery Expansion: The Budget includes $260,000 in RICAP funding in FY2027 and $715,003 in FY2026 for the expansion of the Veterans' Cemetery as well as crypt installations, a decrease of $40,000 from FY2026. This funding will support the design phase of the expansion and installation.

Veterans' Home Asset Protection: The Budget includes $977,240 in RICAP funding in FY2027 and $1.1 million in FY2026 for asset protection projects at the RI Veterans' Home, an increase of $312,240 from FY2026 Enacted. This funding is intended to extend the useful life of the facility by addressing problems as they arise.

Blind Vending Facilities: The Budget includes $165,000 in FY2027 and FY2026 for blind vending facilities. This funding supports the ongoing construction and renovation of vending facilities at buildings owned or rented by the State. There are currently 11 locations throughout the State that support six blind vendors who operate the facilities. This ongoing project provides employment opportunities for people who are legally blind.

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Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals

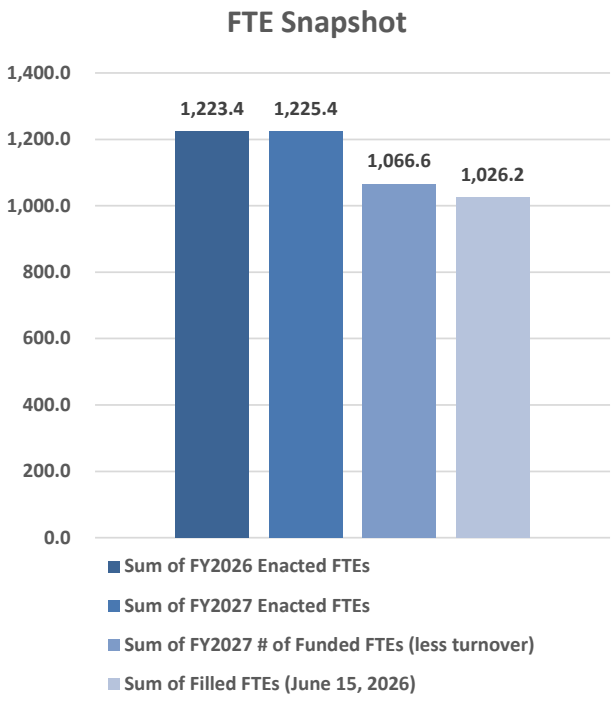
Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Central Management	$8.6	$11.2	$13.7	*$2.5*	*21.9%*	$19.5	*$8.2*	*72.9%*
Behavioral Healthcare Services	36.5	44.5	61.6	*17.1*	*38.4%*	42.3	*(2.2)*	*-4.9%*
Services for the Developmentally Disabled	496.0	507.1	516.3	*9.2*	*1.8%*	562.0	*54.9*	*10.8%*
Hospital and Community Rehabilitation Services	114.7	120.2	120.2	*0.0*	*0.0%*	122.1	*1.9*	*1.6%*
State of Rhode Island Psychiatric Hospital	35.3	33.7	34.1	*0.4*	*1.3%*	35.1	*1.4*	*4.3%*
Total	**$691.0**	**$716.7**	**$745.9**	***$29.2***	***4.1%***	**$781.0**	***$64.3***	***9.0%***
Expenditures by Source								
General Revenue	$322.8	$318.8	$337.3	*$18.5*	*5.8%*	$342.3	*$23.5*	*7.4%*
Federal Funds	355.9	385.4	382.2	*(3.2)*	*-0.8%*	420.7	*35.3*	*9.2%*
Restricted Receipts	12.1	12.1	25.4	*13.4*	*110.8%*	12.5	*0.4*	*3.3%*
Other Funds	0.3	0.5	1.0	*0.5*	*101.6%*	5.5	*5.0*	*1000.0%*
Total	**$691.0**	**$716.7**	**$745.9**	***$29.2***	***4.1%***	**$781.0**	***$64.3***	***9.0%***
Authorized FTE Levels	1,221.4	1,223.4	1,223.4	-	-	1,225.4	*2.0*	*0.2%*

$ in millions. Totals may vary due to rounding.

The Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH) provides a comprehensive system of care for individuals with mental or physical illnesses, developmental disabilities, and substance use disorders. BHDDH administers a coordinated system of mental health promotion and substance abuse prevention through contracted, community-based and direct services at the Eleanor Slater Hospital, the newly established Rhode Island State Psychiatric Hospital, and the Rhode Island Community and Living Supports (RICLAS) facilities.

MAJOR ISSUES AND TRENDS

The Budget includes $781.0 million from all funds for BHDDH in FY2027, an increase of $64.3 million or 9.0 percent as compared to the FY2026 Budget as Enacted. This includes an increase of $23.5 million, or 7.4 percent in general revenues, bringing total general revenue funding for FY2027 to $342.3 million. The increase is primarily driven by funding increases to the Services for the Developmentally Disabled program following the May 2026 Caseload Estimating Conference as well as statewide adjustments across programs. The Budget includes $420.7 million in federal funds, an increase of $35.3 million (9.2 percent). The increase is primarily driven by funding increases to the Services for the Developmentally Disabled program following the May 2026 Caseload Estimating Conference as well as a new Rural Health Transformation Program grant. The Budget also includes $12.5 million in restricted receipts and $5.5 million to fund existing Rhode Island Capital Plan projects.



The Budget authorizes 1,225.4 FTE positions in FY2027 and 1,223.4 FTE positions in FY2026, maintaining FY2026 levels and increasing FY2027 levels by 2.0 FTE

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positions related to the Rural Health Transformation Project (RHTP) grant. As of June 15, 2026, there were 1,026.2 filled positions in the Department (83.7 percent).

Eleanor Slater Hospital

Eleanor Slater Hospital (ESH) provides long-term acute and post-acute hospital levels of care to forensic, psychiatric, and medical patients with complex needs. Currently, the ESH patient population is heavily dependent on court decisions, as the court decides when forensic patients require hospitalization and when a patient may be discharged.

Beginning in August of 2019, BHDDH oversight personnel found there was a possibility that Eleanor Slater Hospital was out of compliance with the Center for Medicare and Medicaid Services (CMS) Institute of Mental Disease (IMD) exclusion regulation. The regulations do not permit the State to bill Medicaid for patients aged 22-64 when the Hospital is in an IMD status, which occurs when the majority of patients have a primary diagnosis of mental illness. In addition, while ESH is licensed as a long-term care hospital, many patients were not receiving and did not need a hospital level of care. As a licensed hospital, the State cannot bill for hospital-level of care if a patient needs a lower level of care. Due to the IMD exclusion and the fact that the Hospital is licensed as a long-term care hospital, the State could not bill Medicaid for patient care beginning in September of 2019. Upon discovering that the State may be violating the IMD exclusion the State hired a law firm, in November 2019, to provide expertise to the State on CMS regulations

The State submitted a State Plan Amendment (SPA) to allow Eleanor Slater to resume billing for certain patients at the Hospital in May of 2020, and the application was approved by CMS on March 25, 2021, with an effective date of April 1, 2020. Patient counts determined that the state was not in an IMD status between April 1, 2020, and May 1, 2021. Subsequently, the State recouped some of the general revenue that supplemented the loss in federal funds in FY2020 and the beginning of FY2021.

The FY2023 Budget as Enacted approved a proposal for a separately licensed psychiatric hospital, funded entirely by general revenue. The separately licensed hospital has brought patient counts at ESH back into compliance, allowing the State to once again resume billing Medicaid.

Status Update: The Rhode Island State Psychiatric Hospital (RISPH) was licensed in October of 2022 and began operations on November 1, 2022, two months ahead of the anticipated start date of January 1, 2023.

Zambarano Long-Term Acute Hospital: The FY2023 Budget as Enacted included $108.2 million in Rhode Island Capital Plan funds, formally budgeted within the Department of Administration (DOA), to construct a new 110-bed. long-term care facility on the Zambarano campus of Eleanor Slater Hospital. The new footprint ensures that the State is in compliance with federal regulations and transforms the State's long-term acute care hospital into a newly constructed long-term care facility. The new Zambarano building would be licensed as a mixed-use facility for skilled nursing, custodial care, intermediate care, and traumatic brain injury. The FY2025 Budget adjusted total funding for the project down to $107.1 million, including $7.1 million in FY2025, and stretched project funding through FY2029. The FY2026 Budget maintained these funding levels and assumed construction beginning in 2026 and a targeted occupancy date in 2028.

Status Update: In February 2026, BHDDH reported that draft construction estimates had come in significantly higher than the original $108.2 million estimated budget (approximately $300.0 million). BHDDH developed a proposal including bond funding to bridge the gap; however, the Governor requested that BHDDH and the Executive Office of Health and Human Services (EOHHS) review more options. EOHHS contracted with a consultant, the Faulkner Group, to conduct a study of possible other sites. The report, submitted in May 2026, found that the Zambarano Campus is estimated to be the most expensive of the State-owned site options, with total construction costs estimated at $322.0 million. The study found the Pastore Campus to be the most affordable option, with total construction costs estimated to range from $239.0 to $243.0 million. The RI Department of Health Laboratory and Ladd Center were also proposed as potential less costly options, with estimated construction costs of $292.0 million and $291.0-$294.0 million,

respectively. The report projects an updated operational target of FY2032, with targets of pre-development in FY2027, RFP issuance in FY2028, and groundbreaking in FY2029.

Consent Decree

The State has been under a Consent Decree with the United States Department of Justice since 2014 for violating the Olmstead Decision of the Americans with Disabilities Act. The United States Department of Justice, focusing specifically on sheltered workshops, concluded that the State's services for individuals with developmental disabilities were not adequately integrated within the community. The State subsequently entered into a Consent Decree, which requires BHDDH to foster more supportive and less isolated employment opportunities and day services for individuals with intellectual and developmental disabilities. Employment placements must be typical jobs that pay at least minimum wage and support employment for 20 hours or more per week. The Consent Decree requires funding to support a reformed system of care within the Division of Developmental Disabilities (DD) until FY2024.

In order to achieve compliance with the Consent Decree by FY2024, the State and the federal government have agreed to an action plan. The action plan required the State to increase wages to Direct Support Professionals (DSPs) to $20 an hour by FY2024. The State was also required to conduct a rate review process in FY2023, and to include the Developmental Disabilities program in the semi-annual Caseload Estimating Conference. The action plan also required the State to establish a transformation fund and a technology fund.

The FY2023 Budget as Enacted included $35.1 million all funds to increase the average DSP wage from $15.75 to $18.00 per hour. The FY2024 Budget as Enacted included funding to meet the final wage requirement of the consent decree and increase DSP wages further to $20 per hour, as well as additional funding to increase DSP wages to an average of $22 per hour following the findings of the required rate review report which was delivered to the Department in December 2022. The Department was included in the Caseload Estimating Conference beginning in November of 2021. The FY2027 Budget includes funding and language for the transformation and technology funds.

Consent Decree Update: In October 2023, an addendum to extend the Consent Decree through a two-year oversight period was included, maintaining federal judge and court monitor involvement through June 30, 2026. It was noted that although the State has made significant improvements, it would be unable to meet full compliance by the original date of July 1, 2024. On May 11, 2026, a Joint Motion was filed to extend court oversight once more through June 30, 2028. The Court determined that the State achieved substantial compliance with several requirements, however, additional requirements remain undeveloped, not fully implemented, or not demonstrated to be sustainable. The Joint Motion extends Court oversight for a set of specifically identified items within the Consent Decree; all other items have been determined to be in substantial compliance. Progress reports towards this new deadline are expected on January 15, 2027; July 15, 2027; January 15, 2028; and June 1, 2028.

988 Lifeline

The 988 Suicide & Crisis Lifeline is a federally mandated network of certified state and local crisis centers across the United States and Canada that takes voice calls, text messages, and web-based communications from people experiencing suicidal thoughts or other mental health crises. The lifeline is a part of a national strategy led by the federal Substance Abuse and Mental Health Services Administration (SAMHSA) to reduce the overall incidence of suicide and mental health emergencies.

Rhode Island's 988 Lifeline is the phone line individuals can call or text when they are in emotional distress or experiencing a behavioral health crisis. The 988 Lifeline is staffed by certified professionals that can provide a limited number of follow-up services. If a caller requires more behavioral health services beyond the call itself, 988 Lifeline staff refer that individual to an appropriate service that could assist them. Rhode Island also maintains a 24/7 mental health and substance use walk-in crisis triage center in East Providence.

Known as BHLink, the program is administered through BHDDH through several partners and houses the 988 Lifeline operations unit and its certified staff.

The 988 Lifeline has been historically funded through various grants, primarily from SAMHSA and the American Rescue Plan Act (ARPA). The following table shows the funding history of the program.

RI Suicide & Crisis Lifeline Funding

Grant/Appropriation	Source (Fed,GR, RR)	FY2022	FY2023	FY2024	FY2025	FY2026 Projected	FY2027 Projected
SFRF	Federal	-	$ 426,432	$ 1,421,200	$ 1,126,371	$ 2,375,997	$ -
SAMHSA 9-8-8 Connect to Care Grant	Federal	-	-	16,500	595,771	803,231	214,761
ARP DIRECT: Mental Health Block Grant	Federal	-	-	-	625,000	96,971	-
Community Mental Health Services Block Grant	Federal	-	-	-	-	267,668	1,167,117
Substance Abuse Block Grant	Federal	-	-	-	-	26,473	115,429
Transformation Transfer Initiative Grant	Federal	-	-	-	114,054	125,000	90,000
EOHHS SAMHSA Grant	Federal	-	-	-	-	350,000	-
Opioid Stewardship Fund Allocation (BHDDH)	Restricted Receipts	-	-	-	-	92,921	150,005
MMIS IAPD State Share*	General Revenue	-	-	-	-	-	-
MMIS IAPD Federal Share	Federal	-	-	-	-	746,189	553,886
988 Medicaid Admin State	General Revenue	-	-	-	-	244,084	1,678,752
988 Medicaid Admin Federal	Federal	-	-	-	-	244,084	1,678,752
Total		**$0**	**$426,432**	**$1,437,700**	**$2,461,196**	**$5,372,618**	**$5,648,702**

**MMIS IAPD State Share is expected to be covered by OSF allocation.*

***Analyst Note**: This table includes projections rather than actuals for FY2026 and FY2027 in order to more accurately reflect the Department's third quarter reporting.*

988 Lifeline Update: Article 10 codifies the 988 Suicide & Crisis Lifeline within Rhode Island General Laws by providing BHDDH with the authority to "establish, operate, and/or designate a RI 9-8-8 Suicide & Crisis Lifeline center or centers" as well as providing them with the authority to expend all funds allocated to support the operations of the Lifeline. A funding source is not established for the Lifeline, however, the Budget includes $1.0 million in general revenues ($2.3 million all funds) for administrative costs.

CENTRAL MANAGEMENT

The Office of the Director provides overall management and policy direction for the Department. The program oversees most functions within BHDDH. The program's functions include Management and Administration, Legislative Affairs, Constituent Affairs, Advocacy, Hospital Appeals, Strategic Planning, Community and Provider Involvement, and Public Education. As of FY2026, the program also includes the Forensic Services subprogram which was relocated from Eleanor Slater Hospital as well as the entirety of the former Hospital and Community System Support program, which provides financial management support for the entire Department. The program also centralizes emergency management, asset management, and capital projects, performance improvement, and funds development for the Department.

Central Management	General Revenue
FY2026 Enacted	$8,058,892
Target and Other Adjustments	*363,792*
Litigation Expenses	1,000,000
A&C ISF Charges (statewide adjustment)	902,102
Forsensic Services	508,553
ETSS Charges (statewide adjustment)	(76,034)
FY2027 Enacted	**$10,757,305**

Litigation Expenses *$1.0 million*

The Budget includes $1.0 million in general revenues for anticipated litigation expenses related to a lawsuit involving former Department employees and the state's Medicaid billing vendor Gainwell.

Forensic Services ***$508,553***

The Budget includes a $508,553 increase in general revenues related to the Department's Forensic Outpatient Clinic. The clinic is located at the Meyer Building in Cranston and was administratively shifted to the Central Management program from Eleanor Slater Hospital in the FY2026 Budget. The Department is required to conduct all psychiatric evaluations ordered by the judicial courts, and referred individuals receive their treatment at this clinic. According to the Department, the number of evaluations ordered in FY2025 was 47.0 percent higher than in FY2021. The average number of evaluations is expected to increase by four per week, resulting in the increased funding.

BEHAVIORAL HEALTHCARE SERVICES

The Division of Behavioral Healthcare Services is comprised of two subprograms: Integrated Mental Health Services, and Substance Use Disorder Treatment and Prevention Services. The Division plans, coordinates, and administers a comprehensive system of mental health promotion and substance use disorder prevention, intervention, and treatment activities. The program, primarily funded by federal grants, provides screening, early interventions, referrals, clinical treatment services, and recovery support activities. The program coordinates with other departments and agencies in the State, including the criminal justice system, public healthcare system, child welfare, education, and other allied human service entities.

Behavioral Healthcare Services	General Revenue
FY2026 Enacted	$4,817,486
Target and Other Adjustments	*(10,307)*
988 Lifeline	1,029,501
BHOLD Vendor Payments	455,091
ETSS Charges (statewide adjustments)	123,404
FY2027 Enacted	**$6,415,175**

Behavioral Healthcare Services	Other Funds Changes
Federal Fund Changes	($2,197,434)
Restricted Receipt Changes	(1,171,219)

988 Lifeline ***$1.0 million***

The Budget includes $1.0 million in general revenues for the state share of funding for the Rhode Island 988 Lifeline. The federally mandated lifeline has been searching for a permanent funding source since initial ARPA SFRF funding was provided in FY2023. The FY2027 Budget includes $1.0 million in general revenues ($2.3 million all funds) for 988 administrative costs. Additional funding for the lifeline comes from various federal grants, including the Community Mental Health Services and Substance Abuse Block Grants described within federal fund changes below.

BHOLD Vendor Payments ***$455,091***

The Budget increases general revenues by $455,091 to reflect resumed payments to the vendor operating the state's Behavioral Health On-Line Database (BHOLD). BHOLD is the database that all licensed behavioral healthcare organizations are required to submit client admission, discharge, and event data into. Vendor payments were delayed during FY2025 and FY2026 but have since resumed.

Federal Funds Changes ***($2.2 million)***

The Budget reduces federal funds by $2.2 million as compared to the FY2026 Budget as Enacted for the following initiatives:

- **Rural Health Transformation Program - $4.1 million:** The Budget includes $4.1 million in federal funds for the Rural Health Transformation Program in FY2027, a federal state award as part of HR-1. The funding includes the addition of 2.0 FTE positions within the Department and is intended to support

recovery centers, crisis and stabilization services, and Westerly Hospital's geriatric psychiatry unit. The award also provides $452,647 in FY2026.

- **Behavioral Healthcare Contract Funding - $2.0 million:** The Budget includes a $2.0 million increase in federal funds related to the state's Behavioral Health On-Line Database (BHOLD), as well as costs for the 988 Lifeline. The increase reflects costs related to the contracts for both the 988 and BHOLD data platforms and is primarily the result of resumed payments to the BHOLD vendor following a temporary delay in payments during FY2025 and FY2026.
- **ARPA SFRF: 988 Hotline – ($1.0 million):** The Budget includes $1.5 million in federal Medicaid and 988 Connect to Care funding in FY2027, a decrease of $1.0 million as compared to the FY2026 Budget as Enacted. The decrease represents the expiration of ARPA SFRF funding which had previously been utilized to fund the federally mandated hotline. In addition to designated 988 funding, the hotline also utilizes funding from various block grants including the Mental Health Services and Substance Abuse grants included in the Other Federal Grant Changes table.
- **State Opioid Response – $121,418:** The Budget decreases federal funds by $121,418 for the State Opioid Response (SOR) program. The SOR program aims to address the opioid crisis by increasing prevention, treatment, and recovery activities for substance use disorders. The FY2026 Budget as Enacted included $11.5 million to reflect remaining funding from a 2022 grant as well as a new $11.2 million allocation from a SOR 2024 grant. The FY2027 Budget includes $11.4 million between the two grants; $154,815 from the SOR 2022 allocation and $11.2 million from the SOR 2024 allocation.
- **Other Federal Grant Changes – ($7.0 million):** The Budget reduces a variety of federal funds by $7.0 million within the Behavioral Healthcare Services program to reflect the various federal grant adjustments.

Federal Grant Adjustments	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*	FY2027 Enacted	*Change from Enacted*
Block Grants for Community Mental Health Services	$2.1	$3.6	$3.5	*($0.0)*	$2.7	*($0.9)*
Mental Health Block Grant	1.4	1.0	1.3	*0.3*	-	*(1.0)*
Title XX Social Services Block Grant	0.8	1.1	1.1	*0.0*	1.1	*0.0*
Substance Abuse Block Grant	7.5	8.3	8.1	*(0.2)*	3.2	*(5.1)*
Total	**$11.8**	**$14.0**	**$14.1**	***$0.1***	**$6.9**	***($7.0)***

$ in millions. Totals may vary due to rounding

Restricted Receipts Changes *($1.2 million)*

The Budget includes a net $1.2 million decrease in restricted receipt funds for the following initiatives

- **Opioid Stewardship Fund Allocation – ($50,000):** The FY2027 Budget includes $1.3 million in restricted receipts from the Opioid Stewardship Fund for opioid-related treatment services, reflecting a decrease of $50,000 as compared to the FY2026 Budget as Enacted. The FY2020 Budget as Enacted established an annual, restricted, $5.0 million Opioid Stewardship Fund requiring all licensed manufacturers, distributors, and wholesalers to contribute towards the fund through a registration fee. The FY2027 allocation for BHDDH is programmed as follows:
  - **Hope Initiative - $150,000:** The Budget includes $150,000 for the Hope Initiative in FY2027. This funding supports reporting of suspected overdose death information to the Department and community providers, case management and support services, Substance Use Disorder (SUD) treatment, Narcan distribution, and follow-up care.
  - **Recovery Housing - $450,000:** The Budget includes $450,000 to support recovery and supportive housing for individuals with alcohol use disorder. Funds are provided to support core housing programs, including recovery housing and vouchers, for people with a history of use disorders who are at risk of returning to use. This funding provides additional support to those with alcohol use

disorders, as only those with opioid and stimulant use disorders are eligible to receive recovery housing funds from the State Opioid Response grant.

- **Regional Substance Abuse Taskforce - $500,000:** These funds represent the portion of the Opioid Stewardship Fund allocation which must be distributed equally to the seven Regional Substance Abuse Prevention Task Forces to fund priorities as determined by each Task Force.
- **Alcohol Detox - $150,000:** The Budget includes $150,000 to support detoxification services for individuals with alcohol use disorder who are underinsured, uninsured, and/or undocumented.

- **Opioid Abatement Fund Allocation – ($1.3 million):** The Budget decreases restricted receipts by $1.3 million for the BHDDH allocation of the Statewide Opioid Abatement Account. In January 2022, Rhode Island joined the national opioid settlement with three major opioid distributors, providing funding for state and local efforts to address the state's opioid crisis. Of these abatement funds, 20.0 percent are mandated to go directly to participating cities and towns, and 80.0 percent are mandated to be allocated by the Executive Office of Health and Human Services (EOHHS). All funds in the account are to be used solely for opioid abatement purposes, including opioid use disorder prevention, intervention, treatment, and recovery. FY2027 fund allocations total $2.7 million in BHDDH and are illustrated in the table below. Projects can be categorized into three pillars of activity: prevention, treatment, and recovery.

Pillar	Opioid Abatement Budget	FY2026 Enacted	FY2027 Enacted	*Change to Enacted*
Treatment	Brick & Mortar Facility Investments	$0.3	$0.8	*$0.5*
Recovery	Recovery Friendly Workplace	-	0.2	*0.2*
Prevention	Investment in School-Based Mental Health	1.5	1.2	*(0.3)*
Treatment	MAT Coverage for Undocumented and Uninsured	0.9	0.5	*(0.4)*
Totals		**$2.7**	**$2.7**	***($0.1)***

$ in millions. Totals may vary due to rounding.

  - **Brick & Mortar Facility Investments – ($450,000):** The Budget includes $750,000 in funding for brick and mortar facility investments to better support treatment on-demand, a reduction of $450,000 as compared to the FY2026 Budget as Enacted. The funding was new in FY2025 and provides increased residential beds in treatment facilities for both men and women.
  - **Recovery Friendly Workplace – $200,000:** The Budget includes $200,000 the Recovery Friendly Workplace Initiative. The Initiative aids workplaces providing support to employees in recovery, as well as those impacted by substance use disorders.
  - **Investment in School-Based Mental Health – ($300,000):** The Budget includes $1.2 million in funding for investment in school-based mental health, a decrease of $300,000 as compared to the FY2026 Budget as Enacted. The continued funding will sustain youth prevention programming and continued recruitment of various counseling and supervisor positions for school-based mental health initiatives.
  - **MAT Coverage for Undocumented and Uninsured – ($400,000):** The Budget includes $500,000 in funding for Medication-Assisted Treatment (MAT) coverage for individuals who are uninsured and/or undocumented, a decrease of $400,000 as compared to the FY2026 Budget as Enacted.

- **Behavioral Health Data Exchange Pilot - $178,781:** The Budget increases restricted receipts by $178,781 to reflect the award of a federal grant for a pilot to create an electronic clinic reporting system for Certified Community Behavioral Health Clinics (CCHBCs). The pilot will include five of the six CCBHCs in Rhode Island.

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SERVICES FOR THE DEVELOPMENTALLY DISABLED

The Division of Developmental Disabilities (DD) supports a statewide network of programs for adults with developmental disabilities. These supports include several levels of residential care, community placements, day programs, and respite programs. The program works to provide access to appropriate services in the least restrictive environment possible. The program manages a population that ranges from those previously institutionalized at the Ladd School, before the closure of the facility in 1994, to those with mild functional disabilities in need of daytime supports and vocational training to function within the community.

The program serves approximately 4,300 through State-run programs and community-based providers, including those who receive case management services. The system consists of 24-hour, nursing-level facilities; the State group home system, otherwise known as Rhode Island Community Living and Supports (RICLAS); and a private residential provider network. As of January 2025, 1,537 individuals were served in residential placements, including 419 in Shared Living Arrangements. DD clients are also served through day programs, supportive employment, and programs that provide support to allow individuals to continue living with their families. Many clients are served by more than one program.

As required by the Consent Decree and RIGL 35-17-1, Services for the Developmentally Disabled were included in the Caseload Estimating Conference for the first time in November 2021.

The Budget includes $562.0 million from all funds for the Division in FY2027, including $241.0 million from general revenue. This is $22.3 million more in general revenue than the FY2026 Budget as Enacted and $20.8 million more than actual general revenue expenditures in FY2025.

Services for the Developmentally Disabled	General Revenue
FY2026 Enacted	$218,735,702
Target and Other Adjustments	*(749,026)*
OHIC Rate Review	14,780,297
May 2026 Caseload Estimating Conference	8,277,060
FY2027 Enacted	**$241,044,033**

OHIC Rate Review *$14.8 million*

The Budget includes an increase of $14.8 million in general revenues ($35.0 million all funds) to accommodate an increase in reimbursement rates for providers of developmental disabilities services. In 2022, the Office of the Health Insurance Commission (OHIC) was tasked by the General Assembly with conducting a biennial review of all social and human services programs having a contract or license with the Executive Office of Health and Human Services (EOHHS) and its related state agencies. This includes the private community developmental disability service providers supported by BHDDH. The program review with new rates was published on August 29, 2025. The Governor's Budget proposal initially included $7.7 million in general revenues ($18.3 million all funds) to phase the new rates in over two years. The General Assembly added an additional $7.0 million in general revenues ($16.7 million all funds) to fully fund the rate increase in the first year.

May 2026 Caseload Estimating Conference *$8.3 million*

Each November and May, the Caseload Estimating Conference (CEC) estimates expenditures for human services and medical entitlement programs for the current and budget years. These adopted expenditure levels determine the appropriations for the Governor's and Enacted Budgets. The May 2026 CEC projected general revenue expenditures of $203.0 million in the Services for the Developmentally Disabled program, or $8.3 million more than the FY2026 Budget as Enacted.

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HOSPITAL AND COMMUNITY REHABILITATIVE SERVICES

The Hospital and Community Rehabilitative Services program provides a continuum of treatment and residential options for psychiatric and developmentally disabled clients. The Hospital facilities are licensed by the Department of Health (DOH) and accredited by the national board for health care organizations, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). The Eleanor Slater Hospital (ESH) has two campuses, the Pastore Center in Cranston and the Zambarano Campus in Burrillville.

Hospital and Community Rehabilitative Services	General Revenue
FY2026 Enacted	$53,723,206
Target and Other Adjustments	*$44,323*
Medicaid Billing Savings	(11,837,298)
Medicaid Expenditure Adjustments	7,993,649
Rebased Restricted Receipt Projections	816,826
Operational Savings Related to Regan Renovations	(620,157)
Centralized Services (statewide adjustments)	(605,278)
FMAP Adjustments	(287,902)
Electronic Medical Records Implementation	218,446
RICLAS Medicaid Adjustment	(133,273)
Hospital License Fee Correction	(109,029)
FY2027 Enacted	**$49,203,513**

Medicaid Billing Savings *($11.8 million)*

The Budget includes a net $11.8 million reduction in general revenue across the Eleanor Slater Hospital (ESH) system in FY2027. The decrease represents improved and revised billing initiatives intended to maximize Medicaid, Medicare, and third-party payments, as well as the continued evolution of the ESH billing system following the establishment of the separate Rhode Island State Psychiatric Hospital (RISPH) and recredentialing of ESH. According to BHDDH, as ESH moves more towards a long-term acute care facility, it is expanding capacity to bill multiple Medicaid and Medicare plans by appropriately credentialing its physicians and developing staff capacity.

Medicaid Expenditure Adjustments *$8.0 million*

The Budget includes a net $8.0 million in additional general revenue costs in FY2027 related to Medicaid expenditure credits (MEC). Beginning in FY2024, the Department has used MECs as an accounting device to more accurately reflect where and when Medicaid charges take place for an entire program. Through this approach, all expenditures are initially charged to general revenue and then within their accounting and billing system charges are sorted to their ultimate billing source. The MEC functions as an anticipated credit to general revenue of what is ultimately charged to Medicaid.

Rebased Restricted Receipt Projections *$816,826*

The Budget increases general revenues by $816,826 to reflect a rebase of FY2027 collections for third-party billing receipts at Eleanor Slater Hospital (ESH). There is a corresponding decrease in restricted receipts funding for these collections, which include Medicare billings from re-enrolling physicians for certification and increasing Part D pharmacy receipts.

Operational Savings Related to Regan Renovations *($620,157)*

The Budget includes $620,157 in general revenue savings related to the reopening of Eleanor Slater Hospital's Regan Unit at the Pastore Complex in Cranston and the related closure of the Adolph Meyer Unit. BHDDH has been undergoing a major reorganization of its hospital system to improve facilities, modernize systems, improve safety, better conform with Medicaid regulations that will improve efficiency, maximize Medicaid-billing, and improve conditions for patients and staff. The Regan Building was originally built in 1981 and various portions of it have been closed since 2023, while it has undergone over

$78.2 million in renovations. During the renovation BHDDH consolidated displaced services, staff, and patients into the Meyer unit at the Pastore Complex. The displacement led to significant inefficiencies which drove up costs and negatively impacted the amount of Medicaid-billable activity. The Regan Unit is slated to open in the first quarter of FY2027, at which time BHDDH will be closing Adolph Meyer, which has become obsolete and inefficient to continue to operate. This reduction reflects anticipated savings from this closure.

FMAP Adjustments ***($287,902)***

The Budget reduces general revenues by $287,902 to reflect technical adjustments related to the updated Federal Medical Assistance Percentage (FMAP) for FY2027. The Budget contains a federal funds increase for the same purpose.

Electronic Medical Records Implementation ***$218,446***

The Budget includes $218,446 in general revenues to support personnel costs associated with the implementation of BHDDH's new electronic medical records system. The new system is slated to launch in FY2027 (winter 2026) and is designed to allow electronic capturing and tracking of patient data, which eliminates manual transcriptions and paper file storage, as well as better enables evidence-based health care decisions and brings the hospital into compliance with federal recordkeeping law. A total of 3.0 FTE positions will be repurposed to assist with the implementation and system transition.

RICLAS Medicaid Adjustment ***($133,273)***

The Budget includes a $133,273 reduction in general revenue expenditures in FY2027 at Eleanor Slater Hospital (ESH) to reflect a technical Medicaid financing adjustment which aligns state and federal match amounts for the Rhode Island Community Living and Supports (RICLAS) program and general hospital services to ensure accurate accounting.

Hospital Licensing Fee Adjustment ***($109,029)***

The Budget decreases general revenues at Eleanor Slater Hospital by $109,029 ($194,516 all funds) to reduce the expenses included for the hospital license fee in the Governor's recommendation to the correct fee due by law.

STATE OF RHODE ISLAND PSYCHIATRIC HOSPITAL

The Rhode Island State Psychiatric Hospital (RISPH) is a newly established program within BHDDH for a separately-licensed facility on the Pastore Center in Cranston to treat individuals who need psychiatric care. The facility became licensed on October 25, 2022, and treats psychiatric and court-ordered forensic patients who have serious mental illnesses.

Rhode Island Psychiatric Hospital	General Revenue
FY2026 Enacted	$33,443,552
Target and Other Adjustments	*$1,389,204*
Electronic Medical Records Implementation	410,143
Service Delivery Savings	(358,213)
FY2027 Enacted	**$34,884,686**

Electronic Medical Records Implementation ***$410,143***

The Budget includes $410,143 in general revenues to support personnel costs associated with the implementation of BHDDH's new electronic medical records system. The new system is slated to launch in FY2027 (winter 2026) and is designed to allow electronic capturing and tracking of patient data, which eliminates manual transcriptions and paper file storage, as well as better enables evidence-based health care decisions and brings the hospital into compliance with federal recordkeeping law.

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Service Delivery Savings ***($358,213)***

The Budget includes net general revenue savings of $358,213 related to shifting certain contracted professional services to personnel. The initiative shifts 13.0 vacant FTE positions (11.0 Mental Health Workers and 2.0 Registered Nurse A positions) from Eleanor Slater Hospital (ESH) into the Rhode Island State Psychiatric Hospital (RISPH) to reduce the program's reliance on contracted workers without increasing the Department's FTE authorization.

CAPITAL PROJECTS

The Budget includes $5.5 million in Rhode Island Capital Plan (RICAP) funds within the Department for FY2027 and a total of $33.5 million in RICAP funds from FY2026 through FY2031. The funding is allocated to the following projects:

- **Zambarano Long-Term Acute Care Hospital:** The FY2023 Budget as Enacted included $108.2 million in RICAP funds from FY2023 to FY2028 to construct a new 110-bed, long-term care facility on the Zambarano campus. The new building would be licensed as a mixed-use facility for skilled nursing, custodial care, intermediate care, and traumatic brain injury. The FY2027 Budget maintains total project funding of $107.1 million, including $6.4 million in FY2026 and $2.0 million in FY2027. This project is budgeted under the Department of Administration.

Analyst Note*: A report by the Faulker Group issued in May 2026 found that the costs for the currently planned facility on the Zambarano Campus have increased significantly to an estimated $322.0 million. The report recommends several alternate sites for a potential Long-Term Acute Care Hospital (LTACH), with a new project completion date projected as 2032.*

- **Group Home Maintenance**: The Budget includes $30.0 million in FY2027 through FY2031, including $5.0 million in FY2027, for the maintenance of BHDDH-owned group homes. The FY2026 Budget consolidated all BHDDH group home asset protection projects into one project in order to allow the Department to more efficiently manage the funds. The additional funding represents increased needs as reported by the Facilities condition assessment report. This project was previously budgeted under the Department of Administration but moves into BHDDH starting in FY2027.
- **Developmental Disabilities Residential Support:** The Budget includes $100,000 in FY2026 and FY2027, as well as annually through FY2031, to finance capital equipment and furniture for individuals with developmental disabilities at state-owned facilities.
- **Hospital Equipment Asset Protection:** The Budget includes $612,000 in FY2026 and $300,000 in FY2027, as well as $300,000 annually through FY2031, to finance the replacement of hospital equipment and hardware necessary for hospital operations and record maintenance.
- **RISPH Equipment:** The Budget includes $100,000 in FY2026 and FY2027, as well as $100,000 annually through FY2030, for the replacement of hospital and medical equipment as well as security infrastructure at the Rhode Island State Psychiatric Hospital.

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Governor's Commission on Disabilities

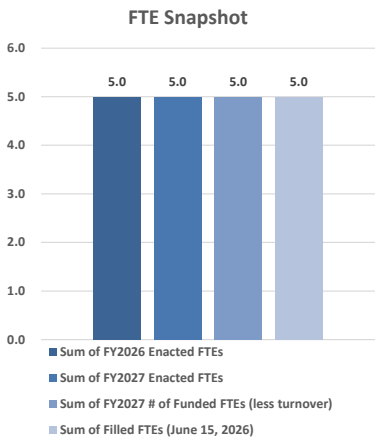
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Governor's Commission on Disabilities	$1.9	$1.8	$2.4	*$0.6*	*32.7%*	$1.8	*$0.0*	*1.3%*
Expenditures By Source								
General Revenue	$1.6	$1.4	$2.0	*$0.6*	*43.6%*	$1.4	*$0.0*	*2.7%*
Federal Funds	0.3	0.3	0.3	-	*0.0%*	0.3	-	-
Restricted Receipts	0.0	0.1	0.1	*(0.0)*	*-16.0%*	0.1	*(0.0)*	*-16.0%*
Total	**$1.9**	**$1.8**	**$2.4**	***$0.6***	***32.7%***	**$1.8**	***$0.0***	***1.3%***
Authorized FTE Levels	5.0	5.0	5.0	-	-	5.0	-	-

$ in millions. Totals may vary due to rounding.

The Governor's Commission on Disabilities (Commission) advocates for individuals with disabilities, expands economic opportunities for businesses owned by or employing individuals with disabilities and their families, and ensures that individuals with disabilities have access to government. The Commission is responsible for coordinating compliance by state agencies with federal and state disability rights laws.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget includes $2.4 million in all funds, of which $2.0 million is general revenue. This reflects a general revenue increase of $596,892, which includes a reappropriation from FY2025 of $585,533 for the Livable Homes Modification program and a reappropriation of a $30,000 grant to support agency outreach grants in the current fiscal year. Also, there is a decrease in restricted receipts of $12,753 and an increase in federal funds of $25, resulting in an all funds increase of $596,892 from the FY2026 Budget as Enacted.



The FY2027 Budget as Enacted includes $1.8 million, of which $1.4 million is general revenue. This reflects a general revenue increase of $37,962 from the FY2026 Budget as Enacted. In addition, there is a decrease in restricted receipts of $12,753 and an increase in federal funds of $25, resulting in an all funds increase of $23,234 from the FY2026 Budget as Enacted.

The Budget includes general revenue of $515,278 for continued funding of the Livable Homes Modification Program.

The Budget includes 5.0 FTE positions in FY2026 and in FY2027, consistent with the enacted level.

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Governor's Commission on Disabilities	General Revenue
FY2026 Enacted	$1,386,032
Target and Other Adjustments	*(3,329)*
A&C ISF Charges (statewide adjustment)	14,274
Contract Service Adjustments	13,728
Personnel Adjustments (statewide adjustments)	13,289
Livable Homes Modification Grants	Informational
FY2027 Enacted	**$1,423,994**

Governor's Commission on Disabilities	Other Fund Changes
Realignment to Enacted/CSL (restricted receipts)	($12,753)

Contract Service Adjustments *$13,728*

The Budget includes general revenue of $92,598 for contracted services. This reflects a net increase of $13,728 from the previous fiscal year.

Contract Services	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
5.5% Legislative Mandated Contractor Fee	$3,140	$4,115	*$975*	$4,115	*$975*
Accounting/Auditing Services	25,000	-	*(25,000)*	-	*(25,000)*
Engineering Services	30,000	-	*(30,000)*	-	*(30,000)*
Interpreters/Translators	8,104	8,104	-	8,104	-
Public Relations	11,812	24,565	*12,753*	24,565	*12,753*
Temporary Staffing: Program Support	-	55,000	*55,000*	55,000	*55,000*
Temporary Staffing: Stenographic Services	814	814	-	814	-
Total	**$78,870**	**$92,598**	***$13,728***	**$92,598**	***$13,728***

The significant changes include:

- **Temporary Staffing:** The consolidation of two contract employee positions with a total cost of $55,000 into one. The new position is for community outreach and education. As the Commission did not possess funding or the authorization for another FTE position, the Budget used contract employee funding to fund the needed position.
- **Public Relations:** The Budget includes $24,565, reflecting a general revenue increase of $12,753 from the previous fiscal year, for expenses related to the Commission's public forums.

Livable Homes Modification Grants *Informational*

The FY2026 Final Budget consists of the general revenue appropriation of $515,278 plus the reappropriation of $585,533 from the previous fiscal year, as the FY2025 Budget as Enacted included proviso language requiring all unexpended or unencumbered funds be reappropriated to the ensuing fiscal year (FY2026). The result is a total funding of $1.1 million for the Livable Homes Modification Grant program in the FY2026 Final Budget.

The FY2027 Budget includes general revenue of $515,278 to continue the Livable Home Modification (LHM) grant program, reflecting level-funding of general revenue appropriation from the FY2026 Budget as Enacted.

As of June 30, 2026, the LHM program awarded 226 grants during fiscal year 2026 and paid a total amount of $667,169 in paid claims. The average grant amount is $2,952.

The following table illustrates the program appropriation, legislative changes, reappropriation amounts, and actual expenditures of the program.

Livable Homes Modification	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Actual	$461,040	$499,690	$320,422	$460,559	$0	$0	$0	$0	$0
Governor FY2023	-	-	-	-	485,743	-	-	-	-
Assembly FY2023 - Add	-	-	-	-	500,000	-	-	-	-
Reappropriation from FY2022	-	-	-	-	121,174	-	-	-	-
Assembly Change FY2023	-	-	-	-	(2,802)	-	-	-	-
Actual Change FY2023	-	-	-	-	(555,751)	-	-	-	-
Governor FY2024	-	-	-	-	-	516,699	-	-	-
Assembly FY2024	-	-	-	-	-	250,000	-	-	-
Reappropriation from FY2023	-	-	-	-	-	555,750	-	-	-
Final Change FY2024	-	-	-	-	-	4,268	-	-	-
Governor FY2025	-	-	-	-	-	-	765,304	-	-
Actual FY2024 Final	-	-	-	-	-	(647,325)	-	-	-
Reappropriation from FY2024	-	-	-	-	-	-	640,539	-	-
Governor FY2026	-	-	-	-	-	-	-	765,278	-
Assembly FY2026	-	-	-	-	-	-	-	(250,000)	-
Final Change FY2025	-	-	-	-	-	-	(585,533)	-	-
Reappropriation from FY2025	-	-	-	-	-	-	-	890,565	-
Assembly FY2027	-	-	-	-	-	-	-	-	515,278
Assembly FY2026	-	-	-	-	-	-	-	(305,032)	-
Total Appropriation	**$461,040**	**$499,690**	**$320,422**	**$460,559**	**$548,364**	**$679,392**	**$820,310**	**$1,100,811**	**$515,278**

$ amounts reflect awards, contracted services, and operating expenses

The Governor's Commission on Disabilities (GCD) has administered the Livable Home Modification grant program since January 2018. Prior to that date, the program was funded under the Executive Office of Health and Human Services (EOHHS). EOHHS did not want to administer the program, and it was transferred to the Governor's Commission on Disabilities as part of the FY2019 Budget as Enacted.

The grant program allocates funding for home modification projects to allow people to stay in their homes longer and decrease the length and frequency of nursing home stays. Improvements include bathroom modifications, wheelchair ramps, and stability rails, along with other home modifications. The table to the side illustrates the number of paid awards by fiscal year. Since inception, the Commission has paid $4.2 million for 1,484 awards.

RIGL 42-51-13, requires the Governor's Commission on Disabilities to submit an annual report by August 15 of each year to the Governor, President of the Senate, Speaker of the House, and to the Chairpersons of the Senate and House Finance Committees on the progress of the Livable Home Modification program.

The Commission tracks the project awards by the fiscal year in which they are awarded. The project and balance are carried forward into succeeding fiscal years until the project is completed.

The FY2022 Budget as Enacted codified the current Livable Home Modification Grant program (RIGL 42-51-13) with a hard grant amount of 50.0 percent of the modification cost up to $4,500. In addition, the FY2022 Final Budget introduced proviso language requiring all unexpended or unencumbered funds to be reappropriated to the ensuing fiscal year.

Fiscal Year	# Paid	Amount Paid
FY2018	27	$86,304
FY2019	161	423,794
FY2020	165	451,517
FY2021	110	303,646
FY2022	159	404,622
FY2023	182	502,292
FY2024	221	645,294
FY2025	258	780,715
FY2026*	201	610,800
Total	**1,484**	**$4,208,984**

Source: Commission on Disabilities

**FY2026 as of May 21, 2026*

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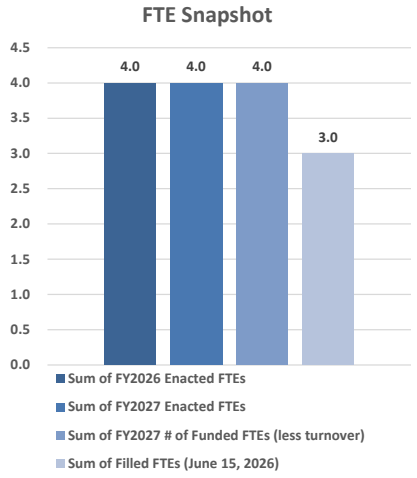
Commission on the Deaf and Hard of Hearing

Expenditures by Program	FY2025 Actuals	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$804,509	$929,154	$976,952	*$47,798*	*5.1%*	$954,081	*$24,927*	*2.7%*

Expenditures by Program	FY2025 Actuals	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
General Revenue	$662,680	$786,233	$767,663	*($18,570)*	*-2.4%*	$835,904	*$49,671*	*6.3%*
Restricted Receipts	141,829	142,921	209,289	*66,368*	*46.4%*	118,177	*(24,744)*	*-17.3%*
Total	**$804,509**	**$929,154**	**$976,952**	***$47,798***	***5.1%***	**$954,081**	***$24,927***	***2.7%***
Authorized FTE Levels	4.0	4.0	4.0	-	-	4.0	-	-

$ in millions

The Commission on the Deaf and Hard of Hearing (CDHH) advocates and coordinates the promotion of an environment in which deaf and hard of hearing people in Rhode Island are afforded equal opportunity in all aspects of their lives. The CDHH develops policy and provides recommendations for programs and legislation that will enhance cooperation and coordination among agencies and organizations that currently serve, or have the potential to serve, the deaf and hard of hearing community.



MAJOR ISSUES AND TRENDS

The Budget includes total funding of $954,081 including $835,904 from general revenue for FY2027. General revenue increases by 6.3 percent from the FY2026 Budget as Enacted. The increases in general revenue are primarily due to the statewide adjustments related to the 3.0 percent cost of living adjustment.

The Budget authorizes 4.0 FTE positions in FY2027, consistent with the Enacted budget.

Commission on the Deaf and Hard of Hearing	General Revenue
FY2026 Enacted	$786,233
Target and Other Adjustments	-
Personnel Adjustments (statewide adjustments)	27,171
Accounts and Controls (statewide adjustments)	24,439
Shift Temp and Interpreter Services to Restricted Receipts	(11,000)
Enterprise Resource Planning (statewide adjustments)	9,061
FY2027 Enacted	**$835,904**

Shift Temp and Interpreter Services to Restricted Receipts *($11,000)*

The Budget shifts $11,000 from general revenue to restricted receipts, effectively reallocating contracted professional services to the Emergency and Public Communication Access Program (EPCAP) restricted receipt account. The Emergency and Public Communication Access Program (EPCAP) restricted receipts account receives $100,000 annually from telecommunications surcharges. EPCAP ensures that deaf and hard of hearing Rhode Islanders have text-based access to 911 and emergency responses by providing free ADA compliance training, communication tools and needs assessments. The Commission often covers the costs of ASL interpreters for Rhode Island businesses and public agencies through this program.

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Office of the Child Advocate

Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$1,714,775	$2,264,613	$2,185,010	($79,603)	-3.5%	$2,405,487	$140,874	6.2%
Total	**$1,714,775**	**$2,264,613**	**$2,185,010**	**($79,603)**	**-3.5%**	**$2,405,487**	**$140,874**	**6.2%**
Expenditures by Source								
General Revenue	$1,707,792	$2,264,613	$2,185,010	($79,603)	-3.5%	$2,405,487	$140,874	6.2%
Federal Funds	$6,983	-	-	-	-	-	-	-
Total	**$1,714,775**	**$2,264,613**	**$2,185,010**	**($79,603)**	**-3.5%**	**$2,405,487**	**$140,874**	**6.2%**
Authorized FTE Levels	10.0	13.0	13.0	-	-	13.0	-	-

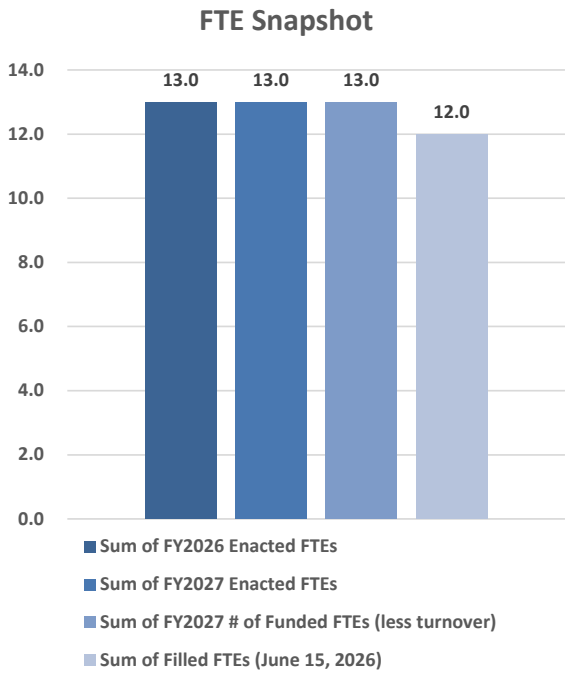
The Office of the Child Advocate (OCA) is mandated by statute to protect the legal, civil, and special rights of all children in the care of the Department of Children, Youth, and Families (DCYF). The Office strives to improve conditions and circumstances through monitoring, intervention, and advocacy. The Office reviews all youth residential programs, including the Rhode Island Training School, and oversees compliance of all DCYF-contracted providers. The General Assembly amended the Office's statutory charge in both 2016 and 2019, further requiring the Child Advocate to investigate any child fatality or near fatality if:

- The child is involved with, or the child's family previously received services from DCYF;
- The incident involves alleged abuse or neglect and the child's family had prior contact with DCYF; or
- The child's sibling, housing member, or daycare provider was the subject of a child abuse or neglect investigation within 12 months of the incident.

MAJOR ISSUES AND TRENDS

In January 2018, the State and DCYF settled a long-standing class action lawsuit. The lawsuit, initially filed in 2007, demanded systemic reforms to the State's child welfare system and cited deficiencies throughout DCYF, including excessive caseworker assignments and an inappropriate residential service array. The settlement, known as the Children's Rights Settlement, outlined a number of new screening and reporting requirements for DCYF. The OCA acts as the federal monitor to the settlement and oversees DCYF's progress towards meeting the established benchmarks.

The Budget includes $2.4 million in general revenues for the Office of the Child Advocate, an increase of $140,874 as compared to the FY2026 Budget as Enacted. This represents full financing for current operations and staffing authorizations, as well as salary and benefits increases due to a COLA which went into effect in FY2025. The Budget authorizes and fully funds 13.0 FTE positions. As of June 25, 2026, 12.0 positions are filled.



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Central Management	General Revenue
FY2026 Enacted	$2,264,613
Target and Other Adjustments	*$15,893*
Salary and Benefits Adjustments	$65,468
A&C ISF Charges (statewide adjustment)	29,963
Centralized Services (statewide adjustment)	29,550
FY2027 Enacted	**$2,405,487**

Salary and Benefits Adjustments ***$65,468***

The Budget includes an increase in salary and benefit expenses of $65,468, due primarily to the restoration of savings based on the assumption that vacant positions will be filled in FY2027. FY2027 is also the final year of the COLA which went into effect in FY2025.

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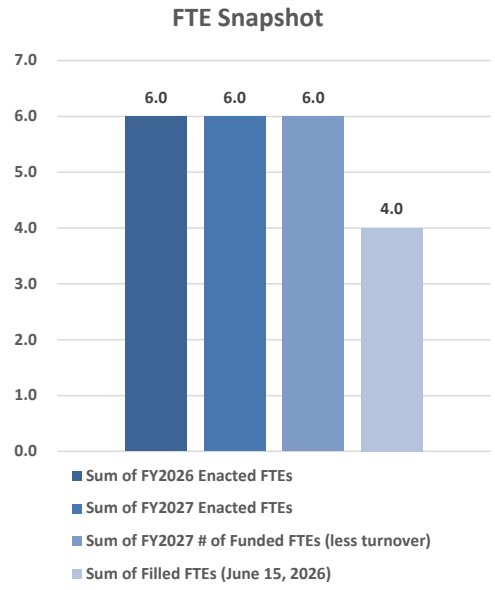
Office of the Mental Health Advocate

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Central Management	752,370	1,117,164	1,111,709	*($5,455)*	*-0.5%*	1,111,709	*($5,455)*	*-0.5%*
Total	**$752,370**	**$1,117,164**	**$1,111,709**	***($5,455)***	***-0.5%***	**$1,111,709**	***($5,455)***	***-0.5%***
Expenditures By Source								
General Revenue	752,370	1,117,164	1,111,709	*(5,455)*	*-0.5%*	1,111,709	*($5,455)*	*-0.5%*
Total	**$752,370**	**$1,117,164**	**$1,111,709**	***(5,455)***	***-0.5%***	**$1,111,709**	***($5,455)***	***-0.5%***
Authorized FTE Levels	6.0	6.0	6.0	-	-	6.0	-	-

$ in millions. Totals may vary due to rounding.

The Office of the Mental Health Advocate (OMHA) is statutorily mandated to protect the legal, civil, and special rights of people living with mental illness in Rhode Island. This includes providing legal representation at involuntary commitment proceedings, monitoring policies and procedures at inpatient treatment facilities and community-based health programs, proposing and evaluating legislation, and litigating civil and treatment rights disputes.

The Office also advocates for improvements in the mental health system by monitoring and evaluating the quality of services available to clients and combatting the stigmatization and discrimination associated with mental illness. The Office seeks to close gaps in the programs administered by mental health providers, including the shortcomings in services related to emergency hospitalizations, psychiatric care for prison inmates, and homelessness among individuals with chronic mental illness.



MAJOR ISSUES AND TRENDS

The FY2027 Budget includes $1.1 million from general revenues for the Office of the Mental Health Advocate. This represents a general revenue decrease of $5,455, or 0.5 percent. The Office is funded entirely through general revenues.

The Budget authorizes and fully funds 6.0 FTEs in FY2027, consistent with the FY2025 authorization. As of June 25, 2026, the Office had 4.0 positions filled and 2.0 positions vacant. Currently, the Office has 1.0 vacant Social Worker position.

***Analyst Note**: Since the June 15, 2026, FTE report, the Office has filled a previously vacant 1.0 Attorney position. This position was vacant for two years. The 1.0 vacant Social Worker position has now been vacant for three years. The Office has previously indicated challenges with finding qualified candidates for these roles. Other than the statewide COLA increases, no salary increases were included in this budget.*

Central Management	General Revenue
FY2026 Enacted	1,117,164
Target and Other Adjustments	*(5,455)*
FY2027 Enacted	**$1,111,709**

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Elementary and Secondary Education

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Administration of the Comprehensive Education Strategy	$284.3	$295.2	$320.3	*$25.1*	*8.5%*	$306.6	*$11.4*	*3.9%*
Central Falls School District	54.0	54.6	54.6	*0.0*	*0.0%*	55.2	*0.7*	*1.2%*
Davies Career and Technical Center	27.6	67.2	36.1	*(31.1)*	*-46.3%*	52.3	*(14.8)*	*-22.1%*
Rhode Island School for the Deaf	10.5	10.3	11.1	*0.8*	*7.7%*	11.8	*1.6*	*15.1%*
Metropolitan Career and Technical School	12.8	13.2	15.2	*2.0*	*14.9%*	15.2	*2.0*	*15.4%*
Education Aid	1,329.9	1,311.2	1,320.9	*9.7*	*0.7%*	1,364.9	*53.7*	*4.1%*
School Construction Aid	106.2	119.9	114.0	*(5.9)*	*-4.9%*	122.1	*2.2*	*1.9%*
Teacher Retirement	135.0	138.0	133.6	*(4.4)*	*-3.2%*	130.2	*(7.8)*	*-5.6%*
Total	**$1,960.3**	**$2,009.5**	**$2,005.7**	***($3.8)***	***-0.2%***	**$2,058.4**	***$49.0***	***2.4%***
Expenditures By Source								
General Revenue	$1,587.1	$1,659.2	$1,654.9	*($4.3)*	*-0.3%*	$1,706.0	*$46.8*	*2.8%*
Federal Funds	311.1	256.9	276.9	*20.0*	*7.8%*	264.1	*7.1*	*2.8%*
Restricted Receipts	58.7	50.7	61.4	*10.7*	*21.1%*	61.7	*10.9*	*21.5%*
Other Funds	3.4	42.6	12.4	(30.2)	*-71.0%*	26.7	(15.9)	*-37.2%*
Total	**$1,960.3**	**$2,009.5**	**$2,005.7**	***($3.8)***	***-0.2%***	**$2,058.4**	***$49.0***	***2.4%***
Authorized FTE Levels		342.1	342.1	-	*0.0%*	342.1	-	*0.0%*

$ in millions. Totals may vary due to rounding.

The Rhode Island Department of Elementary and Secondary Education, under the leadership of the Board of Education, is responsible for a strategic plan defining goals and objectives for elementary and secondary education; preparation and presentation annually of an educational budget for the Department of Elementary and Secondary Education, subordinate boards and agencies, and State aid to local school districts; approval of the basic subjects and courses of study to be taught, and instructional standards required to be maintained in the public elementary and secondary schools of the State; and, adoption of standards and qualifications for the certification of teachers and provision for the issuance of certificates.

MAJOR ISSUES AND TRENDS

The Budget provides total funding of $2,058.4 million, an increase of $49.0 million from the enacted level. The $46.8 million net increase in general revenue is primarily due to an increase of $47.1 million in education aid to districts, charter and state schools, $1.2 million in support for the RI Auditory Oral Education Program (RIAOP), $750,000 used for a new Support and Access to Bilingual Education (SABE) fund, a $700,000 increase for Learn365, and $668,000 to replace federal Individuals with Disabilities Education Act (IDEA) Part B funds to support the Rhode Island Vision Education and Services Program (RIVESP) at the Sherlock Program at Rhode Island College (RIC), partially offset by a $7.8 million reduction in state payments for teacher retirement. The increase in education aid includes an additional $2.5 million for both transportation and high-cost special education as well as another $1.0 million for career and technical schools. The early childhood education categorical fund is level funded at $28.9 million; however, an additional classroom was opened in FY2026. The total seat count is projected to remain at the FY2026 level of 2,814 through FY2027. It appears that the Department has stalled in its progress toward the FY2023 Budget initiative to expand Pre-K offerings to 5,000 seats by FY2028.

Article 7 of the Budget as Enacted requires the Department, in collaboration with the Office of Management and Budget and the Division of Municipal Finance, to submit a report comparing the education aid funding proposal from the Blue Ribbon Commission, convened by the Rhode Island Foundation, to the current system. The Report is due by October 1, 2026, as part of the Department's FY2028 budget submission and must include, at a minimum, a comparison of state and local contributions for local education agencies (LEAs) using different state share percentages, recommendations for proposed weights for special education and career and technical education students, and an analysis of the statutory recommendations.

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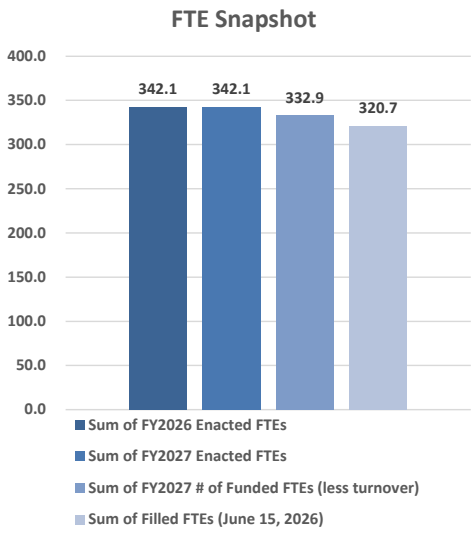
The increase in federal funds in both FY2026 and FY2027 is due largely to the receipt of two federal grants not included in the original FY2026 enacted budget. In September 2024, Rhode Island was awarded $40.0 million to improve literacy outcomes for Rhode Island students. The Department is using these funds to support the RI Reads initiative. The other grant is to support the formation and expansion of charter schools.

In FY2026, the Budget decreases general revenue funding by $4.3 million, due primarily to the shift of $5.9 million in unspent school construction aid into FY2027 to support school construction reimbursements and help defer the implementation of the proposed cost saving initiatives in the Governor's FY2027 recommendation. The Budget also includes the reappropriation of $2.7 million for Learn365RI after-school grants, $1.9 million for a settlement involving special education services, and $951,765 for personnel and transportation costs at Davies, partially offset by a decrease of $4.4 million in teacher retirement costs.

Restricted receipts increase in both FY2026 and FY2027 due primarily to an increase in Statewide Transportation costs. According to the Department, the increase is due to the enacted estimate being made before students were registered and routes mapped. In practice, FY2026 saw an increase of 600 private school students and more than 50 routes had to be transferred to a more expensive vendor. While enrollment trends are down, statewide transportation ridership has increased by 34.0 percent over the last ten years.

The other funds decrease in both FY2026 and FY2027 is largely driven by an updated project schedule for the Davies School Wing Renovation project which has been consolidated with the Health Care Classroom project. The consolidated project involves new construction to replace a wing that was built in in the 1970's and found to be more cost effective to replace than to renovate through the School Building Authority's 2016 facilities assessment. The new wing will include the Health Care classrooms and eliminate the detached modular classroom building where the program is currently housed.

The Budget provides 342.1 FTE positions, consistent with the enacted level, across the Elementary and Secondary Education system, including 157.1 FTE positions at the Department of Elementary and Secondary Education, 125.0 FTE positions at Davies, and 61.0 FTE positions at the School for the Deaf.



ADMINISTRATION OF THE COMPREHENSIVE EDUCATION STRATEGY (ACES)

The Administration of the Comprehensive Education Strategy (ACES) program encompasses the offices of Accelerating School Performance, Educator Excellence and Instruction Effectiveness, Fiscal Integrity

and Efficiencies, and Legal. Through these offices, the Department provides leadership and support for the entire elementary and secondary education system in Rhode Island.

Administration of the Comprehensive Education Strategy	General Revenue
FY2026 Enacted	$34,222,798
Target and Other Adjustments	*263,153*
RI Auditory Oral Program (RIAOP)	1,167,100
Support and Access to Bilingual Education Act	750,000
Learn365RI	700,000
RI Vision Education Services Program (RIVESP)	684,000
Internal Service Fund Adjustments	219,580
RI Surrogate Parent Program	150,000
Parking Contract	23,690
FY2027 Enacted	**$38,180,321**

Administration of the Comprehensive Education Strategy	Other Fund Changes
Rural Health Transformation Program (RHTP) (federal funds)	$4,838,988

RI Auditory Oral Education Program (RIAOP) ***$1.2 million***

The Budget provides $1.2 million in general revenue to support the RI Auditory Oral Education Program (RIAOP), allowing students to attend the school-based program at no cost to the sending district. The RIAOEP was established in 2005 to provide students with cochlear implants and their families with an educational option focused on the use of the implants and the therapies needed to optimize success. While originally only serving a small group of preschool students, RIAOP now provides services for children from birth to age 22 through school-based programming and statewide outreach services.

When the Northern RI Collaborative dissolved in 2023, the Foster School Department assumed the fiscal and administrative management of the program, currently housed in the Captain Isaac Paine Elementary School. According to the Department, to ease the transition and support costs not covered by Local Education Agencies' (LEA) tuition, the Department agreed to provide up to $370,000 in IDEA Part B funds for two years ending June 2025; subsequently, the Department agreed to provide up to $270,000 in FY2026. As requested by the Department, $425,000 of the total $1.2 million will replace federal Individuals with Disabilities Education Act (IDEA) funds from the Department and the federal funds will be repurposed to support differently-abled students (DAS) and address educator shortages in special education.

The school-based portion of the program provides more intensive support and services to students in preschool through fifth grade to develop listening and spoken language skills with the ultimate goal of integration into the student's resident school district. The state funding is intended to support the school-based program such that sending districts will no longer be required to pay the $57,000 annual tuition, eliminating the fiscal disincentive for districts to send students to the program and allowing families easier access to services.

Statewide outreach services include work with state-contracted Early Intervention centers providing guidance and training to families and young children in the early development of spoken language, as well services to school districts and special education programs across the State. Services provided to school districts include direct services for students through individual education plans (IEPS), consultation with districts on instruction and hearing technology, professional development for educators, and equipment technology monitor.

Support and Access to Bilingual Education Act ***$750,000***

The Budget provides $750,000 in general revenue to be used for the Support and Access to Bilingual Education (SABE) fund. Section 5 of Article 7 requires the Department of Elementary and Secondary Educating (Department) to establish and maintain a bilingual support fund to provide grants to traditional

public school districts, community-based organizations in collaboration with public school districts, or higher education institutions in collaboration with public school districts that establish and expand bilingual instruction program models. Under the language of the article, it does not appear that public charter schools qualify for grant funding.

The article also requires the Department, in collaboration with the Office of the Postsecondary Commissioner, to "increase and streamline" the issuance of world language and bilingual dual language certifications to increase the number of certified teachers in local education agencies (LEAs) with a high incidence of multilingual learners. The definition of "high incidence of multilingual learners" in the article is consistent with the definition in 200-RICR-20-30-3 providing for an LEA with a multilingual learner population of 250 or more students or 20.0 percent or more of the total student population.

"Qualifying languages" are defined in the article as" the most common languages other than English spoken in the local education agency according to the U.S. Census Bureau and department data sources."

Learn365RI ***$700,000***

The Budget provides $2.0 million for the Learn365RI initiative in FY2027, an increase of $700,000 from the FY2026 enacted level to provide high-quality, out-of-school time programs focused on critical skill development. Of the increase, $400,000 will fund continued base programming and $300,000 of the funding will be used for the following:

- **Rhode Island Afterschool Network**: $100,000 to support tutoring and staff training, the Youth Development Apprenticeship Program, and technical support for the learning centers.
- **Teach for America Ignite**: $100,000 to support reading and math skill tutoring for students in third through eighth grades through Teach for America Ignite, a paid, part-time fellowship program for college students and recent graduates to provide small-group tutoring.
- **Onward We Learn Learn365RI**: $100,000 for tutoring focused on reading and math skill tutoring for students in third through eighth grades as well as statewide Free Application for Federal Student Aid (FAFSA)- support. Currently, the Rhode Island Student Loan Authority (RISLA) provides FAFSA support at no charge through their College Planning Center. Through the Office of the Postsecondary Commissioner, the FY2027 Budget includes $4.8 million in federal funds to support Rhode Island's GEAR UP program, which is designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. Rhode Island's gear up grant supports the Onward We Learn (OWL) program, formerly known as the College Crusade.

The FY2026 Budget as Enacted provided $1.3 million in additional general revenue support for this program. According to the Department, the FY2026 funds will be used for new projects and not to support ongoing costs in previously awarded projects.

In the FY2025 Budget as Enacted, $3.0 million in general revenue was provided to replace temporary federal funding supporting out-of-school programming with a focus on critical skill development; however, only $275,094 of the funds were spent with the remaining $2.7 million recommended by the Governor for reappropriation into the FY2026 Revised budget. These funds are to be used to continue the work of the $4.0 million in federal Governor's Emergency Education Recovery (GEER) Emergency Assistance to Non-Public Schools (EANS) funds and $4.0 million in ARPA SFRF in providing grants to municipalities to start or continue out-of-school time programming consistent with the Learn365RI goals of "increasing school attendance, improving reading and math skills, and ensuring that high school graduates have a meaningful plan upon graduation."

As of March 12, 2026, the Department reports that $2.4 million in reimbursements have been paid with the remaining $1.7 million obligated to grant recipients. Of the $4.0 million in funds available, $3.5 million was distributed to 33 municipalities, $50,000 is for marketing, $25,000 for the Math Matters Extravaganza hosted by RIDE, $49,922 to the West Bay Collaborative, and $431,240 to EnrollRI. EnrollRI is a website,

launched by the Department, that provides a single platform with information and enrollment access across various education programs, including adult education, the All Course Network, career and technical, and charter public schools.

RI Vision Education Services Program (RIVESP) ***$684,600***

As requested by the Department, the Budget provides $684,600 in general revenue to replace federal IDEA Part B funds to support the RIVESP at the Sherlock Program at Rhode Island College (RIC). The Center provides teaching and consultation services to children who are blind or visually impaired, their families, and educational staff within the school environment. The array of services available includes Early Intervention, Orientation and Mobility, and the instruction of specific compensatory skills to children from birth through 21 years. The FY2024 Budget as Enacted included $1.8 million in general revenue to RIC for the Sherlock Center Vision Services program to provide stable funding for the services provided to local education agencies. These funds were provided in addition to the federal IDEA funds provided by the Department.

The Department asserts that the federal funds were only committed through June 2026 to stabilize the program and asks that general revenue be used moving forward to allow the Department to redirect the IDEA funds toward building capacity to support the needs of differently-abled students (DAS) receiving special education services. The funds would be used to provide the following:

- A structured framework for high school match instruction for general and special education teachers to increase their confidence in teaching DAS
- Professional learning to improve collaboration for teachers utilizing high-quality curriculum materials
- Job embedded coaching to improve and sustain instructional practice.

Internal Service Fund Adjustment ***$219,580***

Pursuant to Governor's Budget Amendment 4, the Budget increases Internal Service Fund (ISF) adjustments by $219,580 to reflect updated projected costs, including $177,127 for electricity and $42,453 for natural gas.

RI Surrogate Parent Program ***$150,000***

As requested by the Department, the Budget provides an additional $150,000 in general revenue ($247,156 in total general revenue) support for the Educational Surrogate Parent Program. The Department appoints an educational surrogate parent to make education decisions for students with disabilities aged 3 to 22 who are in DCYF custody and whose parents are unable to act on their behalf. According to the Department, the federal IDEA and the consent agreement for the class action suit for children in DCYF care and custody require the state to maintain a surrogate parent program for children with disabilities. The provisions of the consent agreement require educational representation be provided annually to 15.0 percent of children aged 3-21 in DCYF custody and 10.0 percent of children placed out of the home. Approximately 725 to 800 children receive services through the program annually.

The program is located at the Sherlock Center at Rhode Island College (RIC). Pursuant to the contract agreement between the Department and RIC, with a starting date of July 1, 2023, the Department is obligated to pay RIC about $1.0 million annually in federal IDEA and general revenue funds.

5. Contract Amount:

	IDEA Part B Account 10.072.2725132.02 639700 72:512403000	IDEA Preschool Account 10.072.2725135.02 639700 72:512403000	State Account 10.72.2720111.01 639700	Total Amount
FY 2024	789,341	83,088	166,177	**1,038,606**
FY 2025	807,579	85,008	170,017	**1,062,604**
FY 2026	827,542	87,110	174,220	**1,088,872**
FY 2027	848,000	89,263	178,527	**1,115,790**
FY 2028	868,972	91,471	182,941	**1,143,384**
Total	4,141,434	435,940	871,882	**5,449,256**

Source: Contract, dated July 1, 2023, Between Paul V. Sherlock Center on Disabilities and The Department.

However, based on information received from the Department on December 31, 2025, payments to RIC averaged $718,007 from FY2023 through FY2025.

Rhode Island Department of Education Payments to the RI Surrogate Parent Program

Source	FY2023	FY2024	FY2025	FY2026
General Revenue	$97,156	$122,624	$122,624	$97,156
Federal IDEA Part B	601,485	582,464	627,669	n/a
Total	**$698,641**	**$705,088**	**$750,293**	**$97,156**

Source: Rhode Island Department of Education

Analyst Note: Fiscal Staff reached out to the Department on January 7, 2026, regarding the discrepancy between the contract agreement and the payment information; and received the following response: "The FY26 general revenue budget for the Surrogate Parent Program was ~$97K. The contract amount for state funds was $174K. If we spend the full budgeted amount in FY26, we'd be using ~$77k of IDEA carryover funds. We requested $150K to ensure we fully fund the FY27 state funded portion."

Parking Contract ***$23,690***

The Budget provides $23,690 in general revenue to support an increase to the parking contract with Rhode Island Convention Center Authority (RICCA) for staff parking passes and parking ticket validation. The contract rate is increasing from $236,900 to $260,590 annually and 10.0 percent annually through FY2030. According to the Department, RICCA has not adjusted rates with RIDE in 14 years. Pursuant to the Parking Agreement, dated April 1, 2025, RICCA will not charge the Department for the use of validation tickets in FY2026, but both RICCA and RIDE reserve the right to discuss billing for validation parking at a rate of $10 per ticket for up to one hour of parking and of $20 per ticket for over one hour.

CENTRAL FALLS SCHOOL DISTRICT

The State of Rhode Island assumed control of the Central Falls School District in 1991 when it was determined that the City of Central Falls could not afford to meet its contractual, legal, and regulatory obligations related to school funding because its tax base had sustained little or no growth over several years. Since FY1993, the State has been responsible for 100.0 percent of the education expenditures for the Central Falls School District; however, Article 7 of the Budget repeals the enabling statue for the Central Falls School District Boad of Trustees, RIGL 16-2-34, effectively returning the district to local control beginning in FY2027. The article provides the following terms:

Local Contribution: The City will contribute to the district the sum of

- percent of the prior year total tax levy,

- the City's prior year contribution, and
- $500,000 from the school district's fund balance in FY2027 reduced by $50,000 annually, in accordance with the final report of the Special Joint Commission to Study the Return of Central Falls Schools to Local Governance until balance meets target end point. The end point will meet Government Finance Officers Association's Standards and align with the Department of Elementary and Secondary Education's accountability and reporting standards.

Maximum Tax Levy: The article also enables the City to exceed the minimum tax levy under RIGL 44-5-2 as needed to meet its contribution obligations if certified by the Department of Revenue.

Review and Recommendation: A review of the funding requirements will be conducted by the City, the Division of Municipal Finance, and the Department of Elementary and Secondary Education by September 30, 2030, as preparation for the FY2032 budgeting process, and recommendations for modifications will be provided to the Governor, Speaker of the House, and President of the Senate.

Since FY2012, Central Falls has been funded according to the education funding formula. The Budget provides $55.2 million for the Central Falls School Department in FY2027. This includes the funding formula distribution as well as $11.7 million in funding through the Central Falls Stabilization Fund, but excludes aid received through other education aid categories. (See Education Aid in the Special Report section of this publication for further detail.)

Central Falls	General Revenue
FY2026 Enacted	$54,567,882
Target and Other Adjustments	-
Central Falls Stabilization	865,775
Funding Formula Adjustment	*(187,354)*
FY2027 Enacted	**$55,246,303**

Central Falls Stabilization ***$865,775***

The Budget funds this category at $11.7 million in FY2027, an increase of $865,775 from the FY2026 Budget as Enacted. The total budget is created at the district level with the budget targets provided by the Department. The stabilization funding for the district is used to adjust for changes in the costs outside of the funding formula and reviewed annually, pursuant to RIGL 16-7.2-6(d). Beginning in FY2027, the district will be governed by a locally elected school committee instead of a Board of Trustees; however, no changes were made to RIGL 16-7.2-6(d) which governs the Central Falls stabilization fund.

Generally, the costs outside the foundation aid formula, such as transportation, facility maintenance and retiree health benefits, are paid by the district. The stabilization fund was created due to concerns regarding the city's capacity to meet the local share of education costs. Previously the statute required Central Falls to pay its share of the local contribution prior to receiving stabilization funds. However, the 2012 General Assembly amended the statute to provide for an annual review of the respective shares and to allow stabilization funds to be provided without the district having to pay the entire local share as determined from the education funding formula.

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

Funding Formula Adjustment ***($187,775)***

In FY2027, the district will see a decrease of $187,775 in funding formula aid, partially offset by an increase of $1.3 million in enrollment transition aid. The formula distribution, stabilization aid, and other categorical

aid provide total state funding of $53.8 million, a net decrease of $920,552 from the previous fiscal year. The decrease in funding formula aid is driven by declining enrollment. Relative to FY2026, total enrollment has declined by 170 students (6.8 percent), with the student success factor (SSF) eligible students declining by 146 students (9.3 percent), and Multilingual learners (MLL) by 151 (12.0 percent). In addition, the state share ratio declined from 96.7 percent to 96.4 percent.

DAVIES CAREER AND TECHNICAL CENTER

The Davies Career and Technical School provides a high school education program in occupational areas for students in grades nine through twelve. The school provides an integrated academic and vocation curriculum with up-to-date technology programs to provide a solid foundation for students entering postsecondary education or the community. Davies operates as a local education agency and is governed by a Board of Trustees.

The Budget provides $21.1 million in general revenue funding for the Davies Career and Technical School, an increase of $2.6 million from the FY2026 Budget as Enacted, excluding categorical aid. (See Education Aid in the Special Report section of this publication for further details.)

Davies Career and Technical School	General Revenue
FY2026 Enacted	$18,532,152
Target and Other Adjustments	-
Davies Stabilization Fund	2,426,021
Funding Formula Adjustment	135,732
FY2027 Enacted	**$21,093,905**

Davies Stabilization Fund *$2.4 million*

Article 11 of the FY2017 Budget as Enacted established a stabilization fund to provide additional support to Davies for costs associated with a stand-alone high school offering both academic and career and technical coursework. The Budget provides an increase of $2.4 million ($10.4 million in total stabilization funding) in FY2027. The increased support is largely due to transportation costs, which increase by $817,832 in FY2026 and $1.6 million in FY2027.

Funding Formula Adjustment *$135,732*

The Davies School receives funding from state and federal sources; however, beginning in FY2012, it receives its state funding as determined through the new funding formula. In FY2026, the Davies School will receive an increase of $135,732 in funding formula aid ($10.7 million in total formula aid). Instead of being entirely State funded, the sending districts now pay a portion of the tuition for each student from their district. Furthermore, Davies is now responsible for the cost of transporting students to and from their sending districts

RHODE ISLAND SCHOOL FOR THE DEAF

The Rhode Island School for the Deaf (RISD) is a public school which offers educational programs to approximately 85 deaf and hard of hearing youth (and their families) from birth through age 21 in the elementary program, junior and senior high school, and early intervention and preschool programs.

School for the Deaf	General Revenue
FY2026 Enacted	$8,809,938
Target and Other Adjustments	*(16,217)*
Turnover Restoration	245,618
FY2027 Enacted	**$9,039,339**

Turnover Restoration ***$245,618***

The Budget restores $245,618 in turnover savings in the FY2026 Budget as Enacted. RISD started the school year fully staffed with 61.0 FTE positions and, while there have been some staff resignations, RISD is actively recruiting to fill the positions in order to maintain classroom coverage and does not anticipate realizing any turnover savings in FY2027.

METROPOLITAN CAREER AND TECHNICAL SCHOOL

The Metropolitan Career and Technical School (Met School) is a career and technical public-school district with two campuses in Providence and a third in Newport. It provides a comprehensive education which includes internships, individual learning plans, advisory, and a college transition program for students in grades nine through twelve.

The Budget provides $15.0 million in general revenue funding for the Met, an increase of $2.0 million over the FY2026 Budget as Enacted. This includes $3.6 million for the Met School Stabilization Fund but excludes categorical aid. The Met School is governed by a board, appointed by the Board of Education but operated independently. Also, unlike Davies, the employees at the Met School are not state employees. (See Education Aid in the Special Report section of this publication for further details.)

Metropolitan Career and Technical School	General Revenue
FY2026 Enacted	$12,966,926
Target and Other Adjustments	-
Funding Formula Adjustment	1,625,641
Met School Stabilization Fund	405,997
FY2027 Enacted	**$14,998,564**

Funding Formula Adjustment ***$1.6 million***

In FY2027, the Met School sees an increase of $1.6 million in funding formula aid ($11.4 million in total formula aid). This increase is driven primarily by an enrollment increase of 82 students, or 10.1 percent. Previously, the Met School was 100.0 percent state funded; however, beginning in FY2012, it received its general revenue funding through the new funding formula and sending districts pay a portion of the tuition for each student from their district. Furthermore, the Met School is now responsible for the cost of transporting students to and from their sending districts and will no longer be reimbursed by sending districts for transportation costs. Generally, the school provides RIPTA passes to students; however, due to the lack of RIPTA services available to students in Woonsocket, the school contracts for bus services.

Met School Stabilization Fund ***$405,997***

Article 11 of the FY2017 Budget as Enacted established a stabilization fund to provide additional support to the Met School for costs associated with a stand-alone high school offering both academic and career and technical coursework. The Budget increases the stabilization fund by $405,997 ($3.6 million total) in FY2027. By adjusting the stabilization fund to offset any changes in the funding formula calculation, the Met School was level funded from FY2017 through FY2022. The increase is recommended to address rising operating costs, such as step increases, cost-of-living adjustments, instructional support, transportation, and healthcare costs.

EDUCATION AID

The Department provides direct support to schools and school districts, including charter and state-owned schools through this program. This program also provides funding for group home beds, non-public

textbook reimbursement, state-level professional development, the early childhood demonstration pilot project, state E-rate reimbursement, and the state's share of the school breakfast program.

Education Aid	General Revenue
FY2026 Enacted	$1,272,230,353
Target and Other Adjustments	-
Funding Formula Distribution	36,828,865
Categorical Aid	6,018,104
FY2027 Enacted	**$1,315,077,322**

Education Aid	Other Funds
Statewide Student Transportation (restricted receipts)	$10,501,410

Funding Formula Distribution ***$36.8 million***

Based on the March 2026 enrollment data, adjusted for projected charter school enrollments, the FY2027 Budget increases the education funding formula distribution to districts, except for Central Falls and state schools, by $36.8 million.

The Education Adequacy Act (2010-S-2770, Substitute A as Amended) provided a new school funding formula that creates a single methodology for distributing state aid to all public schools. The core principle behind the formula is that state funding should follow the student; therefore, distribution could change annually based on shifts in enrollment. There are no changes in funding methodology for the School for the Deaf, since it is an education program that already has a state, federal and local share.

The formula establishes a per-pupil spending amount of $13,859 in FY2027, an increase of 4.0 percent. The formula also includes a single factor to adjust the core foundation amount to address the effects of poverty and other factors influencing educational needs. Article 7 of the Budget increases the student success factor, also referred to as the high need student weight, from 40.0 percent to 43.0 percent. The weight provides an additional $5,959 ($13,859 x 0.43 = $5,959) for each student whose family income is at or below one hundred eighty-five percent (185%) of federal poverty guidelines, as identified using certification data from programs including the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF). The counts from the data source are then multiplied by a factor of 1.6, as recommended by the U.S. Department of Agriculture (USDA) and the U.S. Department of Education for the Community Eligibility Provision (CEP) of the Healthy, Hunger-Free Kids Act of 2010.

English Learners/Multilingual Learners: Article 8 of the FY2025 Budget as Enacted shifted support for English Learners into the funding formula, increased the weight from 15.0 to 20.0 percent of the per-pupil core instruction amount for each qualified EL student ($2,772 in FY2027), and changed the name to Multilingual Learners (MLL).

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

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

TOC

Analyst Note: The Council on Elementary and Secondary Education approved updated MLL/EL regulations on February 26, 2025. Updates include extending the deadline for districts to meet the updated MLL/EL regulation requirements from FY2030 to FY2031, clarifying professional learning requirements, encouraging the expansion of bilingual/dual language programs, and increasing family and student engagement. The deadline was extended in response to public feedback requesting more time, flexibility, and supports for the implementation of the regulations. The presentation to the Council regarding the new regulations can be found here.

The formula accounts for local revenue generating capacity and overall poverty level through a state share ratio calculation for each community that uses the State Share Ratio for the Community, based on the EWAV (Equalized Weighted Assessed Valuation) for the community, and the concentration of pre-kindergarten through sixth grade students eligible for free or reduced-price lunch.

Article 11 of the FY2017 Budget as Enacted changed the threshold for the high-need student weight to a family income at or below 185.0 percent of the federal poverty guidelines. The change was in response to the United States Department of Agriculture no longer requiring districts to collect eligibility data. Since this income level is the same threshold as that used for the free or reduced lunch program, the Department of Elementary and Secondary Education (Department) did not anticipate a change in the eligibility numbers.

Article 10 of the FY2023 Budget as Enacted required the Department to submit, as part of its FY2024 budget request, a poverty measure that does not rely on the administration of the school lunch programs. The Governor recommended and the General Assembly concurred with using certification data from programs including the Supplemental Nutrition Assistance Program (SNAP). The counts from this data source are then multiplied by a factor of 1.6, as recommended by the U.S. Department of Agriculture (USDA) and the U.S. Department of Education for the Community Eligibility Provision (CEP) of the Healthy, Hunger-Free Kids Act of 2010. The direct certification data is used for both the student success factor (SSF) and concentration of pre-kindergarten through sixth grade students used in the share ratio calculation.

According to the Office of Management and Budget (OMB), "extensive research was conducted" to determine the new poverty measure, including the experiences of other states. Several criteria were considered including "comparable eligibility requirement to the FRLP, timeliness, and data quality. Furthermore, data sharing agreements with DHS [Department of Human Services] related to the use of direct certification were already in existence." Based on the review, it was determined that "direct certification would result in a reliable calculation of education aid while minimizing administrative burden."

According to the US Department of Education, the "function of the 1.6 multiplier is to provide an estimate of the percentage of students eligible for free and reduced-price meals in participating CEP schools, groups of schools, or LEAs that is comparable to the poverty percentage that would be obtained in a non-CEP school. The number of students directly certified is a subset of the total number of students eligible for free and reduced-price meals. Using only the number of identified students would result in lower poverty percentages for CEP schools or LEAs." (see page 4 of Guidance for The Community Eligibility Provision). Communities participating in the CEP agree not to collect FRLP forms.

Poverty Loss Stabilization Fund: The FY2024 Budget as Enacted established funding to reduce the impact of a reduction in the community state share ratio. If the share ratio decreases by more than 2.0 percent, relative to the prior year, the formula provides 50.0 percent of the resulting reduction in funding formula aid. This fund is distributed as part of the funding formula distribution. In the FY2027 Budget the fund decreases by $1.1 million, relative to the FY2026 Budget as Enacted, to $3.6 million total for all the school districts. Central Falls, which is budgeted as a separate program, did not qualify for aid under this fund in FY2027.

Enrollment Transition Fund: To address the significant enrollment declines seen across the State, the FY2024 Budget as Enacted established an Enrollment Transition Fund providing 40.0 percent of the

funding formula aid lost as a result of enrollment declines, relative to the previous year, in year one and 25.0 percent in year two. This fund is distributed as part of the funding formula distribution. The FY2027 Budget increases this fund by $3.2 million, relative to the FY2026 Budget as Enacted, to $11.6 million for all the school districts except Central Falls, which is included as separate budget program. In FY2027, Central Falls will receive $1.5 million in transition fund support, an increase of $1.1 million, bringing total enrollment transition support for all districts to $13.0 million.

The Act included a multi-year transition plan to ease districts into the new formula, allowing time to adjust for gains or losses in education aid. The plan provided a transition period of ten years for those districts projected to receive less school aid than they did through the aid distribution in FY2011, and seven years for those districts projected to receive more aid. As of FY2022 the funding formula distribution is fully phased in. (See Education Aid in the Special Report section of this publication.)

Categorical Aid ***$6.0 million***

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

FY2027 Education Aid

Categorical	*Change from Enacted*	Total Funding
Transportation	*$2.5*	*$15.0*
Early Childhood	-	28.9
High-Cost Special Education	2.5	20.0
Career & Tech. Schools	1.0	5.5
Regionalization Bonus	-	-
Group Home Aid	*0.0*	3.6
Total	***$6.0***	**$72.9**

$ in millions

The FY2027 Budget as Enacted includes funding for all of the active categories, except the Regionalization Bonus. The total categorical aid increases by $6.0 million for all school districts, charter schools, Davies Career & Technical School (Davies), and the Metropolitan Career and Technical School (Met), entirely in high-cost special education.

- **Transportation:** This fund provides funding to districts that use the statewide transportation contract for transporting students to out-of-district, non-public schools within the resident district's transportation region as defined by RIGL 16-21.1-2, and for 50.0 percent of the local costs associated with transporting students within regional school districts. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. In FY2027, the categorical is fully funded at $15.0 million, an increase of $2.5 million over the FY2026 Budget as Enacted.

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

  Article 10 of the FY2023 Budget as Enacted required the Department of Education (RIDE), the Department of Human Services (DHS), and the Children's Cabinet to develop the Rhode Island Pre-K expansion plan to expand the Pre-K program to 5,000 seats over five years beginning in FY2024, including children ages three and four. Based on information provided by the Department, FY2026 added one classroom and five seats, relative to FY2025. The change includes a reduction of seven low-income seats, reducing the percentage of low-income seats from 69.2 percent to 68.8 percent. The total seats are projected to remain level at 2,814 in FY2027.

FY2026 Pre-K Enrollment

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

Source: Rhode Island Department of Education

- **High-Cost Special Education:** This fund reimburses districts for instructional and related services provided to a student pursuant to an Individual Education Plan (IEP). The State reimburses costs that exceed four times the combined core instruction and student success factor funding (currently $79,273 for FY2027). The FY2024 Budget as Enacted lowered this threshold from five times. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at $20.0 million in FY2027, an increase of $2.5 million over the FY2026 Budget as Enacted and $5.4 million less than eligible reimbursements.
- **Career and Technical Schools:** This fund contributes toward the initial investment needed to transform existing programs or create new programs and the costs associated with facilities, equipment maintenance and repair, and supplies associated with higher-cost programs at career and technical schools. The Budget funds this category at $5.5 million in FY2027, an increase of $1.0 million over the previous fiscal year.

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

FY2025 CTE Aid Investment in High-Growth High-Wage Jobs of the Future

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

Source: Rhode Island Department of Education

- **Regionalization Bonus:** This fund provides a bonus to districts that may regionalize in the future. In the first year, the bonus is 2.0 percent of the State's share of the total foundation aid. In the second year, the bonus is 1.0 percent of the State's share and in the third year the bonus phases out. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. This category has not been funded since FY2014, as no new regionalized districts have been formed.
- **Group Home Aid:** The FY2027 Budget includes $3.6 million to fund group home beds, $34,000 more than the FY2026 Budget as Enacted to reflect the addition of two group home beds to Providence. The Group Home aid category was created by the General Assembly in 2001 to provide state support to districts hosting group homes in exchange for relieving the resident sending district of financial responsibility for students placed in group homes. When enacted, the Act maintained the current funding for group homes as a categorical grant program; however, the FY2017 Budget as Enacted increased the per-bed funding amount to $17,000 annually per bed. Article 7 of the FY2026 Budget as Enacted eliminated the per-bed deduction of funding formula aid from the Group Home aid disbursement. Previously, depending on the district's share ratio, the $17,000 per bed was adjusted downward by the state share of the core instruction amount. For example, a district with a state share ratio of 47.8 percent would receive $17,000 minus (0.478*$18,651), leaving $8,092 per bed. The article eliminated this adjustment, increasing group home aid to districts by $2.1 million in FY2026.

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

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

Group Home Aid[1]

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

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

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

Statewide Student Transportation (restricted receipts) ***$10.5 million***

The FY2027 Budget increases costs for this program by $10.5 million to $48.9 million and in FY2026 by $9.3 million to $47.7 million, relative to the FY2026 Budget as Enacted. While the budget represents an increase of 27.3 percent and 24.2 percent respectively, relative to the FY2026 Budget as Enacted, the increase relative to FY2025 Actual costs is 9.4 percent in FY2027 and 6.7 percent in FY2026. According to the Department, the variance is due to the enacted estimate being made before students were registered and routes mapped. In practice, FY2026 saw an increase of 600 private school students and more than 50 routes transferred to a more expensive vendor. While enrollment trends are down, statewide transportation ridership has increased by 34.0 percent over the last ten years. The Department emphasizes that, for many, in-district transportation costs increased by 11.0 to 12.0 percent in FY2026 and the lower statewide increases are due to efforts to maximize van use and streamline routes. In addition, the Department intends to rebid the transportation contract in the Spring and anticipates that the recent law changes will allow more companies to bid thus lowering costs.

The statewide student transportation program was created to help districts provide transportation for students attending public and non-public schools within their transportation district, special needs students, homeless students, and foster youth with greater service and cost efficiencies. Transportation is provided to students who attend private, parochial, and charter schools, as well as career & technical education centers and other approved programs. This program maximizes the sharing of buses, when possible, to achieve service and cost efficiencies. This program is primarily funded by participating school districts but managed by the Department. Payments from the participating districts are deposited into a restricted receipt account within the Department for payment to the vendor providing the transportation services. For those districts participating in the statewide contract, the transportation costs for transporting students to out-of-district, non-public schools within the resident district's transportation region, as defined by RIGL 16-21.1-2, are provided through education categorical aid provided pursuant to RIGL 16-7.2-6(e).

Pursuant to the federal McKinney-Vento Homeless Education Assistance Act, districts are required to provide transportation for homeless students to and from their school of origin if it is in the student's best interest, regardless of the point of origin. Also, the federal Every Student Succeeds Act requires that

students placed in foster care be bused to their district of origin if it is the best interest of the student. Similarly, federal law also dictates the transportation of special education students regardless of transportation districts or state boundaries. State law governs the transportation of private, charter, and career and technical school students with regional districts as defined by RIGL 16-21.1-2.

SCHOOL CONSTRUCTION AID

In 1960, the school housing aid program was enacted by the General Assembly to guarantee adequate school facilities for all public-school children in the state, and to prevent the cost of constructing and repairing facilities from interfering with the effective operation of the schools. Applications for aid to support the construction and renovation of school buildings are submitted to and evaluated by the Rhode Island Department of Elementary and Secondary Education (RIDE). State aid is provided for approved projects based on a percentage of cost. The percentage provided by the State to the school district is determined based on a share ratio designed to measure a community's need. For FY2026, the minimum state share is 35.0 percent, and the maximum is 95.7 percent for Central Falls. The state share for charter schools is 30.0 percent.

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

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

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

School Construction Aid	General Revenue
FY2026 Enacted	$119,887,755
Target and Other Adjustments	-
School Construction Aid	2,240,801
School Building Authority Capital Fund	Informational
FY2027 Enacted	**$122,128,556**

School Construction Aid *($2.2 million)*

The Budget provides $122.1 million, an increase of $2.2 million relative to the FY2026 Budget as Enacted. While the entire amount is expected to be used for housing aid entitlements, pursuant to the changes in Article 7, any surplus will be returned to the general fund instead of deposited into the School Building Authority Capital Fund (Capital Fund) for distribution by the School Building Authority (SBA). Based on December 2025 projections, housing aid entitlements are projected to increase to $152.3 million in FY2028, $175.0 million in FY2029, and $200.0 million in FY2030.

Since the FY2027 Budget as Enacted provides sufficient funding, the cost saving measures in the Governor's FY2027 Budget recommendation are projected to apply beginning in FY2028, instead of FY2027 as originally proposed. The proposed savings initiatives would have shifted $11.6 million in reimbursement costs into FY2028 and $11.3 million into FY2029. To achieve the savings, the Department will utilize current statutory language related to projects funded from capital reserves and bonds to push a portion of the current service reimbursements from FY2027 into FY2028 and FY2029.

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

To realize savings from capital reserve funded projects, the Office of Management and Budget (OMB) cites RIGL 16-7-41(a) as authority for the Department to establish the Capital Reserve project repayment schedule provided in the Housing Aid Reimbursement FY 2026 Guidance and Instructions. The statutory language gives the Commissioner of Elementary and Secondary Education the discretion to set up reimbursement cycles when a community fails to "specify or identify the appropriate reimbursement schedule". To achieve the savings in the Governor's FY2027 Budget Recommendation, the Department would group smaller projects by changing the interpretation of "project" to "aggregate". This change was estimated to shift $7.9 million in current service projections from FY2027 into FY2028 and FY2029; however, the FY2027 Budget as Enacted provides sufficient funding so this change will not occur before FY2028.

FY2026 Capital Reserve Project Repayment Schedule

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

Source: Housing Aid Reimbursement FY2026 Guidance and Instructions

Bond Funded Projects: Pursuant to 200-RICR-20-05-4.13.1, no payment of school housing aid can be made before the project is completed; however, since housing aid has historically been fully funded, municipalities have received onetime "catch-up" payments for all prior bond payments in the fiscal year following project completion. As a cost saving initiative, the proposal utilizes RIGL 16-7-45 which governs the distribution of funds if the full amount of housing aid is not appropriated. The statute does not allow for the ratable reduction of aid, but does provide that, under this circumstance, aid for debt service paid by a community prior to project completion can be deferred and paid "within three (3) equal installments beginning the fiscal year after project completion." The deferment of these debt service reimbursement payments was projected to reduce FY2027 current service reimbursements by $15.1 million; however, the reimbursements will not be deferred before FY2028, since sufficient housing aid is provided in FY2027.

Analyst Note: While the Governor's savings initiatives would have reduced State costs in FY2027, delaying reimbursements to districts could increase local costs and slow school construction progress. For example, deferring state reimbursements to local capital reserve funds may slow the recapitalization of the fund and reduce resources available for repairs in the subsequent years and thus slow progress. In addition, for bond-funded projects, the district is required to make debt service payments while the project is under construction. These debt service payments may be supported by local revenues, or the community may need to utilize bridge funding. If local revenues are used, deferred reimbursements will deplete the resources

Impact of Governor's School Construction Savings Initiatives on Housing Aid to Districts

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

Source: Rhode Island Department of Education

available for other projects. If bridge financing is used, the deferred reimbursement will likely increase borrowing costs. While the savings initiatives will not be used in FY2027, the proposals do not require a statutory change and, consequently, may be used in future years.

Transfers to the Capital Fund: Article 7 of the FY2027 Budget as Enacted amends current law to provide that, beginning in FY2026, any surplus school construction funding will revert to general revenue surplus instead of being deposited into the School Building Authority Capital Fund (Capital Fund) for distribution by the School Building Authority (SBA). The change in the article is intended to ensure that funds appropriated for school construction reimbursements are available for reimbursement obligations regardless of project delays, since project delays, not permanent cost savings, are primarily responsible for the "excess" appropriations. As a result of the change, $5.9 million in surplus funds are shifted from FY2026 into FY2027 to support school construction reimbursements and help defer the implementation of the proposed cost saving initiatives in the Governor's FY2027 recommendation.

Transfers to the Capital Fund from the Foundation Program	
FY2017 Actual	$11.0
FY2018 Actual	10.9
FY2019 Actual	14.7
FY2020 Actual	1.0
FY2021 Actual	1.0
FY2022 Actual	9.0
FY2023 Actual	3.8
FY2024 Actual	2.7
FY2025 Actual	0.4
Total	**$54.5**

Source: Budget databases. $ in millions

When the SBA was created, the school construction program funding of $80.0 million was effectively built into the base budget; however, in the FY2023 Budget as Enacted the aid projection was estimated at $88.5 million, and a surplus of $3.8 million was transferred to the SBA. Subsequent transfers include $2.7 million in FY2024 and $416,527 in FY2025.

School Building Authority Capital ***Informational***

Article 9 of the FY2016 Budget as Enacted designated the Department of Elementary and Secondary Education (Department) as the State's School Building Authority and charged the Department with implementing a system of state funding for school facilities, managing the school housing aid program, and developing a project priority system. The Authority oversees two distinct funding mechanisms for school facilities: the Foundation Program, as enumerated in RIGL 16-7-35 through 16-7-47, and the School Building Authority Capital Fund (Capital Fund), as created through the article. Since FY2016, the Office has grown to accommodate increased activity stimulated by the passage of two general obligation bonds to support school construction. Currently, the Office has 5.0 FTE positions. In FY2027, the Budget provides $933,072 in salaries and benefits, including $653,151 in general revenue and $279,921 in restricted receipts.

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

School Construction Services

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

Source: RIHEBC March 9, 2026.

In addition to the transfers to the SBA, since 2006, RIHEBC has transferred $14.3 million to the state general fund, including $6.0 million in FY2018.

The FY2025 Budget as Enacted included $1.0 million in federal funds and 3.0 new FTE positions to reflect the award of a $5.0 million, five-year grant from the United States Department of Education to support the Healthy Environments Advance Learning (HEAL) program in enhancing the indoor environmental

conditions in public schools to reduce chronic absenteeism and improve student health. The focus of the program is on the five LEAs with the greatest need: Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket.

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

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

HEAL Budget[1] (2023 - 2028)

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

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

Facility Equity Initiative Pilot Program: At the January 11, 2022, meeting, the Council on Elementary and Secondary Education approved funding for the Facility Equity Initiative pilot program to provide pay-go funding for high priority projects in school districts with reimbursement rates over 65.0 percent, including Central Falls, Pawtucket, Providence, West Warwick, and Woonsocket. This project focuses on high priority projects to improve the health and safety of students and promote equity across the State. The Capital Fund provides up-front funding instead of increasing the school construction allocation in the annual budget and reduces costs by eliminating interest payments on the funded projects.

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

FY2022 SBA Capital Fund Facility Equity Initiative Pilot Program

Central Falls	$3.6
Pawtucket	4.4
Providence	4.5
West Warwick	0.5
Woonsocket	0.5
Total	**$13.4**

$ in millions

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

FY2023 SBA Capital Fund Facility Equity Initiative Program

Burrillville	$0.3
Central Falls	4.2
Coventry	3.2
Cranston	1.9
East Providence	2.2
North Providence	2.8
Pawtucket	2.8
Providence	9.3
West Warwick	0.6
Woonsocket	2.9
Total	**$30.2**

$ in millions

The $50.0 million appropriated in FY2023 was distributed as follows:

- $26.0 million funded the Facility Equity Initiative, an additional $4.0 million was contributed by the Office of Energy Resources
- $14.0 million (plus $1.0 million from the career and technology school fund) was distributed through the 21st Century Technology and Equipment Funds to provide LEAs funds to ensure that learning spaces are equipped with technology, furniture, and equipment that support science technology, engineering, and math project-based learning.

TOC

- $7.5 million was used for the Inside Out program to provide outdoor classrooms.
- $1.6 million was awarded through the Menu for Success program providing students with the opportunity to design and operate food trucks.
- $850,000 was used toward the new W.E.L.L. Initiative to meet the holistic needs of students in the wake of the pandemic. Local education agencies were eligible for up to $150,000 depending on enrollment. LEAs were provided with $5,000 to conduct professional development to support the award. Additional funding for this initiative included $1.6 million in federal ESSER II funds and $500,000 in Opioid Settlement funding.

TEACHER RETIREMENT

Since 1949, all teachers have been required to become members of the State Retirement System. The State pays 40.0 percent of the employer's share of the retirement contribution each year. These funds, which are actuarially determined annually, are appropriated to the Department of Education for transfer to the State Retirement Fund.

On November 17, 2011, the General Assembly passed the Rhode Island Retirement Security Act of 2011 (RIRSA) to reform the state and local pension systems. The Act introduces a hybrid pension structure for all State employees, except public safety employees and judges, to shift risk to the employee by combining the attributes of both the defined benefit and defined contribution plans.

Teacher Retirement	General Revenue
FY2026 Enacted	$137,991,006
Target and Other Adjustments	-
Defined Benefit Plan	(7,346,394)
Defined Contribution Plan	(408,411)
FY2027 Enacted	**$130,236,201**

Defined Benefit Plan *($7.3 million)*

The Budget provides total funding of $125.1 million for the State's contribution to the teacher retirement defined benefit plan, reflecting a net decrease of $7.3 million, or 5.5 percent, from the FY2026 Budget as Enacted. The FY2026 Revised Budget includes a decrease of $3.9 million, or 2.9 percent, from the enacted level. The decrease is due to updated payroll information, and the application of the 2.0 percent payroll growth assumption and actuarially determined state share of the employer contribution adopted by the Retirement Board. The employer contribution rates are actuarially determined annually and appropriated to the Department of Education for transfer to the State Retirement Fund. For teachers, the State pays 40.0 percent of the employer contribution.

Defined Contribution Plan *($408,411)*

The Budget provides $5.0 million in general revenue for the State's share of the contribution to the new defined contribution portion of the hybrid pension system, reflecting a decrease of $408,411, or 7.4 percent, relative to the FY2026 Budget as Enacted. The FY2026 Revised Budget includes a decrease of $506,868, or 9.2 percent, from the enacted level. The decrease is due to updated payroll information and the application of the 2.0 percent payroll growth assumption adopted by the Retirement Board. The plan includes a mandatory 5.0 percent employee and 1.0 percent employer contribution. For teachers, the State pays 40.0 percent of the employer contribution.

CAPITAL PROJECTS

The Budget includes a total of $12.4 million in capital expenditures from Rhode Island Capital Plan (RICAP) funds in FY2026 and $26.7 million in FY2027. This provides a decrease of $30.2 million in

FY2026 and of $15.9 million in FY2027, relative to the FY2026 Budget as Enacted, including the following:

- **Davies School Wing Renovation:** At the request of Davies and to allow for operational efficiencies, the Budget consolidates the Health Care Classroom project into the Wing Renovation project with a total cost of $48.6 million over three years. The Budget provides $8.6 million in FY2026 and $23.5 million in FY2027, a reduction of $32.8 million and $17.9 million, respectively, relative to the FY2026 Budget as Enacted. An additional $16.5 million is provided in FY2028. The consolidated project involves new construction to replace a wing that was built in the 1970's and found to be more cost effective to replace than to renovate through the School Building Authority's 2016 facilities assessment. The new wing will include the Health Care classrooms and eliminate the detached modular classroom building where the program is currently housed.
- **Met School Asset Protection:** The Budget provides $2.2 million in FY2026, including 2.0 million in unspent funds from FY2026, and $250,000 in FY2027 for asset protection projects at the Metropolitan Career and Technical Center (MET), reflecting an increase of $2.0 million in FY2026 and level funding in FY2027 relative to the FY2026 Budget as Enacted. The MET consists of three campuses: East Bay, Peace Street, and Public Street with a total of eight buildings and a storage facility totaling over 100,000 square feet. The Gallagher building is over 50 years old and in need of improvements to adequately function as a school facility. The projects include the replacement of roofs at the school's Peace Street and Public Street campuses, Americans with Disabilities Act (ADA) compliance upgrades, safety code upgrades, painting, carpet replacement, and erosion control. The MET previously funded asset protection projects out of the operating budget; however, due to budget reductions and restrictions, asset protection projects have been delayed, resulting in a backlog of maintenance items that need repair. The request for ongoing asset protection is based on the funding needed to provide the level of annual maintenance required by RIGL 16-7-23.
- **Davies HVAC:** The Budget provides $201,286 in FY2026 and $1.1 million in FY2027, including $1.0 million in unspent funds from FY2026. Davies recently developed a facility master plan to guide ongoing repairs and upgrades. The assessment evaluated the educational space for academic and technical programs, future enrollment patterns, energy efficiencies, building condition, traffic studies, and Americans with Disabilities Act compliance and provided an extensive list of deferred maintenance and renovation projects. However, due to the dire need in other schools around the State and the need for a substantial investment to address the major repairs at Davies, the master plan is being advanced in smaller projects. Consequently, the funding will be used to replace a chiller, and allow for replacement, as needed in areas of the school where ventilation and circulation are an issue, particularly in the 1970's portion of the school.
- **Davies Asset Protection:** The Budget provides $899,614 in FY2026, including $149,614 in unspent funds from FY2025, and $750,000 in FY2027 to address doors, windows, energy efficiency, and air quality. The request for ongoing asset protection is based on the funding needed to provide the level of annual maintenance required by RIGL 16-7-23.
- **School for the Deaf Asset Protection:** The Budget provides $411,780 in FY2026, including $245,705 in unspent funds from FY2025, and $968,691 in FY2027 in asset protection funds, reflecting an increase of $311,780 in FY2026 and of $868,691 in FY2027 relative to the FY2026 Budget as Enacted. The School opened in September 2010 and consists of a main school building, a free-standing garage, parking lots, playing fields, playgrounds, and a track. In FY2026, the School will replace the scan card system and install an intrusion alert system that is rated for deaf schools. The system will be connected to the door and camera systems allowing for school-wide monitoring and lockdown. In October 2020, a triple homicide took place on the campus next to the preschool playground at 4:00 pm. No students were on campus at the time, but faculty were. One of the occupants of the targeted vehicle was able to enter the school.

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In FY2027, the School will repair the HVAC system. The School has eight dedicated outside air system (DOAS) units that impact HVAC control throughout the building. Three of these units must be replaced as do the radiant panels, and the condensate, temperature, humidity, and CO2 sensors. In addition, work will begin on repairing the roof and joint expansion issues. The School has a 77,000 square foot asphalt and metal roof with a 20-year life that was installed in 2010. In the near term, this project will repair areas of the roof, with each repair having a 20-year warranty. The request for ongoing asset protection is based on the funding needed to provide the level of annual maintenance required by RIGL 16-7-23.

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Public Higher Education

Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Office of the Postsecondary Commissioner	$62.5	$55.3	$60.1	*$4.8*	*8.7%*	$58.6	*$3.3*	*6.0%*
Rhode Island College	221.9	216.4	234.1	*17.7*	*8.2%*	232.6	*16.2*	*7.5%*
University of Rhode Island	1,058.2	1,111.7	1104.7	*(7.0)*	*-0.6%*	1125.3	*13.5*	*1.2%*
Community College of R.I	188.6	214.5	207.3	*(7.2)*	*-3.4%*	219.6	*5.1*	*2.4%*
Total	**$1,531.2**	**$1,597.9**	**$1,606.2**	***$8.3***	***0.5%***	**$1,636.1**	***$38.2***	***2.4%***

Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
General Revenue	$315.1	$327.2	$331.2	*$4.0*	*1.2%*	$346.4	*$19.1*	*5.8%*
Federal Funds	17.8	5.6	11.7	*6.06*	*107.4%*	6.9	*$1.2*	*21.9%*
Restricted Receipts	8.9	12.7	12.7	*(0.05)*	*-0.4%*	12.8	*$0.1*	*0.6%*
Other Funds	1,189.4	1,252.3	1250.6	*(1.68)*	*-0.1%*	1270.0	*$17.8*	*1.4%*
Total	**$1,531.2**	**$1,597.9**	**$1,606.2**	***$8.3***	***0.5%***	**$1,636.1**	***$38.2***	***2.4%***
Third Party Funded FTE	544.8	544.8	544.8	-	*0.0%*	544.8	-	*0.0%*
Limited Auxilary Positions	-	-	424.5	*424.5*	*100.0%*	450.0	*450.0*	*100.0%*
Authorized FTE Levels	3,972.5	3,972.5	3,548.0	*(424.5)*	*-10.7%*	3,632.5	*(340.0)*	*-8.6%*
Total	**4,517.3**	**4,517.3**	**4,517.3**	**-**	**0.0%**	**4,627.3**	***110.0***	***2.4%***

$ in millions. Totals may vary due to rounding.

Prior to January 1, 2013, higher education in Rhode Island functioned under the direction of the Board of Governors for Higher Education. The FY2013 Budget as Enacted established a new Board of Education consisting of 11 members, appointed by the Governor with the advice and consent of the Senate. The Board of Governors for Higher Education and the Board of Regents for Elementary and Secondary Education were abolished as of January 1, 2013.

The major responsibilities of the Board of Education (Board), pertaining to higher education, include the governance of public institutions of higher learning and the regulation of proprietary schools; the preparation of a public higher education budget and capital development program; and the development of policies in pursuit of the primary goals of excellence, opportunity and access, diversity and responsiveness, coordination and accountability in public higher education.

The system of public higher education consists of three major institutions located at eight different campuses across the State of Rhode Island: The University of Rhode Island (URI), Rhode Island College (RIC), and the Community College of Rhode Island (CCRI).

The FY2015 Budget as Enacted established the Council on Postsecondary Education, which has duties and responsibilities per RIGL 16-59-1 and 16-59-4, much the same as the former Board of Governors for Higher Education. Article 9 of the FY2020 Budget as Enacted shifted oversight of the University of Rhode Island from the Board of Education, Council of Postsecondary Education (Council), and the Commissioner of Postsecondary Education to a newly established Board of Trustees (URI Board) at the University. The article further transferred all the duties and responsibilities pertaining to employees, debt service, and property from the Council to the URI Board of Trustees.

Division of Higher Education Assistance Fund

On December 6, 2017, the Council on Postsecondary Education voted to authorize the Commissioner to transfer the Federal Family Education Loan Portfolio to the United States Department of Education. The transfer was completed in FY2018; consequently, the Division of Higher Education Assistance (DHEA) no longer received any guaranty agency fee revenues. Consequentially, RIGL 16-57-6.1(b) and 16-56-6, CollegeBound Fund fees must be used for need-based grant programs; thereby limiting the use of these funds. Additionally, revenues from the CollegeBound fund are expected to decline due to the raising

average age of participants and smaller contributions. The revenues are based on the amount of assets under management.

As the average age of the participants increases and participants enter college, they will withdraw assets. Furthermore, the new, younger participants are not joining in the numbers needed to offset withdrawals, and these new participants are generally making smaller contributions to their savings plans. Historically the account generated about $6.0 million annually.

Article 2 in the FY2026 Enacted Budget repeals DHEA's authorizing statute and transfers all functions and funding to the Office of the Postsecondary Commissioner, creating a restricted receipt account for future scholarships. The dissolution of the DHEA, and its transfer of all funds are budget neutral, as these funds are already administered by the Office of the Postsecondary Commissioner.

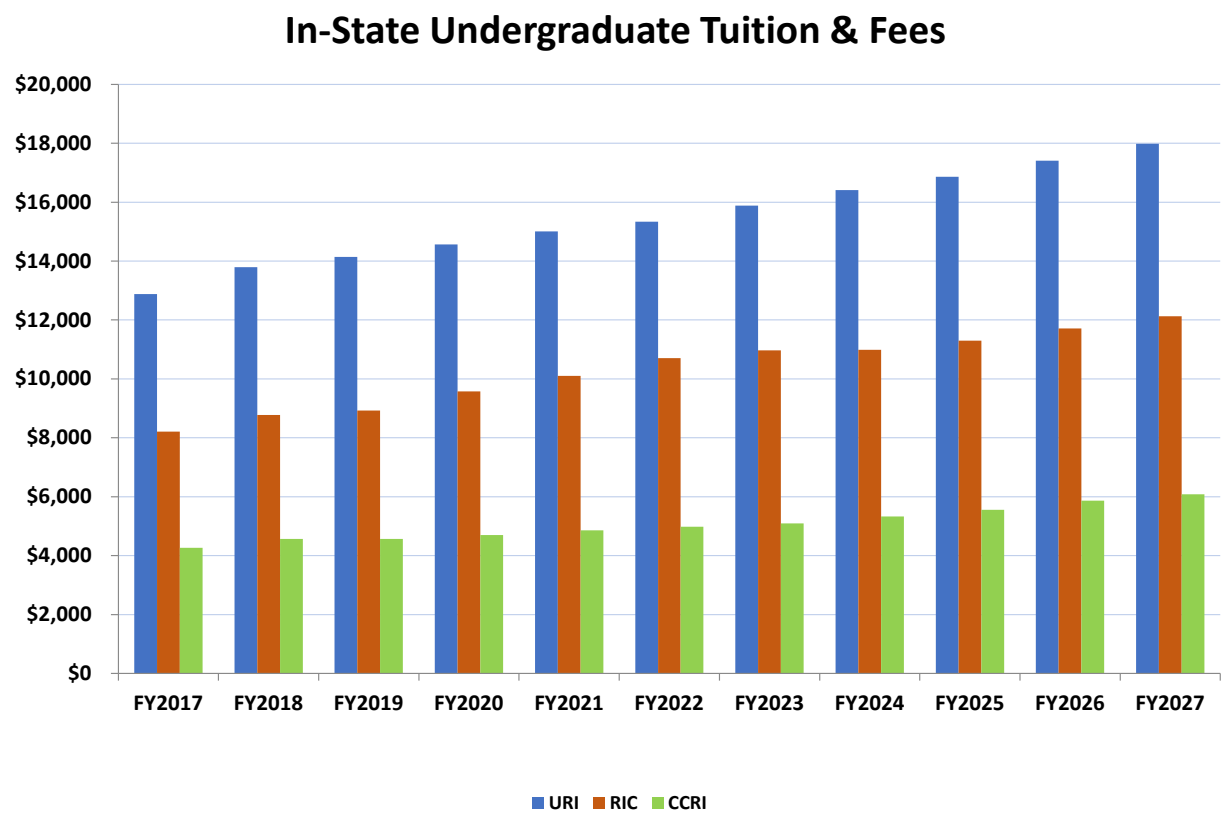
MAJOR ISSUES AND TRENDS

The FY2027 Budget includes total funding of $1,636.1 million, representing a net increase of $38.2 million (2.4 percent) from the FY2026 Budget as Enacted, including a general revenue increase of $19.1 million (5.8 percent). Of the $19.1 million in additional general revenue, $15.4 million relates to salary and benefits; $12.8 million within the University of Rhode Island, $2.8 million in the Community College of Rhode Island, and $151,680 within the Office of the Post Secondary Commissioner. Rhode Island College has a decrease of $438,169 in salary and benefits. The remaining funds increases are driven by $2.4 million in Debt Service, $3.4 million in assistance and grants, and a reduction of $2.2 million in operating expenditures.

The Budget includes a $19.1 million increase in other funds primarily related to projected growth in tuition and fees and auxiliary services at the three institutions. The Budget includes a total $42.0 million in additional funds in relation to estimated revenue through tuition and auxiliary funds. There is a net decrease of $23.7 million in RICAP funding for all institutions. More information on these projects is provided in the "*Capital Projects*" and "*Tuition & Fees"* sections of this analysis.

Tuition and Fees

Actual tuition and fee rates, by institution, along with a projection for FY2026 and FY2027, are shown in the following graph and table.



URI	FY2026 Enacted	FY2026 Revised	Change from FY2026 Enacted		FY2027 Request	Change from FY2026 Enacted		FY2027 Enacted	Change from FY2026 Enacted	
In-State Tuition	$15,076	$15,148	*$72*	*0.5%*	$15,610	*$534*	*3.5%*	$15,610	*$534*	*3.5%*
Out-of-State Tuition	35,896	36,070	*174*	*0.5%*	37,170	*$1,274*	*3.5%*	37,170	*1,274*	*3.5%*
Mandatory Fees	2,328	2,328	-	*0.0%*	2,374	*$46*	*2.0%*	2,374	*46*	*2.0%*
Tuition & Fee Revenue	439,784,410	420,875,538	*(18,908,872)*	*-4.3%*	437,593,098	*(2,191,312)*	*-0.5%*	447,659,143	*7,874,733*	*1.8%*
URI Enrollment										
In-State	6,850	6,953	*(13,803)*	*1.5%*	6,957	*107*	*1.6%*	6,957	*107*	*1.6%*
Out-of-State	7,773	7,678	*(95)*	*-1.2%*	7,732	*(41)*	*-0.5%*	7,732	*(41)*	*-0.5%*
RIC										
In-State Tuition	$10,107	$10,107	*$0*	*0.0%*	$10,461	*$354*	*3.5%*	$10,461	*$354*	*3.5%*
Out-of-State Tuition	26,666	26,666	-	*0.0%*	27,599	*933*	*3.5%*	27,599	*933*	*3.5%*
Northeast Neighbors Program	15,160	15,160	-	*0.0%*	15,691	*531*	*3.5%*	15,691	*531*	*3.5%*
Mandatory Fees	1,602	1,602	-	*0.0%*	1,662	*60*	*3.7%*	1,662	*60*	*4.4%*
Tuition & Fee Revenue	70,708,885	74,155,360	*3,446,475*	*4.9%*	81,079,006	*10,370,121*	*14.7%*	81,079,006	*10,370,121*	*14.7%*
RIC Enrollment										
In-State	4,613	4,936	*323*	*7.0%*	5,010	*397*	*8.6%*	5,010	*397*	*8.6%*
Out-of-State	809	775	*(34)*	*-4.2%*	786	*(23)*	*-2.8%*	786	*11*	*1.4%*
CCRI										
In-State Tuition	$5,374	$5,374	-	*0.0%*	$5,584	*$210*	*3.9%*	$5,584	*$210*	*3.9%*
Out-of-State Tuition	15,206	15,206	-	*0.0%*	15,800	*594*	*3.9%*	15,800	*594*	*3.9%*
Mandatory Fees	494	494	-	*0.0%*	498	*4*	*0.8%*	498	*4*	*0.8%*
Tuition & Fee Revenue	62,872,746	63,863,730	*990,984*	*1.6%*	65,616,910	*2,744,164*	*4.4%*	67,060,730	*4,187,984*	*6.7%*
CCRI Enrollment										
Total	7,679	7,570	*(109)*	*-1.4%*	7,570	*(109)*	*-1.4%*	7,570	*(109)*	*-1.4%*

At the University of Rhode Island (URI), the Budget assumes $7.8 million tuition and fee revenue increase over the FY2026 enacted level while maintaining the board of trustees approved tuition and fee rates for FY2027. However, the University's budget request included a $2.2 million, or 0.5 percent decrease from the FY2026 enacted level, despite a $534 increase to in-state tuition, a $1,274 increase to out-of-state tuition, and projected increase to enrollment. URI maintains that the Hope Scholarship implemented at RIC negatively impacts enrollment, hence the projected decrease in their budget request. Despite this, the

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University projects an increase in in-state enrollment and a decrease in out-of-state enrollment (not impacted by Hope Scholarship) for the 2026/2027 academic year. The University continues to assert that these scholarships limit student choice, and funding for Hope and Promise should follow students who wish to attend the University of Rhode Island.

For Rhode Island College (RIC), the Budget assumes a $10.3 million tuition and fee revenue increase over the FY2026 Budget as Enacted, while maintaining the College's tuition and fee increase as recommended by the Council on Postsecondary Education, consistent with the College's budget request. In the budget request, Rhode Island College projected a $10.3 million or 14.7 percent increase from the FY2026 Budget as Enacted, attributable to a $354 or 3.5 percent increase to in-state tuition, and $933 or 3.5 percent increase to out-of-state tuition. The College predicts a net FTE enrollment increase of 397 in-state students (8.6%), and an increase of 11 out of state students (1.4%). The requested budget includes the creation of an "Inclusive Access Fee" in anticipation of a change to the textbook sales model utilized by the RIC bookstore. The fee, which is dependent on the amount of credit hours students participate in, provides textbooks and digital materials to students. Furthermore, RIC emphasizes that the remaining increases to the tuition and fee revenue are necessary to offset inflationary pressures and rising wage costs.

For the Community College of Rhode Island (CCRI), the Budget assumes a $4.2 million increase in revenue compared to the FY2026 Enacted Budget, while maintaining the College's Board approved tuition and fee schedule. The Community College of Rhode Island's FY2027 requested budget projects a $2.7 million or 4.4 percent increase from the FY2026 Budget as Enacted, attributable to a net 2.9 percent increase in both tuition and mandatory fees. The College's enrollment projections are consistent with FY2026 fall enrollment, an approach that has been utilized while CCRI continues to recover from the pandemic.

The Postsecondary Council approved a $35 fee increase requested by CCRI's Division of Workforce Partnerships, which increases the fees for two-wheel motorcycle training to $325. This fee increase will generate an extra $48,000 in revenue and be used to replace aging equipment and support increasing repair costs.

State Support for Public Education

When looking at state support for public higher education, many policy makers tend to take a regional, per-student approach. For example, looking at New England, Rhode Island has the third lowest per-pupil appropriation in the region. In FY2025, the most recent data available, Connecticut appropriated $7,130 more per student FTE than Rhode Island and Massachusetts appropriated $6,678 more. Based on Rhode Island's FY2027 projected FTE enrollment of 29,005, the difference in per-student FTE appropriation between Rhode Island and Massachusetts is $193.7 million.

From a national perspective in FY2025, the District of Columbia appropriated $21,848 per student, $13,882 more than Rhode Island. The national average appropriation per student is $12,082, which is $4,116 more per student than Rhode Island.

The previous funding comparisons are not inclusive of Capital Investments. According to the State Higher Education Executive Officers Association (SHEEO), Rhode Island appropriated a total of $84.9 million in capital appropriations, ranking third behind Connecticut and Massachusetts, and spending $1.2 million less than the regional average.

However, when looking at capital appropriation per FTE pupil, Rhode Island ranks first among its New England counterparts, spending approximately $4,515 per pupil, $3,149 more than Massachusetts.

FY2025 State Educational Appropriations per FTE

Connecticut	$15,096
Massachusetts	14,644
Maine	9,028
Rhode Island	7,966
Vermont	5,470
New Hampshire	4,557
Regional Average	**$9,460**

Source: State Higher Education Executive Officers (SHEEO)

FY2025 Capital Appropriation per FTE

Rhode Island	$4,515
Massachusetts	$1,366
Maine	$524
Vermont	$150
New Hampshire	$138
Regional Average	**$1,339**

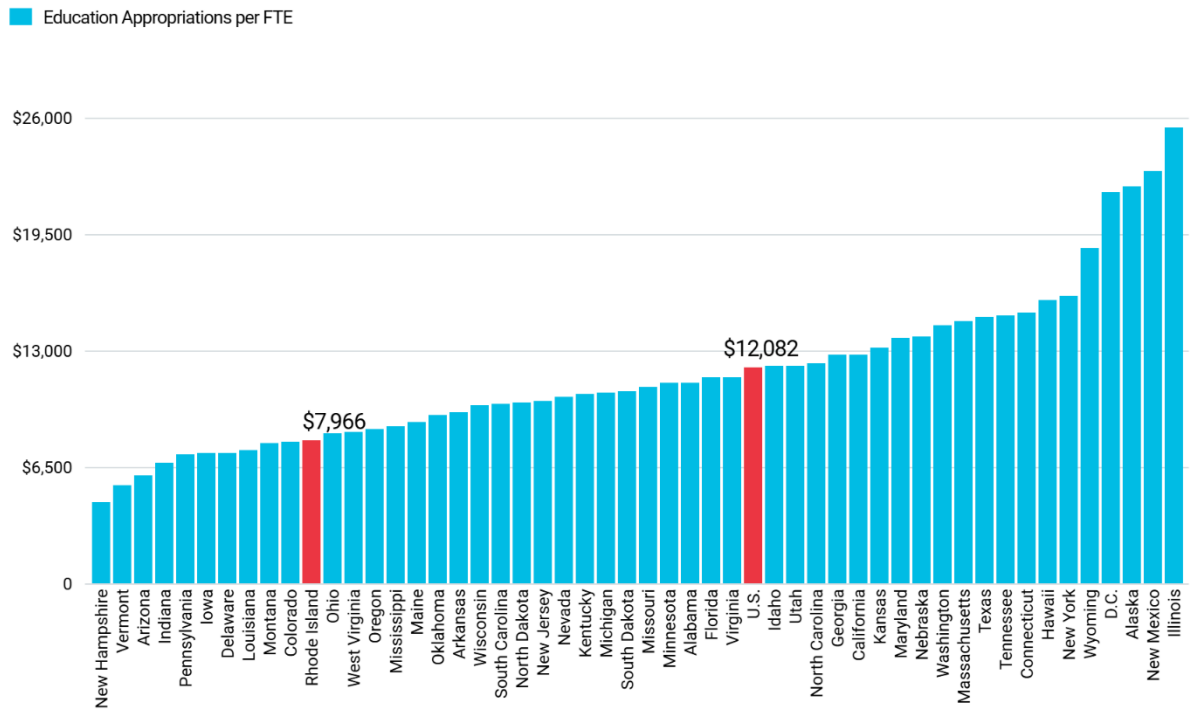
Source: State Higher Education Executive Officers (SHEEO)

Connecticut reported total public capital appropriations for FY2025, but was excluded from the SHEEO data set due to not providing a complete breakout of sources.

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In FY2027, the three state institutions requested a $42.7 million increase in State general revenue support, excluding general obligation debt service. The Budget provides $14.0 million in additional funding, excluding general obligation debt service.

Public Higher Education Appropriations per FTE by State, FY 2025 (Adjusted)



Notes:

1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
2. The U.S. calculation does not include the District of Columbia.
3. Fiscal year 2025 state-level education appropriations include estimated uncategorizable state support for South Carolina and South Dakota.
4. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.
5. Constant dollars adjusted to the latest year of data available by the Higher Education Cost Adjustment (HECA).
6. Adjusted to account for interstate differences using the Enrollment Mix Index (EMI).
7. Adjusted to account for interstate differences using the Cost of Living Index (COLI). The COLI is not a measure of inflation over time.

Source(s): State Higher Education Executive Officers Association

FY2027 General Revenue Appropriations for State Higher Education Institutions

The budget process for State higher education institutions deviates from the usual process followed by other State agencies as budgets for RIC and CCRI are approved by the Rhode Island Board of Education, and at

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URI, the Board of Trustees. While the Legislature may, and often does, modify an institution's unrestricted budget, there are very few opportunities to modify their restricted budget, which includes revenue from tuition and fees. The Office of Management and Budget (OMB) typically make changes to general revenues and the mirror accounts and does not reduce institutional funds. The following table illustrates the three higher education institutions request compared to the FY2027 Enacted Budget.

FY2027 Budget Request

Change to FY2026 Budget as Enacted

University of Rhode Island	Request	Enacted
State Appropriation	$24.9	$9.8
RICAP	7.7	(8.6)
Tuition and Fees	16.7	4.8
Total	**$49.3**	**$6.0**

Source: University of Rhode Island

Rhode Island College	Request	Enacted
State Appropriation	$2.1	$2.0
RICAP	0.5	0.5
Tuition and Fee Revenue	10.3	10.3
Total	**$12.9**	**$12.8**

Source: Rhode Island College

Community College of Rhode Island	Request	Enacted
State Appropriation	$2.2	$1.9
RICAP	(5.7)	(9.5)
Tuition and Fees	2.7	4.2
Total	**$2.2**	**$1.9**

Source: Community College of Rhode Island
Excludes general obligation bond debt service.

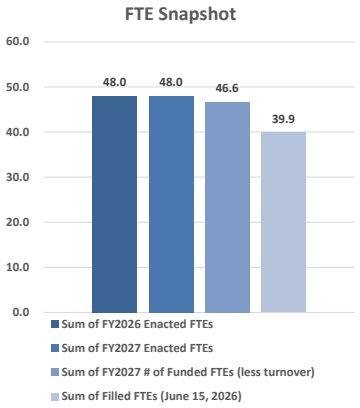
$ in million. Totals may not add due to rounding.

The enacted budget differs from what was requested by the colleges and University, especially so at URI, where the General Assembly did not fund the new proposed "strategic initiatives". Further information is in the *Major Issues and Trends* section under the University's portion of this brief. Additionally, the University of Rhode Island requested several new capital projects that were not included in the Budget including the Student Success Center, Dock Replacement, and New Graduate Housing. You can review other changes in RICAP funding in the *Capital Projects* section of this brief.

OFFICE OF THE POSTSECONDARY COMMISSIONER

Expenditures By Source	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
General Revenue	$33.3	$32.9	*($0.4)*	*-1.3%*	$36.3	*$2.9*	*8.8%*
Federal Funds	5.6	11.7	*6.1*	*107.4%*	6.9	*1.2*	*21.9%*
Restricted Receipts	11.8	11.7	*(0.1)*	*-0.6%*	11.8	*0.0*	*0.3%*
Other Funds	4.5	3.8	*(0.8)*	*-16.6%*	3.7	*(0.9)*	*-19.1%*
Total	**$55.3**	**$60.1**	***$4.8***	***8.7%***	**$58.6**	***$3.3***	***6.0%***

$ in millions



The mission of the Office of the Postsecondary Commissioner (OPC), formerly the Office of Higher Education, is to support the work of the Board of Education and the Council on Postsecondary Education in providing an excellent, accessible, and affordable system of higher education designed to improve the educational attainment of Rhode Island citizens, support economic development, and enrich the civic, social, and cultural life of the residents of the State. The Commissioner works with the presidents of the state higher education institutions to determine the benefits or disadvantages of proposed new programs, departments, courses of study, and policies with the scope and role adopted by the Council on Postsecondary Education. The OPC also supports specific programs, such as early college access and veterans' affairs. The FY2016 Budget as Enacted created a new Division of Higher Education Assistance (DHEA) within the Office of the Postsecondary Commissioner and eliminated the Rhode Island Higher Education Assistance Authority. The OPC provides research, policy, and fiscal

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analysis, and seeks to ensure that higher education in Rhode Island remains economically and geographically accessible.

The Budget provides 48.0 FTE positions for the OPC in FY2027, consistent with the FY2026 budget as Enacted.

Office of the Postsecondary Commissioner	General Revenue
FY2026 Enacted	$33,322,291
Target and Other Adjustments	*132,539*
Hope Scholarship	1,586,103
Rhode Island Promise Scholarship Program	773,977
Longitudinal Data System	437,069
Dual and Concurrent Enrollment	Informational
College Visions	Informational
FY2027 Enacted	**$36,251,979**

Office of the Postsecondary Commissioner	Other Fund Changes
83 Tower Street	$1,500,000
Westerly Education Center Annex Site (RICAP)	(1,060,000)
Longitudinal Data System (federal funds)	(199,131)
Last Dollar (Promise 1) Scholarship (federal funds)	(60,000)
Longitudinal Data System (restricted receipts)	(31,803)
GEAR UP (federal funds)	Informational

Hope Scholarship ***$1.6 million***

The Hope Scholarship is a state-funded scholarship program for qualifying Rhode Island College juniors and seniors. The Budget includes $7.1 million in general revenue to support the Hope Scholarship, an increase of $1.6 million from FY2026, and $3.7 million more than FY2025.

In an effort to increase the number of students enrolling and completing four-year degrees and certificates on time, Article 8 of the FY2024 Enacted Budget established the Hope Scholarship Pilot program. The pilot program began with students who enrolled in Rhode Island College (RIC) in the fall of 2023 and students enrolled in RIC as of July 1, 2021, who have attained junior status as of July 1, 2023.

The scholarship covers the cost of up to two years of tuition and mandatory fees for the junior and senior years of the student, or for adult students who have attained at least 60 credit hours. While the eligibility requirements are very similar to the Promise II Scholarship program at the Community College of Rhode Island, students cannot receive an award under both programs. Since its inception, the program has been extended once. Rhode Island College reports that enrollment has grown by 7.0 percent for each of the past two fall semesters, partially attributable to the Hope Scholarship. The College has experienced difficulty recruiting for the 2027 school year as many high school seniors are unsure whether they will receive the Hope Scholarship due to the program expiration date. In response, the FY2027 Budget extends the Hope Scholarship for three more years with a sunset of June 30, 2033. The College reports a 29.0 percent four-year graduation rate for the program's first cohort, which is an increase of 4.1 percentage points (24.9 percent) from the college's previous year graduates.

At Rhode Island College, 67.0 percent of undergraduates receive financial aid through grants; 50.3 percent identify as White, 25.4 percent identify as Hispanic or Latino, 10.9 percent identify as Black or African American, 3.29 percent identify as Asian, and 0.6 percent identify as American Indian or Alaska Native. Throughout all three cohorts, the Hope scholarship reflects similar demographics to what is reported for the College's student population as a whole. Hope has produced a total of 310 graduates and continues to serve 1,328 students. Most of these students are female, Pell eligible, and between the ages of 18 and 24.

The scholarship is modeled after the Rhode Island Promise Scholarship and requires the timely accrual of credit hours and grade point average of 2.5 or greater; however, the Hope Scholarship is available to adult students and allows for the completion of the necessary 60 credit hours over four years, instead of two. While not defined within the statute, RIGL 16-112, adult students are generally 25 years of age and older.

Rhode Island Promise Scholarship Program ***$773,977***

The Budget includes $8.1 million in general revenue, an increase of $773,977 to fund the Rhode Island Promise Scholarship program (RI Promise). Article 3 of the FY2018 Budget established the program to provide students with two years of tuition and mandatory fees at the Community College of Rhode Island (CCRI), less federal and all other financial aid available to the recipient. The increase is due to updated enrollment projections for the 2026-2027 school year, and changes made in Article 7, which allows students to defer enrollment for a one semester after high school graduation. The program was scheduled to sunset with the high school graduating class of 2021; however, 2021-S-0079 Sub A eliminated the sunset and made the program permanent.

According to the Spring 2026 Promise Report to the Commission of Postsecondary Education, the Promise Scholarship continues to improve CCRI's impact on its students and the State through increased student enrollment, retention, and graduation rates. The Report also identifies how the Scholarship has demonstrated a greater impact for students from low-income households and students of color. Specifically, the Report states that while overall 2-year graduation rates among Promise students increase by approximately 13.0 percent, the 2-year graduation rate for students only receiving state funding increases by about 20.0 percent. For the Fall 2025 semester, 2,130 students have enrolled, an 8.0 percent increase from the Fall 2024 cohort. According to the report, 63.0 percent of the students in the Fall 2025 cohort are reenrolling from Fall 2024.

Longitudinal Data System ***$437,069***

The Budget recommends a $437,069 general revenue increase, partially offset by a net reduction of $230,934 in federal and restricted receipts, resulting in a net increase of $206,135 to support the Longitudinal Data System.

These funds partially support DATA RI, a unified database intended to improve data transparency for both state analysts and outside researchers through an integrated system containing data across all State agencies. The Office anticipates decreased federal and restricted receipt funding due to federal reductions to the federal grant which helps support the program. There general revenue increase offsets the federal reductions, while simultaneously supporting the 3.0 percent COLA for 9.0 FTE positions.

Dual and Concurrent Enrollment ***Informational***

The FY2026 Budget as Enacted shifted $2.9 million in Rhode Island Student Loan Authority reserve funds to general revenue in both FY2026 and FY2027, to support the dual enrollment initiative, as all funds that previously supported this program are exhausted or insufficient.

Pursuant to RIGL 16-100, Rhode Island began offering the Dual Enrollment program, which allows high school students to take college courses to earn credits at both secondary and higher education institutions. In 2015, the Board of Education adopted provisions to ensure all Rhode Island high school students can access college level work while still in high school. All three of the State institutions offer dual enrollment courses.

According to a study conducted by the Education Commission of the States (ECS), dual enrollment programs have been proven to positively impact prospective students by preparing them to meet and maintain college readiness benchmarks. Students who are dually enrolled maintain higher GPAs and are more likely to enter college after high school graduation and complete an undergraduate degree within four to six years. Dual enrollment also increases second year retention rates.

College Visions ***Informational***

The Budget includes $175,000 in general revenue, level with FY2026 Enacted. College Visions was founded in 2004 and supports equitable access to higher education opportunities for all historically underserved communities. It is the oldest organization in Rhode Island that guides students from the admission process through graduation.

83 Tower Street (federal funds) ***$1.5 million***

The Budget includes $1.5 million in federal funds to support a new lease at 83 Tower Street in Westerly. Article 9 authorizes a lease agreement for additional education space between the Office of the Postsecondary Commissioner (OPC and Tower Street Community Center, for a period of 10 years with 3 optional extensions of 10 years each. The article stipulates that the aggregated base rent is not to exceed $2.0 million. The lease requires a one-time lump sum pre-payment of $1.5 million, and additional base rent of $50,000 a year. Funding for the pre-payment is supported through the Consolidated Appropriations Act of 2023, which had been administered by the U.S Department of Housing and Urban Development (HUD) to be used to support economic development. The remaining payments for the base rent will be made from funds available to the Office based on annual appropriations made by the General Assembly. According to the Office, the base rent payment will be funded through the Higher Education and Industry Centers restricted receipt account.

Westerly Education Center Annex Site (RICAP) ***($1.1 million)***

The Budget includes $160,000 in FY2027 to build out the space for an annex location at Westerly Education Center, a decrease of $1.1 million from the FY2026 Enacted Budget. The new annex site is designed to meet employer demand for highly skilled and trained workforce that requires education beyond high school. Currently, the Westerly Education Center offers education and training for nine trades, despite being outfitted for only three. The Annex site enables the Center to properly train future workforce through additional work and classroom space for the additional six trades that are currently being taught in the Center. Additionally, the Center experienced a delay in construction, funding, and development, extending the project and delaying completion. At the Commission of Postsecondary Education's request, the Budget includes carryforward funding from FY2026 to FY2027 to complete the project.

Last Dollar (Promise I) Scholarship (federal funds) ***($60,000)***

The Budget recommends a $60,000 federal funds decrease related to the dissolvement of the Division of Higher Education Assistance (DHEA) general revenue account. Article 2 in the FY2026 Enacted Budget repealed the division of higher education assistance, transferring all functions and funding to the Office of the Postsecondary Commissioner, and creating a restricted receipts account for future scholarships.

On December 6, 2017, the Council on Postsecondary Education voted to authorize the Commissioner to transfer the Federal Family Education Loan Portfolio to the United States Department of Education. The transfer was completed in FY2018; consequently, the Division of Higher Education Assistance (DHEA) no longer receives any guaranty agency fee revenues. Without the revenues, the reserves balance decline and was exhausted in FY2025. Pursuant to RIGL 16-57-6.1(b) and 16-56-6, CollegeBound Fund fees must be used for need-based grant programs; thereby limiting the use of these funds. Additionally, revenues from the CollegeBound fund which, based on the amount of assets under management, are expected to decline due to the raising average age of participants and smaller contributions. As the average age of the participants increases and participants enter college withdraw assets, the new, younger participants are not joining in the numbers needed to offset withdrawals, and these new participants are generally making smaller contributions to their savings plans.

GEAR UP (federal funds) ***Informational***

The Budget includes $4.8 million in federal funds to support Rhode Island's GEAR UP program, which is designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. Rhode Island's gear up grant supports the Onward We Learn (OWL) program,

formerly known as the College Crusade. OWL has funded 6,000 scholarships to low-income Rhode Island students over 20 years. According to OWL, a majority of students participating in the program continue their education and careers in Rhode Island. While there is no change in relation to the Office's support, the Budget includes a $100,000 general revenue increase through Learn365RI to support tutoring initiatives and FAFSA support.

UNIVERSITY OF RHODE ISLAND

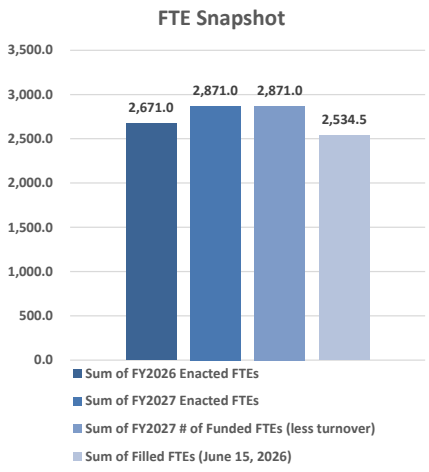
Expenditures By Source	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
General Revenue	$148.6	$151.8	*$3.2*	*2.1%*	$159.8	*$11.2*	*7.5%*
Other Funds	963.1	952.9	*(10.2)*	*-1.1%*	965.5	*$2.4*	*0.2%*
Total	**$1,111.7**	**$1,104.7**	***$7.0***	***0.6%***	**$1,125.3**	***$13.5***	***1.2%***

$ in millions. Totals may vary due to rounding.

The University of Rhode Island (URI) was founded in 1888 as an agricultural school known as the Rhode Island College of Agriculture and Mechanic Arts. The University was the second State institution established in Rhode Island. The Agricultural Experiment Station building was the first structure on campus and was built in 1889: the building was later renamed Taft Hall. Today, Taft Hall houses internship, international exchange, and foreign student programs. In 1955, the school became known as the University of Rhode Island.

URI evolved beyond its genesis as a land grant and agricultural school and today has retained a focus on biological and natural sciences, along with a developing focus on technology in areas such as ocean engineering, chemistry, pharmacy, economics, nursing, and renewable energy. URI has the third oldest continuously operating marine laboratory in the United States, the oldest turfgrass research program in the country, and has implemented green building technology in the expansion and renovation of its facilities. URI provides Bachelor, Master, and Doctorate level degrees. URI has three campuses: the 1,250-acre Kingston Campus; the 153-acre Bay Campus in Narragansett; and the W. Alton Jones Campus located on 2,300 acres in West Greenwich.

The Budget provides 2,871 FTE positions, including 378.8 positions that are third party funded, and 450.0 auxiliary positions. The Budget adds a new FTE category for the University, separating auxiliary positions from state funded positions. During the FY2027 legislative session, URI asserted that the FTE structure authorized by the general assembly restrained the University from full staffing and that auxiliary positions, which are not state funded, should not be subject to the cap.



Despite the legislative restraints imposed by the FTE cap, the Office of Management and Budget (OMB) asserts that the University is exempt from any FTE/hiring oversight. There is no law exempting URI from legislative oversight; however, both OMB and URI refer to RIGL 16-32-2(c), that states that the URI Board of Trusties is the employer of record and therefore allows them to hire personnel without oversight. This differs from the usual process related to hiring new FTE positions where the Budget Officer and a budget analyst must approve the requested position prior to posting and ensure the position can be filled within an agencies FTE cap and budget. The University is not the only state agency exempt from this process. Other exempt agencies include the General Assembly, Judiciary, General Officers, Higher Ed, and RIDE.

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Major Issues and Trends

While the enacted budget includes $4.2 million in additional support, the budget increase is lower than what URI requested and does not specifically earmark funds for the University's strategic initiatives.

The URI Board of Trustees approved a 3.5 percent ($534) increase for in-state tuition and 3.5 percent ($1,274) increase for out-of-state tuition. There is a net increase in mandatory fees of 2.0 percent ($46).

In addition to the 3.5 percent increase in tuition and fee revenue, URI requested a general revenue, state appropriation increase of $35.0 million relative to the FY2026 Budget as Enacted, excluding general obligation debt service. The increase in state appropriation was requested to provide support toward $48.4 million in cost increases associated with the current service level and $14.4 million in new initiatives. While approving the tuition and fee increase, the Budget provides a state appropriation increase of $4.2 million, excluding debt service, for general obligation bonds, opting not to include the strategic initiatives in the FY2027 Budget as Enacted.

For FY2027, URI requested $14.4 million in funding for their four strategic initiatives related:

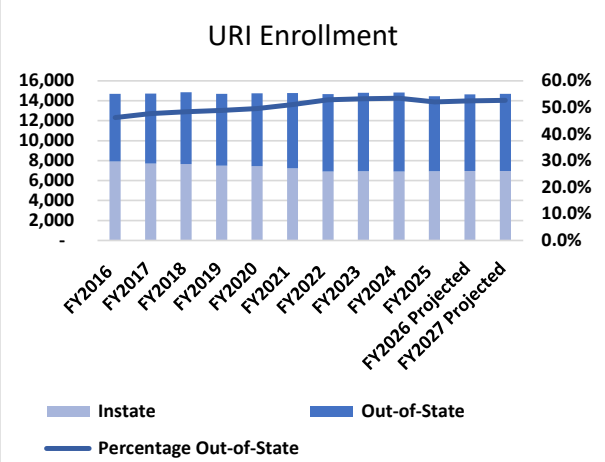
- **Broaden Our Impact ($1.3 million)**: The University requested $1.3 million to broaden its impact on Rhode Island's life sciences workforce by supporting 10.0 new faculty. This strategic initiative supports the cultural, social, and economic ecosystems by elevating the University's research enterprise and evolving it into a world class hub for innovation and public/private partnerships. This is not funded in the budget.
- **Academic Advisors ($1.1 million):** The University requested $1.1 million to support 13.0 new advisors to aid students with resources and support that emphasize inclusion, well-being, and holistic development. Currently, the URI's advisor to student ratio is 1:900, which is well above the standard (1:300). These funds would support 13.0 new advisors. This is not funded in the budget.
- **IT Modernization ($4.5 million):** The University requested $4.5 million to support investments and implementation of administrative and financial practices the position URI for long-term success. These funds would support the installation and implementation of the new ERP System, migration to Cloud, and audio and visual upgrades. This is not included in the budget.
- **TD Program ($3.3 million):** The University proposed $4.5 million to support the Talent Development (TD) Program, which provides scholarship opportunities to individuals from diverse backgrounds. The Program helps create a diverse and inclusive community, fostering culture, excellence, and giving back. The Budget does not include the program.

The FY2026 Enacted Budget included a $3.8 million operating deficit. Consequentially, the Board of Trusties requested to utilize $3.8 million in reserve funds in FY2027 to mitigate the burden of the deficit. The budget uses these funds to close the operating deficit.

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Enrollment

In-state enrollment is projected to be 6,957 full-time equivalent students, an increase of 107 students, or 1.6 percent from the FY2026 Budget as Enacted. Out-of-state student enrollment is projected at 7,732 in FY2027, a decrease of 41 students, or 0.5 percent. The projected net enrollment for FY2027 reflects an overall increase in enrollment of 66 students, 1.0 percent, compared to the FY2026 Budget as Enacted. The FY2026 Revised projection reflects similar trends, with a net increase of 8 students, 0.3 percent, relative to the FY2026 Enacted level.



University of Rhode Island	General Revenue
FY2026 Enacted	$148,637,923
Target and Other Adjustments	-
URI Medical School	5,000,000
State Appropriation	4,165,099
General Obligation Debt Service	1,327,374
State Crime Lab	633,538
Intitute for Labor Studies and Research	25,000
FY2027 Enacted	**$159,788,934**

URI Medical School ***$5.0 million***

The Budget includes a general revenue increase of $5.0 million to support the initial phases of opening a medical school at the University of Rhode Island. The University has indicated that it would need $5.0 million in FY2027, $7.0 million in FY2028 and $8.0 million in FY2029 for operating support.

State Appropriation ***$4.2 million***

The State appropriation for URI increases by $4.2 million in FY2027 to a total of $116.6 million, excluding general obligation bond debt service and the State Crime Lab. Of the total net increase, $7.7 million supports personnel adjustments, partially attributable to the State's portion of the 3.0 percent cost of living adjustment (COLA). An additional $1.7 million general revenue supports assistance and grants. The increases are partially offset by $5.3 million in general revenue reductions in operating expenditures, contract services, and capital purchases. According to the Office of Management and Budget, these expenditure changes are required to maintain current services.

General Obligation Debt Service ***$1.3 million***

The Budget includes $32.9 million in general revenue for general obligation debt service at URI in FY2027. This is an increase of $1.3 million in FY2027. The FY2026 Revised includes a total of $34.8 million in FY2026 Revised, an increase of $3.2 million from FY2026 Enacted.

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Debt Service

	FY2026 Enacted	FY2026 Revised	*Change from Enacted*		FY2027 Enacted	*Change from*	*Enacted*
University of Rhode Island	$31,526,482	$34,755,232	*$3,228,750*	*10.2%*	$32,853,856	*$1,327,374*	*4.2%*
Rhode Island College	7,933,336	8,730,076	*796,740*	*10.0%*	9,159,563	*1,226,227*	*15.5%*
Community College of Rhode Island	1,097,898	1,092,138	*(5,760)*	*-0.5%*	934,564	*(163,334)*	*-14.9%*
Total	**$40,557,716**	**$44,577,446**	***4,019,730***	***9.9%***	**$42,947,983**	***$2,390,267***	***5.9%***

Source: Rhode Island Budget Office

Crime Lab *$633,538*

The Budget provides an increase of $633,538 in general revenue ($2.4 million total) for the State Crime Lab for target and other adjustments, consistent with the requested budget. According to a memorandum submitted to the Office of Management and Budget, the crime lab has received an influx of cases, resulting in a backlog that will grow if the appropriation is reduced or level with FY2026 Enacted. The University requested to amend RIGL 12-1.2-4, allowing the Lab to charge agencies for services utilized. The Budget does not include the new fee and instead recommended $633,538 in general revenue to support the Lab and alleviate its backlog.

Institute for Labor Studies and Research *$25,000*

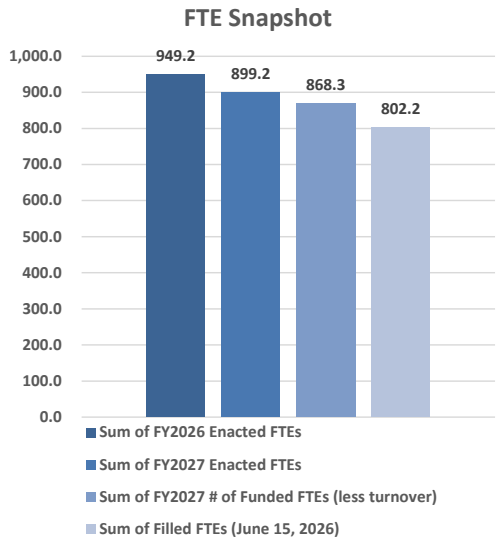
The Budget includes $25,000 in general revenue to support the Institute for Labor Studies and Research, a nonprofit educational institution that provides education and training to Rhode Islanders. Total state support will increase to $150,000.

RHODE ISLAND COLLEGE (RIC)

Expenditures By Source	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
General Revenue	$80.4	$81.1	*$0.7*	*0.9%*	$83.7	*$3.2*	*4.0%*
Other Funds	136.0	153.0	*17.0*	*12.5%*	148.9	*12.9*	*9.5%*
Total	**$216.4**	**$234.1**	***$17.7***	***8.2%***	**$232.6**	***$16.2***	**7.5%**

$ in millions. Totals may vary due to rounding.

Rhode Island College (RIC) was established in 1854 as the Rhode Island State Normal School, with the mission of providing teacher preparation to Rhode Island residents. In 1959, RIC moved to its current campus location on 180 acres off of Mount Pleasant Avenue in Providence and was renamed Rhode Island College to reflect expanded curriculum.



Today, RIC provides comprehensive education at the Bachelor and Master levels, with a focus on Rhode Island residents. Rhode Island College is accredited by the New England Commission of Higher Education, the Council on Social Work Education, National Association of Schools of Art and Design, National Association of Schools of Music, National Association of State Directors of Teacher Education and Certification, National Council for Accreditation of Teacher Education, and the Commission on Collegiate Nursing Education.

The Budget includes 899.2 FTE positions in FY2027, including 76.0 third-party funded positions.

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Major Issues and Trends

The Enacted Budget includes $2.0 million in State support, $113,000 less than requested. The General Assembly does not specifically earmark funds for Rhode Island College's strategic initiatives.

RIC's Budget requested a $10.3 million increase in tuition and fee revenue compared to the FY2026 Enacted Budget. The request includes a $2.1 million general revenue to offset the impact of rising personnel and operational costs.

According to the College, Fall semester enrollment has increased by 7.0 percent compared to recent years, and residence hall occupancy has increased by 20.0 percent. This observed increase in enrollment is connected to the recently enacted Hope Scholarship, which allows eligible full-time students to attend the College at no expense during their junior and senior years. Additionally, RIC has opened new majors in Sports Management, Biotechnology, and Cybersecurity, and opened the new Institute of Cybersecurity and Emerging Technologies, which attracts new students who would otherwise need to attend different colleges to study these fields. Additionally, RIC is investing in its infrastructure through the renovation and opening of the new Cybersecurity building, and new athletic fields. Due to the increase in enrollment, the College requested $1.7 million for student aid.

Of the $18.8 million increase requested, excluding debt service for general obligation bonds, $5.6 million for personnel adjustments and $4.7 million for student aid, $3.2 million for capital purchases, $1.6 million for operating expenditures, and $3.7 million to support the creation of an "Inclusive Access Fee" in anticipation of a change to the textbook sales model utilized by the RIC bookstore. According to RIC, inclusive access models aim to improve affordability, increase student success, and enhance student experience while providing colleges with a more streamlined and transparent approach to course materials. Students still have the option to purchase physical books; however, the fee bundles all required materials at a discounted rate that appears in the course charges. Students receive a one-day access and may opt out. RIC asserts that the model will:

- Lower textbook costs and improve affordability
- Make it easier to use financial aid awards to purchase classroom materials
- Ensure every student gets materials on the first day
- Reduce equity gaps caused by cost-related non-purchasing
- Simplify bookstore operations
- Improve academic readiness and consistency across courses

RIC's Budget request included two strategic initiatives, totaling $1.8 million in general revenue expenditures, focusing on improving workforce readiness, academic success, higher student retention, and higher four-year graduation rates. The General Assembly opted not to include these initiatives in the FY2027 Budget as Enacted.

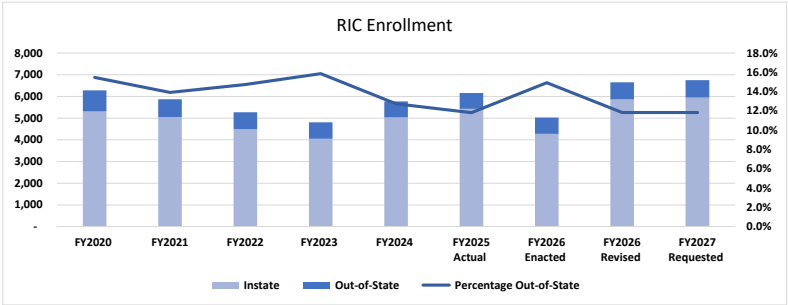
- **RIC Enhancing Academic Support to Deliver Stronger Retention and Graduation ($1.2 million):** Rhode Island College requested a general revenue increase of $1.2 million to support 8.0 new FTE positions, consisting of peer mentors, tutors, and supplemental instructional costs. According to the College, the Hope Scholarship has increased enrollment, exceeding historical enrollment numbers. Additionally, the Hope scholarship sets forth academic standards in line with a four-year graduation goal. To ensure that students' academic needs are met, the College proposes these 8.0 FTE positions to support multilingual learners, enhance STEM Support, provide writing support, increase tutoring for healthcare programs, and enhance student presentation and public speaking skills. The positions are as follows:
    - 3.0 Coordinators ($98,852 each)
    - 5.0 Success Coaches ($87,597 each)

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- **RIC Career and Workforce Readiness for All Students ($665,334):** Rhode Island College requested a general revenue increase of $665,334 for 3.0 FTE positions to support the College's Career Development Center. In 2023, the College retained leaders from the National Association of Colleges and Employers (NACE) to conduct an external review of the Career and Development Center. The review recommended to enhance services across four areas: career counseling, student employment, experiential learning, and employer relations. RIC is also implementing a career advising model that links student programs of study to possible careers from the beginning of their studies. To implement this model, RIC requires 3.0 FTE positions to foster stronger relationships with both RIC students and employers.
  - 2.0 Assistant Professor ($75,000/each)
  - 1.0 Coordinator ($67,161)

Enrollment

Total enrollment is projected to be 5,010 full-time equivalent students in FY2027, an increase of 397 students, or 8.6 percent, relative to FY2026 Enacted enrollment, and an increase of 74 students, or 1.5 percent from the FY2026 Revised level. This enrollment projection includes estimates related to the Hope Scholarship, which was passed in the FY2024 Enacted Budget. RIC also ties enrollment increases to the opening of the Institute of Cybersecurity and Emerging Technologies, which was authorized by the FY2025 Enacted Budget.



Rhode Island College	General Revenue
FY2026 Enacted	$80,448,058
Target and Other Adjustments	-
State Appropriation	2,008,543
General Obligation Debt Service	1,226,227
FY2027 Enacted	**$83,682,828**

State Appropriation ***$2.0 million***

The Budget includes $2.0 million in increased general revenue support ($72.7 million total), excluding G.O. bond debt service. The increase is primarily attributable to maintaining current service levels, including general revenue increases of $1.6 million for operating supplies, $860,216 for contracted services, and $200,429 for capital purchases. The Budget also includes $438,169 in general revenue savings attributable to decreased state personnel expenses relative to the college's overall budget. RIC will cover the reduction with college funds, maintaining all personnel.

General Obligation Debt Service ***$1.2 million***

The Budget provides $9.2 million in FY2027 general obligation debt service at RIC funded by general revenue. This increases by $1.2 million relative to FY2026 Enacted. FY2026 Revised includes a total of $8.7 million in FY2026 Revised, $796,740 more than Enacted.

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Debt Service

	FY2026 Enacted	FY2026 Revised	*Change from Enacted*		FY2027 Enacted	*Change from*	*Enacted*
University of Rhode Island	$31,526,482	$34,755,232	*$3,228,750*	*10.2%*	$32,853,856	*$1,327,374*	*4.2%*
Rhode Island College	7,933,336	8,730,076	*796,740*	*10.0%*	9,159,563	*1,226,227*	*15.5%*
Community College of Rhode Island	1,097,898	1,092,138	*(5,760)*	*-0.5%*	934,564	*(163,334)*	*-14.9%*
Total	**$40,557,716**	**$44,577,446**	***4,019,730***	***9.9%***	**$42,947,983**	***$2,390,267***	***5.9%***

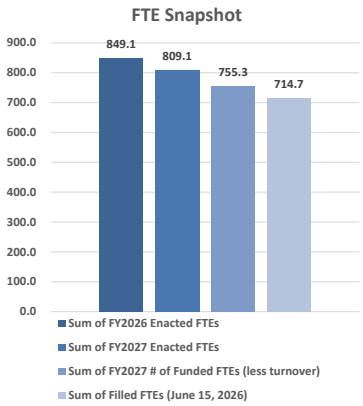
Source: Rhode Island Budget Office

COMMUNITY COLLEGE OF RHODE ISLAND (CCRI)

Expenditures By Source	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
General Revenue	$64.8	$65.4	*$0.5*	*0.8%*	$66.6	*$1.8*	*2.8%*
Restricted Receipts	1.0	1.0	*0.0*	*1.6%*	1.0	*0.0*	*4.7%*
Other Funds	148.7	140.9	*(7.8)*	*-5.2%*	152.0	*3.3*	*2.2%*
Total	**$214.5**	**$207.3**	***($7.2)***	***-3.4%***	**$219.6**	***$5.1***	***2.4%***

$ in millions. Totals may vary due to rounding.

The Community College of Rhode Island (CCRI) was established by the General Assembly in 1960 as Rhode Island Junior College. The first class of 325 students enrolled at a temporary Providence location in the fall of 1964. CCRI has provided a variety of career, technical, and academic programs and has established partnerships with businesses and non-profit organizations to provide worker training.



Today, CCRI has four main campuses: the 205-acre Knight Campus in Warwick; the 300-acre Flanagan Campus in Lincoln; the 7-acre Liston Campus in downtown Providence; and the 5-acre Newport County Campus in Newport. In addition, CCRI holds classes in the Westerly Higher Education and Industry Center.

The Budget includes 809.1 FTE positions in FY2027 and FY2026 revised, including 89.0 third-party funded FTE positions.

Major Issues and Trends

The Budget includes $4.2 million in State support, $1.4 million more than requested; however, the budget does not specifically earmark funds for the Community College's strategic initiatives.

CCRI's FY2027 budget request includes a 6.7 percent increase in tuition and mandatory fees, with total tuition and fee revenue estimated to increase by $4.2 million from the FY2026 Enacted level. The FY2026 Revised request includes an increase of $2.7 million (4.4 percent) from the FY2026 Enacted level. The state appropriation request increases by $1.9 million to $66.6 million.

The expenditure request includes a $9.1 million change in all funds, excluding G.O Bond debt service, from the FY2026 Enacted level.

- **Student Aid ($3.6 million):** CCRI requested $3.6 million in all funds to support assistance and grants. The Budget concurs with the request.
- **Personnel Investment ($4.1 million):** The College requested $4.1 million in all funds for personnel expenditure, including contracted services. The Budget concurs with the request.

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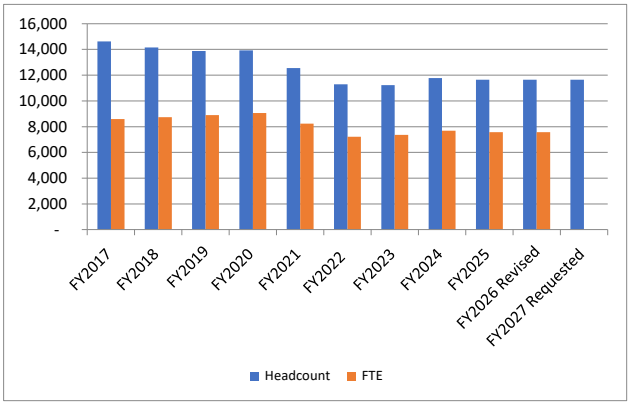
- **Capital ($5.8 million):** CCRI requested an all funds decrease of $5.8 million in capital expenses based on project progress and completions. The Budget concurs with the request, with a slight modification based on updated project schedules.
- **Technology and Other Operating ($7.2 million):** The College requested $7.2 million in all funds to support all other operating expenses, including expansion to a cloud-based data system and upgraded financial reporting systems. The Budget concurs with the request.

The Enacted Budget includes an increase of $2.0 million in general revenue funding, excluding G.O. debt service. While the College did not request any strategic initiatives for FY2027, the Budget does include the Workforce Innovation Center, which is a newly constructed building located at the Knight campus in Warwick, enabling CCRI to expand its trades education programs and address workforce shortages. The building will have flexibility to adapt to new workforce needs as they change. Article 6 authorizes the issuance of $60.0 million in general obligation bonds to be placed on the ballot for voter approval in November 2026.

Enrollment

CCRI Student Enrollment

Year	Headcount	*Headcount % Change*	FTE	*FTE % Change*
FY2017	14,624	*-6.3%*	8,593	*-5.9%*
FY2018	14,155	*-3.2%*	8,732	*1.6%*
FY2019	13,878	*-2.0%*	8,899	*1.9%*
FY2020	13,923	*0.3%*	9,065	*1.9%*
FY2021	12,549	*-9.9%*	8,231	*-9.2%*
FY2022	11,290	*-10.0%*	7,224	*-12.2%*
FY2023	11,223	*-0.6%*	7,365	*2.0%*
FY2024	11,777	*4.9%*	7,679	*4.3%*
FY2025	11,648	*-1.1%*	7,570	*-1.4%*
FY2026 Revised	11,648	*0.0%*	7,570	*0.0%*
FY2027 Requested	11,648	*0.0%*	7,570	*0.0%*
10-Year Average	**12,578**	***-2.5%***	**8,045**	***-1.6%***



The table shows the actual student enrollment, both by headcount and by FTE, from 2017 through 2027, and a projection for 2026 and 2027. In FY2027, the College expects enrollment to be level with the FY2026 Revised levels and FY2025 actuals.

Community College of Rhode Island	**General Revenue**
FY2026 Enacted	$64,838,244
Target and Other Adjustments	-
State Appropriation	1,955,803
General Obligation Debt Service	(163,334)
FY2027 Enacted	**$66,630,713**

State Appropriation *$2.0 million*

State general revenue support for CCRI increases by $2.0 million in FY2027 to a total of $65.7 million, excluding general obligation bond debt service. Of these funds, $2.9 million will finance personnel adjustments, including the 3.0 percent cost of living adjustment (COLA) for eligible non-union employees due to the most recent contract negotiations, which is offset by a 908,334 general revenue decrease, which supports the college's current services. The decrease is primarily associated with lower costs for contracted services, a reduction to institutional scholarship funding, and the elimination of one-time capital expenditures.

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General Obligation Debt Service ***($163,334)***

The Budget provides $934,564 in FY2027 for general obligation debt service at CCRI funded by general revenue. This is a decrease of $163,334 from FY2026 Enacted. The FY2026 Revised Budget includes $1.1 million, a decrease of $5,760 from FY2026 Enacted.

Debt Service

	FY2026 Enacted	FY2026 Revised	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
University of Rhode Island	$31,526,482	$34,755,232	*$3,228,750*	*10.2%*	$32,853,856	*$1,327,374*	*4.2%*
Rhode Island College	7,933,336	8,730,076	*796,740*	*10.0%*	9,159,563	*1,226,227*	*15.5%*
Community College of Rhode Island	1,097,898	1,092,138	*(5,760)*	*-0.5%*	934,564	*(163,334)*	*-14.9%*
Total	**$40,557,716**	**$44,577,446**	***4,019,730***	***9.9%***	**$42,947,983**	***$2,390,267***	***5.9%***

Source: Rhode Island Budget Office

CAPITAL PROJECTS

The Budget includes a total of $121.0 million in capital expenditures from Rhode Island Capital Plan (RICAP) funds in FY2027 and $144.9 million in FY2026, including the following.

	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Univerity of Rhode Island Total	**$85,943,784**	**$80,834,269**	***($5,109,515)***	***-5.9%***	**$75,327,787**	***($10,615,997)***	***-12.4%***
URI - Asset Protection	14,606,536	17,919,593	*3,313,057*	*22.7%*	15,236,863	*630,327*	*4.3%*
URI - Academic Mechanical, Electrical, and Plumbing	7,293,838	5,304,639	*(1,989,199)*	*-27.3%*	6,217,170	*(1,076,668)*	*-14.8%*
URI - Fire Protection Academic Phase 2	1,641,903	3,431,739	*1,789,836*	*109.0%*	1,323,475	*(318,428)*	*-19.4%*
URI - Narragansett Bay Campus	8,146,722	8,103,522	*(43,200)*	*-0.5%*	16,853,278	*8,706,556*	*106.9%*
URI - PFAS Water Treatment Plant	13,759,400	250,000	*(13,509,400)*	*-98.2%*	8,197,664	*(5,561,736)*	*-40.4%*
URI - Athletics Complex Renewal	33,942,707	37,320,422	*3,377,715*	*10.0%*	21,361,818	*(12,580,889)*	*-37.1%*
URI - Stormwater Management	4,252,678	3,204,354	*(1,048,324)*	*-24.7%*	1,437,519	*(2,815,159)*	*-66.2%*
URI - Campus Accessibility	2,300,000	2,300,000	-	*0.0%*	1,700,000	*(600,000)*	*-26.1%*
URI - Building Envelope	-	3,000,000	*3,000,000*	*100.0%*	3,000,000	*3,000,000*	*100.0%*
Office of Postsecondary Commissioner Total	**$1,220,000**	**$1,220,000**	-	-	**$160,000**	***($1,060,000)***	***-86.9%***
OPC - WEC Expansion – Annex Site	1,220,000	1,220,000	-	-	160,000	*(1,060,000)*	*-86.9%*
Rhode Island College Total	**$11,625,000**	**$23,433,533**	***$11,808,533***	***101.6%***	**$12,175,000**	***$550,000***	***4.7%***
RIC - Asset Protection	5,950,000	11,086,325	*5,136,325*	*86.3%*	6,500,000	*550,000*	*9.2%*
RIC - Infrastructure Modernization	5,675,000	11,847,208	*6,172,208*	*108.8%*	5,675,000	-	-
RIC - Whipple, Fogarty, and Adams Library	-	500,000	*500,000*	*100.0%*	-	-	-
Community College of Rhode Island Total	**$33,809,452**	**$21,492,210**	***($12,317,242)***	***-36.4%***	**$24,234,452**	***($9,575,000)***	***-28.3%***
CCRI - Asset Protection	3,469,452	4,692,210	*1,222,758*	*35.2%*	3,369,452	*(100,000)*	*-2.9%*
CCRI - Flanagan Campus Renewal (Lincoln)	3,200,000	1,500,000	*(1,700,000)*	*-53.1%*	300,000	*(2,900,000)*	*-90.6%*
CCRI - Data, Cabling, and Power Infrastructure	5,750,000	750,000	*(5,000,000)*	*-87.0%*	5,500,000	*(250,000)*	*-4.3%*
CCRI - Renovation and Modernization Phase I	15,000,000	13,750,000	*(1,250,000)*	*-8.3%*	12,500,000	*(2,500,000)*	*-16.7%*
CCRI - Renovation and Modernization Phase II-IV	6,100,000	500,000	*(5,600,000)*	*-91.8%*	2,440,000	*(3,660,000)*	*-60.0%*
CCRI - Accessibility Improvements	290,000	300,000	*10,000*	*3.4%*	125,000	*(165,000)*	*-56.9%*
Grand Total	**$132,598,236**	**$126,980,012**	***-$5,618,224***	***-4.2%***	**$111,897,239**	***($20,700,997)***	***-15.6%***

- **URI, RIC, CCRI - Asset Protection:** Asset Protection projects are budgeted from Rhode Island Capital Plan funds (RICAP) and are used to maintain and repair facilities, including roads, buildings, and infrastructure. The asset protection program includes a number of projects at various facilities and allows each school to shift funding based on current priorities. In FY2027, there is a total of $25.1 million, including $15.2 million in RICAP asset protection funding for URI, $6.5 million for RIC, and $3.4 million for CCRI. In FY2026, the Budget includes a total of $33.7 million in asset protection funding for URI ($17.9 million), RIC ($11.1 million), and CCRI ($4.7 million).
- **URI - Academic Mechanical, Electrical, and Plumbing:** The Budget provides total RICAP funding of $6.2 million in FY2027 and $5.3 million in FY2026 to provide new HVAC systems in Fogarty and White Hall. The total project cost is $14.2 million. Fogarty Hall, currently housing the Crime Lab and Nutrition and Food Science Department, will be renovated for administrative and academic departments. Substantial renovations will address the building envelope, mechanical systems, HVAC, as well as removing laboratory fixtures and associated utilities. White Hall, currently housing the College of Nursing, requires the upgrade of obsolete building systems and building envelop improvements, including foundation waterproofing, a drainage system, and minor cosmetic improvements.

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- **URI - Fire Protection Academic Phase 2:** The Budget includes total RICAP funding of $3.4 million in FY2026 and $1.3 million in FY2027, toward the total cost of $16.5 million in all funds ($5.4 million in RICAP funds) to provide safety improvements. This project involves the installation of fire-suppressing sprinkler systems, the upgrade/replacement of existing fire alarm systems, and safety improvements in academic and administrative buildings in order to comply with changes in the State Fire Code. This phase will also provide a central bank of generators to provide the necessary power back up to allow the University to shelter in place during prolonged power outages. Phase I ($25.8 million) of this project was completed in December 2016.
- **URI - Narragansett Bay Campus:** In addition to the $100.0 million general obligation bond which was approved in November 2022, the Budget provides total RICAP funding of $8.1 million in FY2026 and $16.8 million in FY2027 toward repairs and construction on the Narragansett Bay Campus in support of education and research for the marine disciplines.
- **URI - PFAS Water Treatment Plant:** The Budget includes total RICAP funding of $4.8 million in FY2026 and $8.2 million in FY2027 toward the total cost of $21.7 million to construct a permanent water treatment plant to address the University's elevated per- and polyfluorinated substances (PFAS) levels. Originally, these funds were identified as ARPA SFRF funding; however, the University's capital improvement plan timetable put these time-sensitive funds at risk of being reclaimed by the federal government, instead the project will be completely funded through RICAP funds
- **URI - Athletics Complex Renewal:** The Budget $37.3 million in RICAP funds in FY2026 and $21.4 million in FY2027 for the renovation of the Meade Stadium East Grandstands and the Slade Outdoor Track and Field. Total funding for the project is $83.1 million over three years, including $61.8 million in RICAP funds.
- **URI - Stormwater Management:** The Budget provides total RICAP funding of $3.2 million in FY2026 and $1.4 million in FY2027 to support stormwater improvements to existing drainage systems. According to the University, current infrastructure frequently exceeds during major flooding events, resulting in erosion and flooding to the downstream landscapes and buildings. Total project costs are estimated for the project at $4.4 million.
- **URI - Campus Accessibility:** The Budget includes total RICAP funding of $2.3 million in FY2026 and $1.7 million in FY2027 in RICAP funds to support campus accessibility for people with disabilities. Projects include restroom improvements, exterior pedestrian improvements, and discrete building improvements such as elevator modernizations. The project will focus on the adaptation of existing infrastructure to comply with the American Disabilities Act (ADA). Total costs for the project are estimated to be $7.0 million.
- **URI - Building Envelope*:*** The Budget includes $3.0 million in RICAP funds annually in FY2026 and FY2027 to support projects addressing repairs to building envelope systems across the University's campuses. Roofs, windows, and exterior cladding would be repaired and improved to provide better interior air quality, enhanced energy efficiency, and improved appearances. The Budget provides a total of $15.0 million in RICAP funds through FY2030 to address the University's deteriorating infrastructure***.***
- **OPC - WEC Expansion – Annex Site:** The Budget includes total RICAP funding of $400,000 in FY2026 and $160,000 in FY2027 to expand the RI Education Center model to Northern RI. The Woonsocket Education Center, which opened August 2022, is designed to address gaps in education and workforce development training in Northern RI. According to the Office, the demand for use of the Center has increased significantly, requiring more classroom space to accommodate employers. Due to delays in construction and development, the funding for the Annex Site has shifted to FY2026, with an estimated completion date of FY2026.

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- **RIC - Infrastructure Modernization:** The Budget provides total RICAP funding of $11.8 million in RICAP funding in FY2026 and $5.7 million in FY2027 to modernize and replace steam lines, water lines, and the electrical distribution system across the RIC campus. Improvements will address issues of water quality, limit power failures, and eliminate steam plumes throughout the campus.
- **RIC - Whipple, Fogarty, and Adams Library:** The Budget provides $500,000 in RICAP funding in FY2026 to support the renovation of Whipple Hall, Fogarty Hall, and Adams Library. Total projected costs are estimated at $233.5 million, which will be funded through a series of general obligation bonds, included on statewide referenda in 2024, 2026, and 2028. The State is expected to contribute a total of $500,000 in RICAP funds for Whipple Hall only. The following table illustrates expected expenditures for the Capital Improvement Project.

		Pre FY2026	FY2026 Budget	FY2027 Budget	FY2028 Budget	FY2029 Budget	FY2030 Budget	Post FY2030 Budget	Total
Whipple Hall									
	Bond	-	$1.5	$37.0	$34.5	-	-	-	
	RICAP		$0.5	-	-	-	-	-	
Total									**$73.0**
Adams Library									
	Bond	-	-	$0.5	$1.5	$41.8	$34.2		
Total									**$78.0**
Fogarty Life Sciences Building									
	Bond	-	-	-	-	$0.5	$1.5	$83.0	
Total									**$85.0**

 # in millions.

- **CCRI - Flanagan Campus Renewal (Lincoln):** The Budget provides total RICAP funding of $3.2 million in FY2026 and $1.5 million in FY2027 for the renewal of the Flanagan Campus in Lincoln. This $12.5 million project includes modernization and code compliance upgrades to all the science labs at the Lincoln campus, as well as the refurbishment of the exterior including heat resistance paint, window replacement, and light abatement.
- **CCRI - Data, Cabling, and Power Infrastructure:** The Budget provides total RICAP funding of $5.8 million in FY2026 and $5.5 million in FY2027 to assess, design, and construct a modernized data cabling and power infrastructure across the four CCRI campuses. The project will upgrade network wiring infrastructure and deliver more capacity to support additional classroom technology, wireless devices, and security systems, including cameras, emergency alarm systems, and HVAC control systems.
- **CCRI - Renovation and Modernization Phase I:** The Budget includes total RICAP funding of $15.0 million in FY2026 and $12.5 million in FY2027 to modernize academic and student support spaces. The project is estimated to cost a total of $59.5 million with $12.0 million from general obligation bonds approved in March 2021, and $47.5 million in RICAP funds**.**
- **CCRI - Renovation and Modernization Phase II-IV:** The Budget includes total RICAP funding of $6.1 in RICAP funds in FY2026 and $2.4 million in FY2027. This phase, which is estimated to cost a total of $147.7 million in both RICAP and general obligations funds, will begin the construction processes of the project. Specifically, in FY2026 and FY2027, the project will focus on HVAC, electrical, and foundational repairs at the Warwick and Providence campuses.
- **CCRI - Accessibility Improvements:** The Budget includes total RICAP funding of $290,000 in FY2026 and $125,000 in FY2027 to support projects addressing ADA compliance issues. While there is a current project bid related to the Lincoln campus bathrooms, the College proposes addressing other ADA non-compliant areas across all four campuses. The project is estimated to cost a total of $1.9 million.

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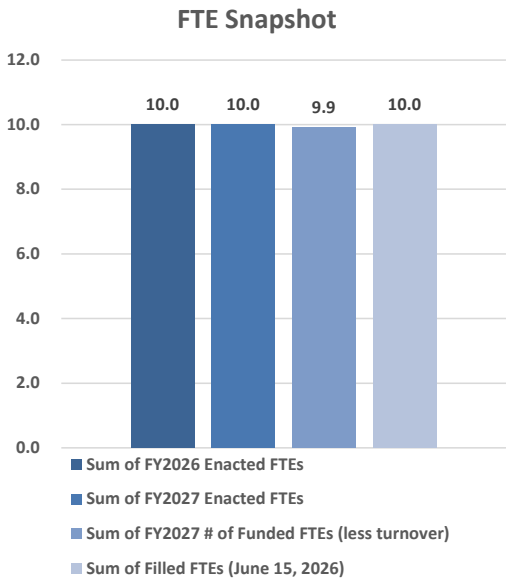
Rhode Island State Council on the Arts

Expenditures by Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$3,727,324	$4,242,454	$4,210,701	($31,753)	-0.7%	$4,513,141	$270,687	6.4%
Expenditures by Source								
General Revenue	$2,412,492	$2,414,685	$2,416,128	$1,443	0.1%	$2,610,565	$195,880	8.1%
Federal Funds	825,040	1,022,711	1,093,573	70,862	6.9%	1,160,576	137,865	13.5%
Restricted Receipts	-	115,058	-	(115,058)	-	-	(115,058)	-100%
Other Funds	489,792	690,000	701,000	11,000	1.6%	742,000	52,000	7.5%
Total	**$3,727,324**	**$4,242,454**	**$4,210,701**	**($31,753)**	**-0.7%**	**$4,513,141**	**$270,687**	**6.4%**
Authorized FTE Levels	10.0	10.0	10.0	-	-	10.0	-	-

The Rhode Island State Council on the Arts (RISCA) provides grants, technical assistance and support to arts organizations, schools, community centers, social service organizations, and local governments to bring the arts into the lives of Rhode Islanders. RISCA provides these services through grant making partnerships, education, and technical assistance. RISCA also manages the Art for Public Facilities Program providing art for state facilities.

MAJOR ISSUES AND TRENDS

The Budget includes $2.6 million in general revenues ($4.5 million all funds), representing a general revenue increase of $195,880 as compared to the FY2026 Budget as Enacted. This increase is due largely to a change in the agency's indirect cost recovery (ICR) rate as well as a new Arts and Health Grant program. The FY2026 Budget as Enacted included an ICR reduction, which decreased general revenues and increased restricted receipts to reflect a change in the federal rate of recovery for indirect costs on federal grants. The FY2027 Budget eliminates this reduction, resulting in a $115,058 decrease in restricted receipts. The Budget also includes $1.2 million in federal funds, a $137,865 increase as compared to the FY2026 Budget as Enacted. This increase represents updated funding levels for RISCA's partnership with the National Endowment for the Arts (NEA). The Budget authorizes 10.0 FTE positions in FY2026 and FY2027, consistent with the FY2026 Budget as Enacted.



CENTRAL MANAGEMENT

The Rhode Island State Council on the Arts (RISCA) consists of one main program and three subprograms. Within the main Central Management program are the Grants and Operating Support subprograms and the Film Commission.

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Rhode Island State Council on the Arts	General Revenue
FY2026 Enacted	$2,414,685
Target and Other Adjustments	*16,557*
Indirect Cost Recovery	230,116
ETSS Adjustments (statewide adjustments)	(100,793)
Arts and Health Grant Program	50,000
FY2027 Enacted	**$2,610,565**

Rhode Island State Council on the Arts	Other Funds
NEA Partnership Agreement (federal funds)	$137,865
Percent for the Arts	Informational
Cultural Arts and the Economy	Informational

Indirect Cost Recovery ***$230,116***

The FY2026 Budget as Enacted included a 15.0 percent indirect cost recovery (ICR) from RISCA's annual partnership agreement from the National Endowment for the Arts (NEA). This reduced general revenue by $115,058 to support RISCA's operations and increased restricted receipts by the same amount.

In August 2025, RISCA was informed by the NEA that the State was prohibited to take the ICR because RISCA already charges operational and administrative expenses to the annual partnership agreement above and beyond the 15.0 percent ICR. The Budget restores the previously enacted ICR reduction, a net general revenue increase of $230,116.

Arts and Health Grant Program ***$50,000***

The Budget includes a general revenue increase of $50,000 to reflect an Arts and Health Grant program to support expanded access to funding for individual artists who are not eligible for federal funding through the National Endowment for the Arts (NEA) program. The one-time funding will allow RISCA to maximize funds received from the NEA specific to arts, health, and wellness initiatives.

NEA Partnership Agreement (federal funds) ***$137,865***

The Budget includes a net increase of $137,865 in federal funds as compared to FY2026 to represent both a carry-forward from RISCA's current grant with the National Endowment for the Arts (NEA) as well as the next NEA partnership agreement. This funding includes the federal portion of the Arts and Health Grant program described above.

Percent for the Arts ***Informational***

RISCA administers the State's Percent for Public Art Program, which was established in 1987 to expand the public experience of art, foster the development of artists, and create a more humane environment. It also services to stimulate the state's economy.

In accordance with Rhode Island General Law, at least 1.0 percent of state government capital construction costs are allocated for the acquisition of works of art to be placed in public places. The 1.0 percent is generally spent on the project from which the funds were derived; any amounts not expended by RISCA are retained to provide for the maintenance and restoration of existing works.

The following table shows recently completed, current, and future projects of the program.

1% for Public Art Program - 2011 to Present	Location	Art Project Cost
Completed Projects		
URI - School of Pharmacy	Kingston	$995,020
URI - College of Engineering	Kingston	$714,356
URI - Chemistry	Kingston	$501,000
Eleanor Slater- Regan Hospital	Cranston	$368,129
Wickford Junction	Wickford	$350,000
Garrahy Parking Garage	Providence	$300,000
Intermodal Station	Warwick	$300,000
Attorney General	Cranston	$265,000
Barry and Simpson Buildings, Pastore Complex	Cranston	$215,297
DCYF Female Youth Residential Home	Exeter	$212,206
Veterans Home	Bristol	$210,000
RIC Horace Mann School of Education	Providence	$190,000
RIC - Art Center	Providence	$170,000
RIC Craig-Lee Hall	Providence	$135,000
Virks Building	Cranston	$120,000
Division of Motor Vehicles	Cranston	$110,000
Met School	Newport	$78,000
Pawtucket-Central Falls Train Station	Pawtucket	$59,000
Office of the State Medical Examiner	Cumberland	$55,000
Department of Labor and Training	Cranston	$54,501
Pawtucket Bus Hub	Pawtucket	$50,000
Rhode Island State Police	Lincoln	$45,000
RIC Fogerty School of Nursing	Providence	$45,000
Rhode Island School for the Deaf	Providence	$43,000
National Guard Joint Force Headquarters	East Greenwich	$35,000
URI - Harrington Hall	Kingston	$35,000
Rhode Island Fire Academy	Exeter	$30,000
Current Projects (Budget)		
RIC Whipple Hall	Providence	$500,000
URI- Fine Arts Center	Kingston	$450,000
RIC Clarke Science Building	Providence	$305,650
RIC Gaige Hall	Providence	$305,588
Davies Career & Technical School	Lincoln	$305,381
URI Narragansett Bay Campus Phase 1	Narragansett	$191,000
Rhode Island State Police Southern Barracks	West Greenwich	$164,505
State Health Laboratory	Providence	$115,856
DMV Bus Inspection Facility	Cranston	$49,000
Fire Academy Phase III	Exeter	$48,000
Future Projects (Budget)		
RI Army National Guard Aviation Readiness Facility	East Greenwich	$105,751
Powers Building Renovations	Providence	$25,726
Shepard Building	Providence	$24,000
RI Army National Guard Counter Drug Facility	East Greenwich	$20,000
DEM Colt State Park Administrative Facility	Bristol	*TBD*
Eleanor Slater- Zambarano Long-Term Acute Care Facility	Burillville	*TBD*
URI Athletics Complex Renewal	Kingston	*TBD*
URI Biomedical Sciences	Kingston	*TBD*
URI Narragansett Bay Campus Phase 2	Narragansett	*TBD*
Total		**$8,295,966**

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Cultural Arts and the Economy ***Informational***

Article 5 of the FY2025 Budget authorized the issuance of general obligation bonds in the amount of $10.0 million to be placed on the ballot for voter approval in November 2024 to fund cultural arts organizations. The ballot measure passed and included the following funding allocation:

- **Tomaquag Museum ($2.0 million):** Provides $2.0 million to support the building of the Tomaquag Museum in Kingston on the University of Rhode Island campus. The new museum in Kingston will be used for Indigenous cultural education and preservation, including spaces for programming and administration. The museum is currently located in Exeter, Rhode Island.
- **Newport Contemporary Ballet ($2.0 million):** Provides $2.0 million to build a Center for Arts, Dance, and Education at the Newport Contemporary Ballet. The Center is intended to be used for performance facilities, educational instruction, production, and administration.
- **Trinity Repertory Company ($2.0 million):** Provides $2.0 million for upgrades to the Lederer Theater Center at the Trinity Repertory Company. The Lederer Center is used for performance facilities, educational instruction, production, and administration.
- **Rhode Island State Council on the Arts ($4.0 million):** Provides $4.0 million to continue the Cultural Arts and the Economy Grant Program, which provides 1:1 matching grants for capital improvement, preservation, and renovation projects for a range of public and nonprofit arts and performance centers throughout the state. These funds are administered by the Rhode Island State Council on the Arts (RISCA).

Grant applications for the 2024 bond funds opened August 1, 2025, and the first round of award recipients were announced on January 16, 2026. 17 arts and cultural facilities organizations received grants totaling $2.8 million. The following table lists the recipients:

State Cultural Facilities Grant - Grantees	Community	Grant Amount
Cape Verdean American Community Development	Pawtucket	$500,000
The Sandra Feinstein-Gamm Theatre	Warwick	331,652
Friends of Linden Place	Bristol	331,280
Southside Cultural Center of Rhode Island	Providence	250,000
Newport Art Museum	Newport	211,841
Preserve RI for the Lippitt House Museum	Providence	200,000
South County Art Association	Kingston	200,000
Newport Historical Society	Newport	165,366
DownCity Design	Providence	100,000
La Farge Restoration Fund at Newport Congregational Church	Newport	100,000
The Greenwich Odeum	East Greenwich	100,000
The Granite Theatre	Westerly	95,522
Oasis International	Providence	70,000
Riverzedge Arts Project	Woonsocket	44,240
Newport Classical	Newport	32,860
Artists' Exchange	Cranston	14,125
South County Museum	Narragansett	3,200
Total		**$2,750,086**

Source: RI Council on the Arts

Previous Funding: In March 2021, voters approved a $6.0 million bond to continue the Cultural Arts and the Economy Grant program administered by RISCA for capital improvements, preservation, and renovation of public and nonprofit performance centers, museums, and cultural art centers. Projects supported by the bond include:

- **Trinity Repertory Company - $2.5 million:** For the Lederer Theater and the Pell Chafee Performance Centers in Providence.

- **Rhode Island Philharmonic – $1.5 million**: For the Carter Center for Music Education and Performance in East Providence.
- **Other Nonprofit Cultural Organizations - $2.0 million**: These funds will be allocated by RISCA for 1:1 matching grants to nonprofit cultural organizations that lease or own their performance space and for program administration costs at RISCA.

The 2014 referenda provided funding to begin the State Cultural Arts and the Economy Grant Program. The RI Commerce Corporation, in consultation with the Rhode Island Council on the Arts, administers this program, which offers matching grants to public and non-profit historic sites, museums, artistic organizations, performance centers, and cultural arts centers for capital preservation and renovation projects. The RI Commerce Corporation developed rules and regulations to administer the program. The 2014 bond included a total of $30.0 million in funding, of which $29.8 million has been expended with the remaining balance anticipated to be spent in FY2027. In July of 2021, a $500,773 carryforward amount from the 2014 bond was bundled into the 2021 grant cycle, bringing the bond total for that program to $6.5 million.

As of February 28, 2025, all funds from the 2021 bond have been awarded. The funding was awarded across 24 different projects, with individual funding ranging from approximately $13,000 to $250,000. Funded projects received reimbursement grants, meaning that organizations who receive awards must perform construction first and submit invoices with proof of payment to receive reimbursement.

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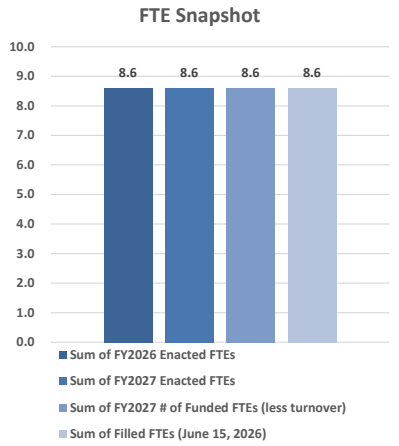
Rhode Island Atomic Energy Commission

Expenditures by Source	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
General Revenue	$1.2	$1.3	$1.3	*$0.0*	*0.3%*	$1.3	*$0.0*	*3.0%*
Federal Funds	-	-	0.0	*$0.0*	*100.0%*	-	*(0.01)*	*-100.0%*
Restricted Receipts	0.0	0.0	0.0	*0.01*	*39.9%*	0.0	-	*0.0%*
Other Funds	0.4	0.4	0.4	*(0.0)*	*-6.1%*	0.4	*(0.0)*	*-6.2%*
Total	**$1.7**	**$1.7**	**$1.7**	***$0.0***	***-0.2%***	**$1.7**	***$0.0***	***0.7%***
Authorized FTE Levels	8.6	8.6	8.6	-	-	8.6	-	-

$ in millions

The Rhode Island Atomic Energy Commission (Commission) operates and maintains the Rhode Island Nuclear Science Center (RINSC), which is used for medical, biological, environmental, and materials research, education and commercial activities. The Commission also assists other state agencies in their radiation and emergency response programs.

RINSC operates a research reactor and provides laboratories and classrooms for research and education programs for the University of Rhode Island as well as for other colleges and universities in the State and throughout New England. In 2010, the University of Rhode Island (URI) began offering a nuclear engineering minor program of study. For students who perform well, a new nuclear engineer operating course was added in 2016 that prepares students for the operator license exam. URI is currently working to create a major in nuclear engineering. The Commission continues its collaboration with schools and universities in the State. Davies High School, Brown University physics classes, and URI mechanical design students are among those that have recently utilized the facility.



The Budget authorizes 8.6 FTE positions in FY2025 and FY2026 for the program, 1.8 of which are funded through URI for its radiation safety functions. URI funding also covers 40.0 percent of the Commission's overhead costs, including its building maintenance and repair costs.

MAJOR ISSUES AND TRENDS

The general revenue increase in FY2026 Revised Budget and FY2027 is primarily due to the 3.0 percent cost of living adjustment (COLA) negotiated with unions representing the majority of state employees, which were also extended to non-union employees, totaling an increase of $23,991 in personnel adjustments.

Central Management	General Revenue
FY2026 Enacted	$1,278,282
Target and Other Adjustments	*13,731*
Personnel Adjustments (statewide adjustments)	23,991
FY2027 Enacted	**$1,316,004**

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CAPITAL PROJECTS

Asset Protection: The Budget includes $50,000 in Rhode Island Capital Plan (RICAP) funds for asset protection projects in FY2026 and FY2027. Through FY2031, capital projects include landscaping around the facility, repairs, and rehabilitating space within the facility to make it better able to serve the needs of the facility users.

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Rhode Island Historical Preservation and Heritage Commission

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Central Management	$2.5	$3.4	$3.3	*($0.1)*	*-3.5%*	$3.4	*($0.0)*	*-1.0%*
Expenditures By Source								
General Revenue	$1.7	$2.0	$1.8	*($0.2)*	*-7.7%*	$1.9	*($0.1)*	*-5.6%*
Federal Funds	0.7	0.8	0.8	*(0.0)*	*-1.8%*	0.9	*0.1*	*8.6%*
Restricted Receipts	0.0	0.5	0.5	-	-	0.5	-	*0.0%*
Other Funds	0.0	0.1	0.2	*0.0*	*31.9%*	0.1	*0.0*	*2.8%*
Total	**$2.5**	**$3.4**	**$3.3**	***($0.1)***	***-3.5%***	**$3.4**	***($0.0)***	***-1.0%***
Authorized FTE Levels	15.6	15.6	15.6	-	-	14.0	*(1.6)*	*(0.1)*

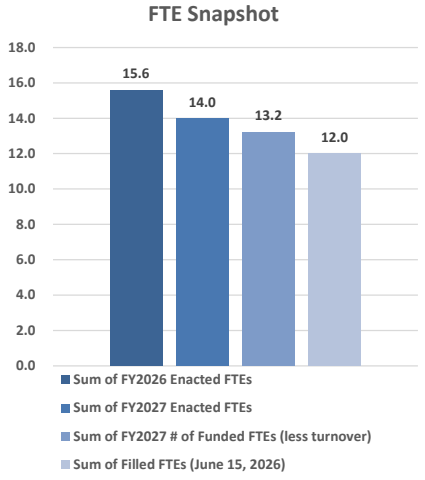
$ in millions. Totals may vary due to rounding.

The Rhode Island Historical Preservation and Heritage Commission (Commission) operates a statewide historical preservation program that identifies and protects historic buildings, districts, structures, and archaeological sites. The Commission identifies and protects historic and prehistoric sites, buildings, and districts by nominating significant properties to the National Register of Historic Places and the State Register as well as administering grants, loans and tax credits for rehabilitation of historic buildings. The Commission also develops and carries out programs to document and celebrate the rich cultural heritage of Rhode Island's people.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget includes $3.3 million in all funds, of which $1.8 million is general revenue, $807,253 is federal funds, $511,827 is restricted receipts, and $190,400 is other funds. This reflects a decrease of $152,718 in general revenue, a decrease of $15,198 in federal funds, and a net increase of $45,798 in other funds from the enacted budget.

The Budget includes $150,000 in FY2026 to finance the relocation of historical artifacts currently in storage at the Old State House to a facility at the University of Rhode Island campus in South Kingstown. This includes $50,000 in Rhode Island Capital Plan funding to match a $100,000 federal grant received in July 2023 from the National Park Service Save America's Treasures program. The federal grant is available through September 30, 2026. The RICAP funds will be used for the purchase and installation of shelving.



The FY2027 Budget as Enacted includes $3.4 million in all funds, of which $1.9 million is general revenue, $893,987 is federal funds, $511,827 is restricted receipts, and $148,449 is other funds. This reflects a general revenue decrease of $113,318, a federal fund increase of $71,536, and a restricted receipt increase of $3,847.

The FY2027 Budget proposes financing of up to $5.0 million in general obligation bonds for new round of grants for the State Preservation Grant Program. The Historical Preservation and Heritage Commission states that requests for these funds have outstripped available funding in all nine of the SPG grants cycles over the past 23 years.

The Budget authorizes 15.6 FTE positions for FY2026 and 14.0 FTE positions in FY2027, reflecting a reduction of 1.6 FTE positions.

Central Management	General Revenue
FY2026 Enacted	$1,969,751
Target and Other Adjustments	*$26,432*
Persistent Vacancies Reduction	($240,995)
A&C ISF Charges (statewide adjustment)	42,339
Centralized Services (statewide adjustment)	39,402
ERP Maintenance and Operations Billings (statewide adjustment)	19,504
FY2027 Enacted	**$1,856,433**

Historic Preservation & Heritage Commission	Other Funds
State Preservation Grant (G. O. Bond Proceeds)	Informational

Persistent Vacancies Reduction ***($240,995)***

The Budget reduces the Commission's FTE authorization by 1.6 FTE positions to account for the long-term vacancies. The Commission had 3.6 FTE positions vacant as of June 15, 2026, of which 2.6 FTE positions have been vacant since FY2022. This reduction lowers the authorization FTE position limit to more closely align with the historical experience on filled and funded positions while maintaining flexibility for immediate needs. This results in a general revenue decrease of $240,995.

State Preservation Grant (G.O. Bond Proceeds) ***Informational***

In November of 2014, voters approved $5.0 million in general obligation bonds to recapitalize 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.

In March of 2021, a statewide bond referendum passed that allocated an additional $1.0 million to the State Preservation Grant program in general obligation bonds. The Commission is supporting 18 grants for new projects totaling $1.2 million.

Article 6 - Question 6 of the FY2027 Budget as Enacted proposes financing of up to $5.0 million in general obligation bonds for new round of grants for the State Preservation Grant Program. The Historical Preservation and Heritage Commission states that requests for these funds have outstripped available funding in every one of the nine SPG grants cycles that we have run over the past 23 years. The following highlights the status of the last two issuance of the State Preservation Grant Program:

- In November of 2014, voters approved $5.0 million in general obligation bonds to recapitalize the State Preservation Grant Program. Through FY2022, the Commission supported 58 projects awarding $4.6 million in funds.
- In March of 2021, a statewide bond referendum passed that allocated an additional $1.0 million to the State Preservation Grant Program in general obligation bonds. The Commission is supporting 18 grants for new projects totaling $1.2 million. According to HPHC the additional funds over the total bond amount reflect a rollover of remaining funds from the previous bond issue, i.e. the previous issue was for $5.0 million but the awards totaled $4.6 million.
- As of June 30, 2026, a total of $5.8 million has been disbursed to 72 projects leaving a balance of $332,441, and three ongoing projects totaling $295,975. These projects requested and received an extension of their grant. There is $36,466 in unspent funds from grantees that have either returned the funding or did not utilize the full amount awarded and are considered closed. The Commission has the option to reallocate those funds to another open grant that requires additional funding.

The following table illustrates the State Preservation Grant awards:

Recipient	Town	Award Amount	Amount Disbursed	2023 & 2024 Grants to be Spent
Pres. Soc. of Newport County	Newport	$150,000	$150,000	$0
La Farge Restoration Fund	Newport	150,000	150,000	-
Newport Restoration Foundation	Newport	16,596	16,596	-
The Providence Athenaeum	Providence	16,843	16,843	-
Providence Public Library	Providence	150,000	150,000	-
Trinity Restoration Inc	Providence	145,846	145,846	-
City of Central Falls	Central Falls	150,000	150,000	-
Town of Cumberland	Cumberland	149,041	149,041	-
Old Slater Mill Assoc.	Pawtucket	44,500	44,500	-
City of Woonsocket	Woonsocket	30,000	30,000	-
Herreshoff Marine Museum	Bristol	150,000	150,000	-
Friends of Pomham Rocks	East Providence	150,000	150,000	-
Portsmouth Historical Society	Portsmouth	30,000	30,000	-
Block Island SE Lighthouse Foundation	New Shoreham	150,000	150,000	-
Town of North Kingstown	North Kingstown	-	-	-
Cocummcussoc Association	North Kingstown	47,447	47,447	-
South County Art Association	South Kingstown	29,634	29,634	-
Orlando Smith Trust	Westerly	10,575	10,575	-
Westerly Armory Restoration, Inc	Westerly	24,750	24,750	-
Historic New England	Johnston	31,240	31,240	-
Town of North Providence	North Providence	-	-	-
Town of Smithfield	Smithfield	31,950	31,950	-
Smithfield Preservation Society	Smithfield	19,476	19,476	-
RIDEM	Newport	150,000	150,000	-
PPAC	Providence	150,000	150,000	-
City of Providence	Providence	135,313	135,313	-
City of Pawtucket	Pawtucket	106,239	106,239	-
American French Genealogical Society	Woonsocket	150,000	150,000	-
City of East Providence	East Providence	69,652	69,652	-
Friends of Linden Place	Bristol	72,635	72,635	-
Coggeshall Farm Museum	Bristol	29,707	29,707	-
Memorial and Library Association of Westerly	Westerly	15,488	15,488	-
Beavertail Lighthouse Museum Association	Jamestown	42,250	42,250	-
Town of Coventry	Coventry	26,404	26,404	-
Town of East Greenwich	East Greenwich	150,000	150,000	-
Varnum Continentals, Inc.	East Greenwich	23,609	23,609	-
Foster Preservation Society	Foster	29,703	29,703	-
Newport Art Museum	Newport	150,000	150,000	-
City of Newport	Newport	150,000	150,000	-
Fort Adams Trust	Newport	150,000	150,000	-
International Tennis Hall of Fame	Newport	73,188	73,188	-
La Farge Restoration Fund	Newport	150,000	150,000	-
The Company of the Redwood Library a nd Athenaeum	Newport	39,783	39,783	-
Preservation Society of Newport County	Newport	-	-	-
Trinity Episcopal Church	Newport	29,508	29,508	-
Congdon Street Baptist Church	Providence	150,000	150,000	-
Preserve Rhode Island	Providence	150,000	150,000	-
Friends of the Music Mansion, Inc.	Providence	150,000	150,000	-
The Providence Athenaeum	Providence	131,963	131,963	-
Bristol Historical and Preservation Society	Bristol	75,888	75,888	-
Town of Bristol	Bristol	150,000	150,000	-
Historic New England	South Kingstown	39,160	39,160	-
South County Art Association	South Kingstown	28,333	28,333	-
North Smithfield Heritage Association	North Smithfield	88,220	88,220	-
City of Woonsocket	Woonsocket	44,249	44,249	-
Borders Farm Preservation, Inc.	Foster	30,000	30,000	-
Smithfield Preservation Society	Smithfield	8,000	8,000	-
Beavertail Lighthouse Museum Association	Jamestown	25,000	25,000	-
Herreshoff Marine Museum	Bristol	112,000	-	112,000
Friends of Linden Place	Bristol	28,200	26,644	1,556
City of Central Falls	Central Falls	150,000	-	150,000
Historic Metcalf-Franklin Farm Preservation Association	Cumberland	75,000	75,000	-
East Providence Historical Society	East Providence	26,860	26,860	-
Foster Preservation Society	Foster	11,900	11,687	213
Historic New England	Jamestown	69,000	69,000	-
La Farge Restoration Fund	Newport	150,000	150,000	-
Fort Adams Trust	Newport	122,500	122,500	-
Preservation Society of Newport County	Newport	74,250	74,221	30
Newport Restoration Foundation	Newport	30,000	-	30,000
Pawtucket Public Library	Pawtucket	58,044	58,044	-
City of Providence	Providence	88,500	88,500	-
Rhode Island Historical Society	Providence	48,000	43,333	4,667
The Steel Yard	Providence	40,850	6,875	33,975
Scituate Preservation Society	Scituate	9,900	9,900	-
South County History Center	South Kingstown	42,075	42,075	-
Clouds Hill Victorian House Museum	Warwick	50,000	50,000	-
Total		**$5,829,268**	**$5,496,828**	**$332,441**

Source: RI Historic Preservation and Heritage Commission, June 30, 2026

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Office of the Attorney General

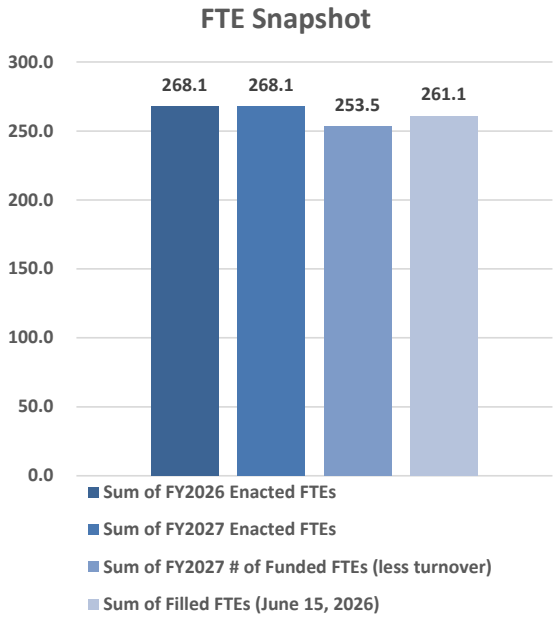
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Criminal	$28.3	$28.6	$28.9	*$0.3*	*1.0%*	$29.1	*$0.4*	*1.5%*
Civil	9.2	12.1	11.3	*(0.8)*	*-6.4%*	11.7	*(0.4)*	*-3.1%*
Bureau of Criminal Identification	4.7	3.8	4.4	*0.6*	*15.8%*	3.9	*0.1*	*1.9%*
General	5.3	7.9	5.7	*(2.2)*	*-27.8%*	8.7	*0.8*	*9.8%*
Total	**$47.5**	**$52.5**	**$50.4**	***($2.1)***	***-4.0%***	**$53.4**	***$0.9***	***1.7%***
Expenditures By Source								
General Revenue	$36.7	$38.2	$38.4	*$0.1*	*0.4%*	$39.4	*$1.1*	*2.9%*
Federal Funds	3.4	3.6	3.3	*(0.2)*	*-6.2%*	3.2	*(0.3)*	*-9.7%*
Restricted Receipts	7.3	8.1	8.7	*0.5*	*6.3%*	8.1	*(0.0)*	*-0.5%*
Other Funds	0.1	2.5	0.0	*(2.5)*	*-100.0%*	2.7	*0.2*	*5.9%*
Total	**$47.5**	**$52.5**	**$50.4**	***($2.1)***	***-4.0%***	**$53.4**	***$0.9***	***1.7%***
Authorized FTE Levels	264.1	268.1	268.1	-	-	268.1	-	-

$ in millions. Totals may vary due to rounding

The Office of the Attorney General is the central legal agency of the State. The Office is responsible for the prosecution of all felony criminal cases and misdemeanor appeals as well as the prosecution of misdemeanor cases brought by state law enforcement in the various district courts. Additionally, as chief legal officer of the State, the Attorney General protects consumers against fraudulent business practices; investigates Open Meetings Act and Access to Public Records compliance; and serves as the central repository for criminal history and information in the State. The Office is divided into four budget programs: General, Criminal, Civil, and Bureau of Criminal Identification.

MAJOR ISSUES AND TRENDS

FY2026: The FY2026 Final Budget provides the Office of the Attorney General with $50.4 million in all funds, reflecting a decrease of $2.1 million or 4.0 percent from the FY2026 Budget as Enacted. The Budget provides $38.4 million of general revenue, representing an increase of $145,464 or 0.4 percent from the FY2026 enacted level. The adjustment includes an additional $321,324 for software maintenance related to the evaluation of body-worn camera footage offset by a $402,276 reduction in personnel expenditures. The Office indicated in the 3rd Quarter Report that the reduction in personnel expenditures does not account for year-over-year growth; however, documents produced by the Office of Management and Budget indicate that the reduction in personnel aligns with actual spending. Due to updated spending plans, the Budget shifts $2.5 million in RICAP funds from FY2026 to out-years, including $1.5 million to FY2027.



FY2027: The FY2027 Budget as Enacted provides the Office of the Attorney General with $53.4 million in all funds, representing an increase of $884,128 or 1.7 percent from the FY2026 Budget as Enacted. The Budget provides $39.4 million of general revenue,

reflecting a $1.1 million or 2.9 percent increase from the enacted level. The general revenue adjustment includes an additional $336,938 for software maintenance related to the evaluation of a statewide body-worn camera program., $246,188 for statewide adjustments, and a net increase of $434,330 in personnel expenditures when compared to the FY2026 Budget as Enacted. The Budget includes $2.7 million of RICAP funds to support the renovation and asset management of the Office's 180 South Main Street location.

FTE Level: The Budget authorizes 268.1 FTE positions in both FY2026 and FY2027, consistent with the FY2026 enacted level.

CRIMINAL PROGRAM

The Criminal Program is charged with the prosecution of felony cases and misdemeanor appeals. The Program assists the Attorney General in carrying out the constitutional responsibility to prosecute all felony criminal offenses occurring in the State, as well as all misdemeanor criminal cases brought by State law enforcement agencies or appealed to the Superior Court. Specialized units focus on white-collar crime, narcotics and organized crime, firearms offenses, juvenile offenders, domestic violence and sexual assault, Medicaid fraud, and District Court offenses.

Criminal Program	General Revenue
FY2026 Enacted	$23,147,524
Target and Other Adjustments	*460*
Pesonnel: Salary and Benefit Adjustment	609,195
Contract Professional Services Adjustment	216,202
Operating Supplies and Expenses Adjustment	180,213
FY2027 Enacted	**$24,153,594**

Criminal Program	Other Fund Changes
Automatic Expungement (restricted receipts)	($386,000)
Federal Fund Adjustment (federal funds)	(314,586)

Personnel: Salary and Benefit Adjustment ***$609,195***

The Budget includes $21.5 million of general revenue to support the salary and benefits of personnel within the Criminal Program, reflecting a net increase of $609,195 when compared to the FY2026 Budget as Enacted. The adjustment includes a $791,383 increase to regular wages, which is partially offset by a $424,509 increase to turnover savings. The program's total turnover expenditures are equivalent to 9.2 FTE positions, and the increase represents 2.9 positions, as the Office's average salary per FTE is $148,178 in FY2027. The following table compares the personnel expenditures for the Criminal Program included in the FY2026 Budget as Enacted with the expenditures provided in the FY2027 Budget as Enacted.

Personnel Salary and Benefits	FY2026 Enacted	FY2027 Enacted	*Change*
Regular Wages	$13,312,895	$14,104,278	*$791,383*
Turnover	(943,020)	(1,367,529)	*(424,509)*
Employer Cost Of Employee Medical Insurance	1,972,515	2,209,690	*237,175*
ERSRI Retirement Plans - Employer Contribution	3,968,202	3,901,543	*(66,659)*
FICA - Employer Cost	977,854	1,010,612	*32,758*
AFB Fund Assessment	372,297	397,442	*25,145*
Medical Insurance Waiver Bonus	-	23,272	*23,272*
All Other Adjustments	1,185,312	1,175,942	*(9,370)*
Total	**$20,846,055**	**$21,455,250**	***$609,195***

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Contract Professional Services Adjustment ***$216,202***

The Budget includes $613,623 of general revenue to fund contracted professional services for the program in FY2027, reflecting a net increase of $216,202 from the FY2026 Budget as Enacted. The adjustment includes a $301,270 increase for expert witnesses, which is offset by a $96,000 reduction in laboratory testing. The Office anticipates an increased need for expert witnesses to assist with the many litigation cases they are involved in and requested additional funding. The reduction in laboratory testing is due to a technical change in the State's new accounting system, which now requires the specific doctor's office to be included and labeled as an expert witness.

Operating Supplies and Expenses Adjustment ***$180,213***

The Budget includes $2.1 million of general revenue to fund operating supplies and expenses within the Office's Criminal program, reflecting an increase of $180,213 from the FY2026 Budget as Enacted. The adjustment includes an additional $334,084 for software maintenance offset by a $100,000 reduction for general-purpose building repairs. The software maintenance includes the requested funding for body-worn camera software. The Office is responsible for managing the intake of body-worn camera videos by police departments throughout the state, as well as utilizing the footage for criminal prosecutions. Consequently, thousands of camera recordings are provided to the AG's Office, and the software will enhance the Office's ability to receive, organize, review, reproduce, and redact the recordings, providing transparency and accountability to the State.

Automatic Expungement (restricted receipts) ***($386,000)***

The Budget provides $25,225 of restricted receipts to fund the Automatic Expungement program in FY2027, reflecting a $386,000 reduction from the FY2026 enacted level. The project is expected to be complete in FY2026, and the funds recommended for FY2027 support information technology expenses. The 2022 General Assembly passed the Rhode Island Cannabis Act, which legalized recreational use of cannabis for adults and required the automatic expungement of marijuana-related convictions for offenses that have been decriminalized by July 1, 2024. The Budget includes $185,225 of restricted receipts in the FY2026 Final Budget for the project, representing a $226,000 reduction from the FY2026 enacted level, primarily for information technology systems and advisory services. The following table compares the restricted receipts provided in the FY2026 Budget as Enacted with the FY2026 Final Budget and FY2027 Budget as Enacted.

Automatic Expungement	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Program Supplies	$206,000	$0	*($206,000)*	$0	*($206,000)*
Management & Advisory Services	180,000	20,000	*(160,000)*	-	*(180,000)*
IT Systems Design & Support	25,225	165,225	*140,000*	25,225	-
Total	**$411,225**	**$185,225**	***($226,000)***	**$25,225**	***($386,000)***

Federal Fund Adjustment (federal funds) ***($314,586)***

The Budget includes $3.1 million of federal funds for the Criminal program, reflecting a net reduction of $314,586 from the FY2026 Budget as Enacted. The appropriation reduces funding from the Equitable Sharing-Forfeitures account, which is no longer needed for a capital project and eliminates grant funding that is no longer available from the Violence Against Women Act (VAWA). The following table compares the federal funds provided to the Criminal Program in the FY2026 Budget as Enacted to the funds included in the FY2026 Final and FY2027 Enacted Budgets.

Federal Funds	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Equitable Sharing – Forfeitures	$1,627,067	$1,271,567	*($355,500)*	$1,338,661	*($288,406)*
Violence Against Women Grant	148,293	-	*(148,293)*	-	*(148,293)*
State Medicaid Fraud Unit	1,044,021	1,318,088	*274,067*	1,173,887	*129,866*
Victim Liaison Grant	32,000	32,000	-	-	*(32,000)*
Social Security Investigations	246,154	262,913	*16,759*	269,432	*23,278*
Traffic Safety Resource Prosecutor	117,190	124,950	*7,760*	127,746	*10,556*
Victims of Crime Grant	34,287	23,931	*(10,356)*	24,700	*(9,587)*
Cold Case DNA Grant	155,000	155,000	-	155,000	-
Total	**$3,404,012**	**$3,188,449**	***($215,563)***	**$3,089,426**	***($314,586)***

CIVIL PROGRAM

The Civil Program is charged with conducting the State's legal affairs and representing the State in legal proceedings. By law, the Attorney General initiates and defends actions in state and federal courts whenever warranted; ensures that representation is provided to state officers, employees, and agencies in all courts; advises state officers and agencies on legal issues; and issues written opinions on legal issues when requested by governmental officers.

Civil Program	General Revenue
FY2026 Enacted	$7,301,706
Target and Other Adjustments	*(12,387)*
Pesonnel: Salary and Benefit Adjustment	(616,640)
FY2027 Enacted	**$6,672,679**

Civil Program	Other Fund Changes
Non-Multi-state Initiative Funds (restricted receipts)	$299,582

Personnel: Salary and Benefit Adjustment *($616,640)*

The Budget includes $5.8 million of general revenue to support the salary and benefits of personnel in the Civil program, reflecting a $616,640 reduction from the enacted level. The Office indicates that the adjustment is not a purposeful restructuring and is likely due to the constant fluctuation in the hiring process. The adjustment includes a $448,609 reduction in regular wages and a $40,605 increase to budgeted turnover. The program's total turnover expenditures are equivalent to 2.7 FTE positions, as the Office's average salary per FTE is $148,178 in FY2027. The following table compares the general revenue included for personnel expenses in the FY2026 Budget as Enacted with the funding provided in the FY2027 Budget as Enacted.

Personnel Salary and Benefits	FY2026 Enacted	FY2027 Enacted	*Change*
Regular Wages	$4,335,078	$3,886,469	*($448,609)*
ERSRI Retirement Plans - Employer Contribution	1,232,963	1,146,577	*(86,386)*
Turnover	(353,482)	(394,087)	*(40,605)*
Employer Cost Of Employee Medical Insurance	603,344	584,004	*(19,340)*
State Emp Retiree Health Ins Contributions	129,636	119,911	*(9,725)*
All Other Adjustments	517,399	505,424	*(11,975)*
Total	**$6,464,938**	**$5,848,298**	***($616,640)***

Non-Multi-State Initiative Funds (restricted receipts) *$299,582*

The Budget includes $3.4 million of restricted receipts collected through non-multi-state initiatives in FY2027, reflecting an increase of $299,582 from the FY2026 Budget as Enacted. The adjustment provides additional support for personnel expenditures and does not represent purposeful restructuring.

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BUREAU OF CRIMINAL IDENTIFICATION

The Bureau of Criminal Identification (BCI) is the state entity charged with maintaining criminal history information for crimes committed in Rhode Island. The BCI responds to criminal history records requests, analyzes and records fingerprint information, maintains pistol permits, issues security guard licenses, and conducts employee background checks. The BCI is open 24 hours per day, 7 days per week to respond to requests from law enforcement agencies throughout the country. In FY2019, the BCI moved to the Office's new facility located at the Pastore complex. The new facility was completed in 2018 using Google forfeiture federal funds.

Bureau of Criminal Identification	General Revenue
FY2026 Enacted	$2,440,742
Target and Other Adjustments	*10,607*
Pesonnel: Salary and Benefit Adjustment	112,091
FY2027 Enacted	**$2,563,440**

Personnel: Salary and Benefit Adjustment ***$112,091***

The Budget provides $2.3 million of general revenue to support the salary and benefits of personnel within the Bureau of Criminal Identification, reflecting an increase of $112,091 from the FY2026 enacted level. The adjustment includes an additional $60,120 for regular wages and $26,256 for medical insurance. The following table compares the general revenue funding for personnel included in the FY2026 Budget as Enacted with the funding provided in the FY2027 Budget as Enacted.

Personnel Salary and Benefits	FY2026 Enacted	FY2027 Enacted	*Change*
Regular Wages	$1,401,196	$1,461,316	*$60,120*
Employer Cost Of Employee Medical Insurance	159,405	185,661	*26,256*
Medical Insurance Waiver Bonus	-	7,007	*7,007*
FICA - Employer Cost	106,186	112,816	*6,630*
ERSRI Retirement Plans - Employer Contribution	429,059	434,303	*5,244*
AFB Fund Assessment	40,255	44,241	*3,986*
All Other Adjustments	71,109	73,957	*2,848*
Total	**$2,207,210**	**$2,319,301**	***$112,091***

GENERAL DIVISION

The General Division is responsible for the overall operations of the Office. It consists of the following units: Executive, Fiscal, Personnel, Operations, Management Information Systems, and Public Information/Legislation. The Division oversees the finances of the Office, prepares and submits the Office's annual budget, and lobbies for the resources necessary for the efficient operation of the Office.

General Division	General Revenue
FY2026 Enacted	$5,354,455
Target and Other Adjustments	*15,528*
A&C ISF Charges (statewide adjustments)	402,064
Pesonnel: Salary and Benefit Adjustment	329,684
ERP Maintenance and Operations Billings (statewide adjustments)	(122,147)
FY2027 Enacted	**$5,979,584**

Personnel: Salary and Benefit Adjustment ***$329,684***

The Budget provides $5.2 million of general revenue to support the salary and benefits of personnel in the General Division, reflecting an increase of $329,684 from the FY2026 enacted level. The adjustment includes a $300,985 increase to regular wages offset by a $120,336 reduction to seasonal salaries. The

following table compares the general revenue funding for personnel included in the FY2026 Budget as Enacted and the FY2027 Budget as Enacted.

Personnel Salary and Benefits	FY2026 Enacted	FY2027 Enacted	*Change*
Regular Wages	$2,936,584	$3,237,569	*$300,985*
Seasonal/Special Salaries/Wages	120,336	-	*(120,336)*
Employer Cost Of Employee Medical Insurance	384,044	469,383	*85,339*
ERSRI Retirement Plans - Employer Contribution	923,561	979,240	*55,679*
Turnover	(28,079)	(65,921)	*(37,842)*
FICA - Employer Cost	235,722	252,670	*16,948*
All Other Adjustments	335,724	364,635	*28,911*
Total	**$4,907,892**	**$5,237,576**	***$329,684***

CAPITAL PROJECTS

The Office of the Attorney General's capital budget is funded with Rhode Island Capital Plan (RICAP) funds and federal funds awarded through the federal Equitable Sharing – Forfeitures Program. The FY2026 Final Budget provides $195,554 in federal funds for capital projects and purchases, a decrease of $205,000 in federal funds and $2.5 million in RICAP funds from the FY2026 Budget as Enacted. The $2.5 million in RICAP funds included in the FY2026 Budget as Enacted were shifted to out-years due to updated spending plans. The FY2027 Budget as Enacted provides $2.9 million in all funds, including $2.7 million in RICAP funds and $195,554 in federal funds. The table below compares the Office's capital funding in the FY2026 Budget as Enacted with the FY2026 Final Budget and the FY2027 Budget as Enacted.

Funding Source	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
RICAP: Renovation and Asset Protection (other funds)	$2,525,000	$0	*($2,525,000)*	$2,675,000	*$150,000*
Equitable Sharing – Forfeitures (federal funds)	400,554	195,554	*(205,000)*	195,554	*(205,000)*
Total	**$2,925,554**	**$195,554**	**($2,730,000)**	**$2,870,554**	**($55,000)**

RICAP: Renovation and Asset Protection (other funds) *Informational*

The Budget includes $2.7 million of RICAP funds in FY2027 for the Office's Renovation and Asset Protection project. The Office recently replaced the roof at the 150 South Main Street location. The funding provided will support renovations at the 180 South Main Street location, including replacing the HVAC system and windows as well as sections of the roof. The Office indicates that the aging HVAC system and windows have contributed to a significant loss of energy efficiency. Due to an updated spending plan, the Budget shifted $2.5 million of RICAP funds from FY2026 and increased funding in FY2027 by $1.5 million and by $1.0 million in out-year FY2028.

Equitable Sharing—Forfeitures (federal funds) *Informational*

The Budget includes $195,554 of federal funds from the Equitable Sharing – Forfeitures program for capital purchases and projects in both FY2026 and FY2027, reflecting a $205,000 reduction from the FY2026 Budget as Enacted. The funding will be used for vehicle replacements, asset protection and maintenance work. The FY2026 Budget provided funding from this account to purchase electric vehicle charging stations, which the Office indicates were ultimately funded by the Public Utilities Commission. The equitable sharing program provides state, local, and tribal law enforcement agencies with a share of the proceeds received through their participation in a law enforcement effort.

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Department of Corrections

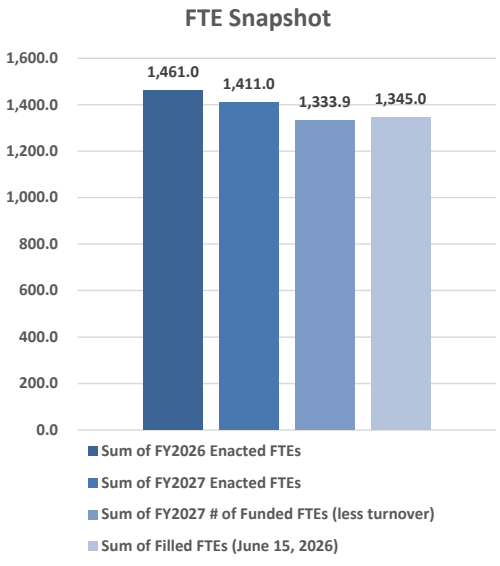
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$23.2	$24.9	$25.8	*$0.9*	*3.8%*	$26.9	*$2.0*	*8.0%*
Parole Board	1.5	1.7	1.6	*(0.1)*	*-3.7%*	1.7	*(0.0)*	*-0.3%*
Custody and Security	183.0	211.5	193.7	*(17.8)*	*-8.4%*	208.2	*(3.3)*	*-1.6%*
Institutional Support	39.7	51.6	51.6	*0.0*	*0.1%*	45.7	*(5.9)*	*-11.4%*
Institutional Based Rehab/Population Management	18.5	16.7	16.8	*0.1*	*0.7%*	16.8	*0.1*	*0.4%*
Healthcare Services	34.7	37.1	40.2	*3.1*	*8.4%*	41.0	*3.9*	*10.6%*
Community Corrections	21.1	23.0	22.8	*(0.3)*	*-1.2%*	23.3	*0.3*	*1.1%*
Total	**$321.8**	**$366.4**	**$352.5**	***($13.9)***	***-3.8%***	**$363.4**	***($2.9)***	***-0.8%***
Expenditures By Source								
General Revenue	$302.9	$324.0	$329.5	*$5.5*	*1.7%*	$334.6	*$10.6*	*3.3%*
Federal Funds	4.3	1.8	2.6	*0.8*	*46.5%*	1.5	*(0.2)*	*-13.7%*
Restricted Receipts	1.6	1.3	1.5	*0.2*	*14.8%*	1.3	*(0.1)*	*-3.8%*
Other Funds	13.0	39.3	18.9	*(20.4)*	*-51.8%*	26.0	*(13.3)*	*-33.8%*
Total	**$321.8**	**$366.4**	**$352.5**	***($13.9)***	***-3.8%***	**$363.4**	***($2.9)***	***-0.8%***
Authorized FTE Levels	1,461.0	1,461.0	1,461.0	-	-	1,411.0	*(50.0)*	*-3.4%*

$ in millions. Totals may vary due to rounding.

The Rhode Island Department of Corrections (DOC) provides appropriate, safe, secure, and humane control of offenders while actively assisting and encouraging them to become productive, law-abiding members of the community. Additionally, the Rhode Island State Parole Board is budgeted as a unit of the Department but has independent programmatic decision-making authority. Collectively known as the Adult Correctional Institutions (ACI), the Department operates six separate occupied facilities with a total current capacity of 3,989 beds. In FY2026, the Department housed an average of 2,417 inmates (63.5 percent of capacity) at the ACI, including 2,274 men and 143 women. The Department also supervises offenders in the community (home confinement, probation, and parole).

MAJOR ISSUES AND TRENDS

FY2026 Final Budget: The FY2026 Final Budget provides $352.5 million in all funds to the Department of Corrections, reflecting a decrease of $13.9 million, or 3.8 percent below the FY2026 enacted level. The Budget includes $329.5 million in general revenue, representing an increase of $5.5 million, or 1.7 percent above the enacted level. The general revenue increase is primarily driven by personnel expenditures, including the restoration of $1.6 million in unachieved efficiency savings, $1.2 million in unbudgeted expenditures related to the Blizzard of 2026, and $1.0 million in federal State Criminal Alien Assistance Program (SCAAP) funding that was anticipated in FY2026 but was delayed and backfilled with general revenue. The Budget further provides an additional $2.3 million of general revenue for operating supplies, including $761,705 for pharmaceuticals, $758,758 for building repairs, and $237,508 for food. The general revenue funding includes reappropriations of $581,138 to support critical healthcare workforce incentives.



The Budget provides $2.6 million in federal funds, reflecting an increase of $817,289 from the FY2026 enacted level. The

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increase is primarily related to a $1.2 million Congressional Earmark award to replace aging and unsafe transport vehicles, offset by a $1.3 million reduction in SCAAP funds. The Budget includes $18.9 million in other funds, reflecting a $20.4 million reduction from the FY2026 enacted level, primarily due to an updated project timeline for the HVAC project at the Intake Services Center.

FY2027 Budget as Enacted: The FY2027 Budget as Enacted provides $363.4 million in all funds to the Department of Corrections, reflecting a $2.9 million, or .08 percent, reduction from the FY2026 enacted level. The Budget includes $334.6 million in general revenue, a $10.6 million, or 3.3 percent, increase from the FY2026 enacted level. The increase is driven primarily by personnel costs, which rise by $9.3 million and include collective bargaining agreements with the state employee bargaining unit and the Rhode Island Brotherhood of Correctional Officers (RIBCO). The Budget provides $26.0 million of other funds, reflecting a $13.3 million reduction from the FY2026 Budget as Enacted, primarily due to the timeline of the HVAC project at the Intake Services Center.

Authorized FTE Level: The Budget authorizes 1,461.0 FTE positions in FY2026, consistent with the FY2026 enacted level. The Budget authorizes 1,411.0 FTE positions in FY2027, reflecting a reduction of 50.0 positions or 3.4 percent. The reduction reflects an initiative to reduce long—standing unfunded vacant positions throughout state agencies.

FY2026 Corrective Action Plan: The Department's 3rd Quarter Report, dated April 30, 2026, projected that the Department would end the fiscal year with a general revenue deficit of $6.2 million compared to the FY2026 enacted level. The report notes that the deficit is primarily a result of $1.2 million in unbudgeted personnel expenses associated with the historic Blizzard of 2026, a delay in the application process for $1.0 million of federal State Criminal Alien Assistance Program (SCAAP) funding, and $2.4 million in unbudgeted personnel costs related to the Department's insufficient number of correctional officers.

On June 18, 2026, the Department submitted a Corrective Action Plan detailing the deficit and outlining three short-term and three long-term solutions to balance the budget. The letter noted that the deficit is largely due to correctional officer overtime expenses and the Department's inability to staff all modules on straight time. In the short-term, the Department plans to: (i) monitor payroll costs and requests to fill vacant positions, approving only the positions deemed most critical to the Department's mission; (ii) limit noncustodial overtime for staff, approving only the hours deemed most critical to the Department's operations; (iii) require the review of the Director, Assistant Director, and Financial Resources staff of all procurement requests, approving only the most critical requests. In the long-term, the Department plans to: (i) complete a staffing analysis to understand the Department's operational needs better; (ii) focus on reducing recidivism by expanding programs targeting this initiative and increasing training and data sharing between staff and community partners; (iii) evaluate the extent to which the Department's correctional intervention programs adhere to evidence-based practices, through the Correctional Program Checklist, which is an evaluation tool designed by the University of Cincinnati Corrections Institute.

On July 29, 2026, the Office of Management and Budget issued a letter indicating that the Department is released from corrective action plan status and that the conditions which necessitated the Department's status have successfully been mitigated by the funding provided in the FY2027 Budget as Enacted.

RIBCO Contract: The Budget includes general revenue throughout the Department's programs in accordance with the Rhode Island Brotherhood of Correctional Officers (RIBCO) contract, which is effective July 1, 2024, through June 30, 2027. The agreement provides Cost of Living Adjustments (COLA) of 4.0 percent in FY2026 and 3.0 percent in FY2027, an increase to the shift differential for members working overnight, a reduction in the years required to receive the top-step pay grade, and various benefit adjustments. In aggregate, the Budget provides $261.0 million of general revenue for salary and benefits in FY2027, reflecting an increase of $9.3 million from the FY2026 enacted level. The increase is primarily related to the following provisions within the RIBCO contract.

- **COLA:** The agreement provides members with COLAs of 5.0 percent in FY2025, 4.0 percent in FY2026, and 3.0 percent in FY2027. The COLAs take effect at the start of the fiscal year.
- **Step Schedule:** The agreement shortens the number of years members must work to achieve the top-step pay grade and creates a new pay grade for members with 20 years of service. Before the agreement, members had to work 14 years to reach the top step. For FY2026, members are eligible to reach the top step after 10 years of service, which is reduced to 8 years of service at the start of FY2027. Additionally, the agreement creates a new top-step pay grade for members with 20 years of service, providing a 2.5 percent increase.
- **Shift Differential:** The agreement increases the shift differential by $1.30 per hour, providing members who work a "night tour of duty" a $2.00 per hour incentive, which applies to both regularly scheduled and overtime shifts. The previous shift differential was $0.75 per hour.

Recidivism Study: The FY2025 Budget as Enacted directed the Department of Corrections to conduct a recidivism study to evaluate recidivism trends and the outcomes of the existing correctional programs. The Department contracted CGL Companies and completed the report in February 2025. The report analyzed a rolling cohort from 2013 to 2023, capturing the initial sentenced releases and all subsequent reoffending patterns. The study also examined the relationship between reoffending and participation in RIDOC programming. The study indicates that 43.3 percent of the 14,841 individuals released had returned to sentenced status, totaling 6,518 recidivists. Additionally, the consultants determined that "Wellness and substance use disorder (SUD) treatment showed the strongest negative correlation with recidivism." Following the study, the Department plans to implement the following policies:

- Develop a Correctional Program checklist and improve the recording of case management interventions resulting in Department conducted regression analyses.
- Exploring options to link arrest records which are not currently shared with the EOHHS data ecosystem or the RI Longitudinal data system.
- Meet bi-weekly with the Executive Office of Health and Human Services (EOHHS) to conduct a secondary recidivism analysis including Medicaid, employment, benefit, wage, and housing data, resulting in a bulk data set with 10 years of recidivism data including what happened in the community for all individuals in the released population.
- Focusing on improved training and retraining on both the Level of Service/Case Management Inventory (LS/CMI) and risk need responsivity to collect more data.

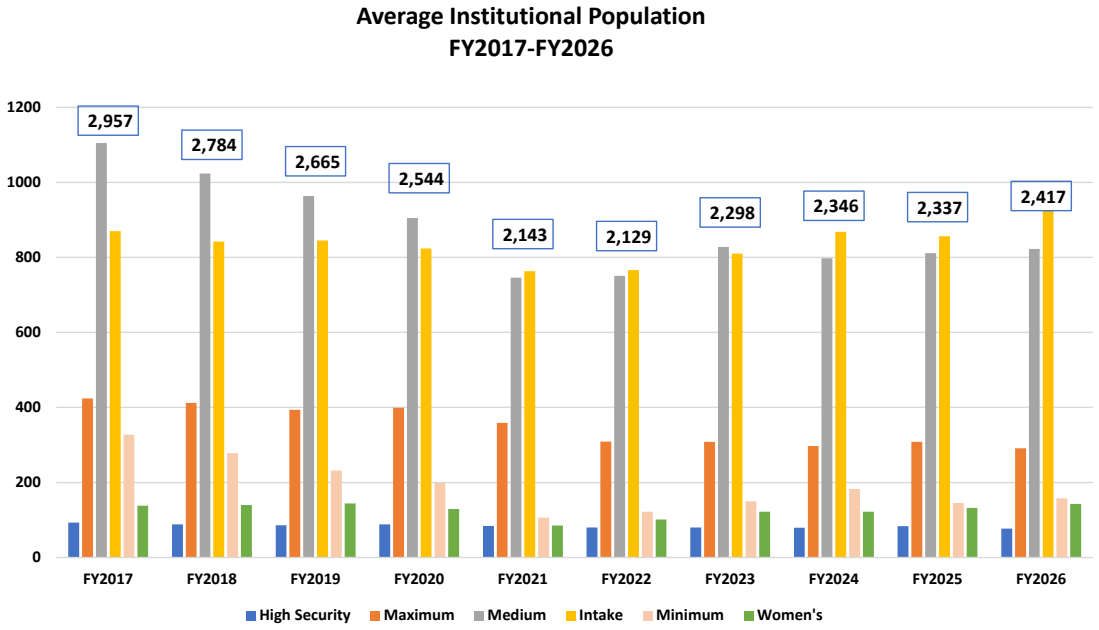
The study made the following recommendations:

- Conduct a deeper analysis of specific programs using multivariate regression analyses to isolate the true impact of various types of interventions.
- Link RIDOC data with arrest records to produce Rhode Island's first re-arrest recidivism rate, clarifying how correctional and law enforcement systems interact.
- Leverage the Executive Office of Health and Human Services Ecosystem Data to examine how access to healthcare, housing, and social services affects post-release outcomes.
- Validate RIDOC's risk assessment tool to evaluate whether cutoff scores should be adjusted for improved risk prediction.
- Conduct survival analysis to identify peak risk periods for reoffending and assess time-to-failure trends across demographics and program participation.

Assumed Population: The FY2026 Final Budget assumes a daily population of 2,414 inmates, which is 122 below the 2,536 inmates assumed in the FY2026 Budget as Enacted. The FY2027 Budget as Enacted assumes a daily population of 2,455 inmates, which is 41 inmates above the population assumed in the

FY2026 Revised Budget and 81 below the population assumed in the FY2026 Budget as Enacted. JFA Associates of Washington DC, which CGL Companies recently acquired, projects population assumptions annually.

Actual Population: In FY2026, the Department's average institutional population was 2,417, which is 80 inmates above the previous year's average and 3 inmates above the population assumed in the FY2026 Final Budget. The High-Security Facility held the smallest population, averaging 77 inmates, while the Intake Service Center held the largest, averaging 926 inmates. The following graph and table illustrate the Department's average population from FY2017 through FY2026, by unit.



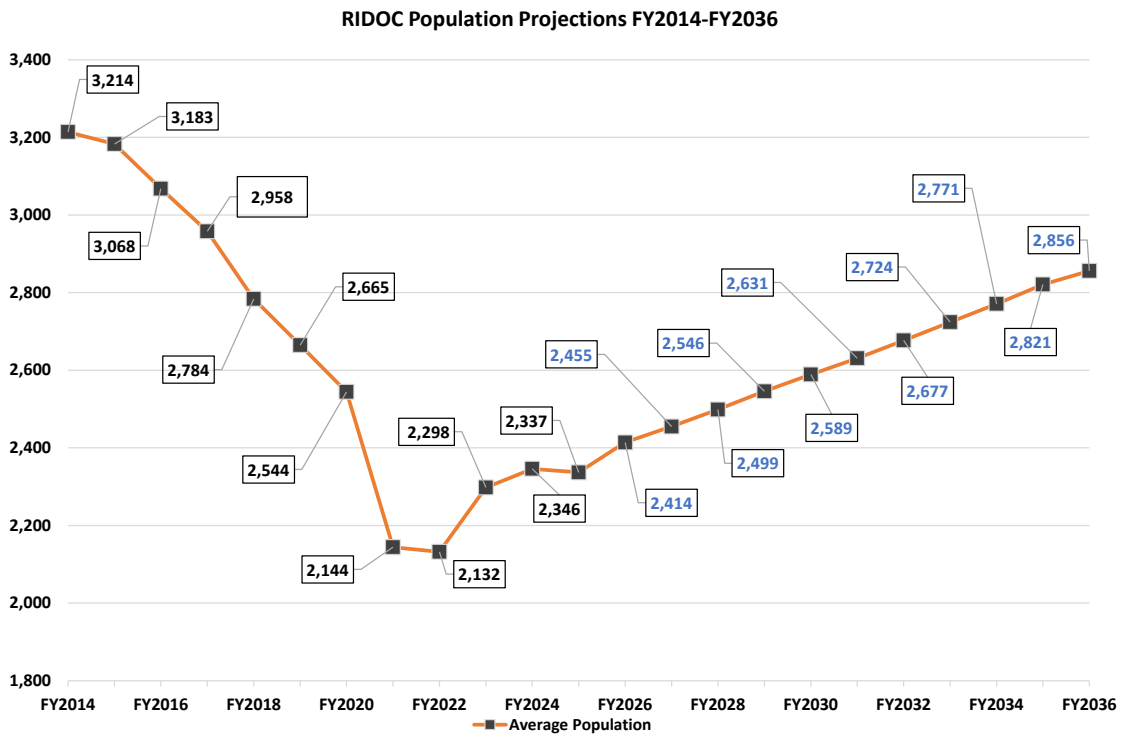
Source: Department of Corrections Population Report

Facility	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
High Security	93	88	86	88	84	80	80	80	83	77
Maximum	424	412	394	399	359	309	308	297	308	291
Medium	1,105	1,024	964	905	746	751	828	797	812	823
Intake	870	842	845	824	763	766	810	868	856	926
Minimum	327	278	232	199	106	122	150	182	145	158
Women's	138	140	144	129	85	101	122	122	132	143
Average Population	**2,957**	**2,784**	**2,665**	**2,544**	**2,143**	**2,129**	**2,298**	**2,346**	**2,337**	**2,417**

Source: Department of Corrections Population Report

Projected Population: The Department's Ten-Year Prison Population Projections report, prepared by CGL Companies and released in August of 2025, indicates that the total sentenced offender population is projected to increase over the next ten years by upwards of 13.0 percent. The report finds that "Slight increases in the average length of stay for awaiting trial populations seen in FY2025 are forecasted to fuel a 13.5 percent growth in the awaiting trial population between FY2026 and [FY] 2036 at an annual average rate of 1.3 percent per year." The report further states that "Increasing admissions coupled with increases in the average sentences for sentenced male admissions seen in FY2023 result in the RIDOC sentenced population being projected to increase 25.7 percent between FY2025 and FY2035 at an annual rate of 2.3 percent per year." The following graph illustrates the Department's actual population for FY2014-FY2025 and the projected population for FY2026-FY2035. Data concerning FY2026 is not yet available but will be included in this office's analysis of the FY2028 Governor's Recommended Budget.

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Source: RIDOC FY2027 Budget Request
Note: Figures in blue represent projections.

Average Cost Per Offender: In FY2025, the State paid an annual average cost of $126,811 for each institution-based offender, or $347.43 per day, including administrative overhead and capital costs. Of the Department's facilities, inmates housed at the High Security Center resulted in the largest annual expense to the State, at $431,971 per inmate. In contrast, inmates housed at the Anthony P. Travisono Intake Service Center exhibited the lowest annual cost, at $90,502 per inmate. The following table illustrates the Department's FY2025 annual average cost per offender for both the institution-based and community-based offenders. Data concerning FY2026 is not currently available but will be included in this office's analysis of the FY2028 Governor's Recommended Budget.

Facility	Average Population	Annual Cost per Offender[†]	Daily Cost per Offender[†]
Institution Based Offenders[*]			
High Security Center	83	$431,971	$1,183.48
Women's Facility	132	224,424	614.86
Minimum	145	198,762	544.55
Maximum	308	156,114	427.71
Medium/Moran	812	93,892	257.24
Intake Service Center	856	90,502	247.95
Total Institution Population	**2,337**	**$126,811**	**$347.43**
Community Based Offenders			
Probation & Parole	6,484	$3,433	$9.41
Home Confinement[‡]	207	15,671	$42.93
Total Community Population	**6,691**	**$3,812**	**$10.44**

Source: RIDOC FY2027 Budget Request

[*] *Population reflects total average population housed in FY2025.*

[†] *Cost per offender includes both administrative overhead and capital costs.*

[‡] *Institutional population includes offenders under active supervision only. It does not include banked cases, court-ordered unsupervised cases, deported cases, offenders paroled to immigration or another jurisdiction, nor cases pending transfer.*

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CENTRAL MANAGEMENT

The Central Management program houses two sub-programs: the Executive program, which consists of the Office of the Director, Legal Services, and Internal Affairs, as well as the Administration Program, which includes Human Resources, Management Information, Planning and Research, Policy Development and Auditing, the Training Academy and Staff Development, and Financial Resources.

Central Management	General Revenue
FY2026 Enacted	$24,875,748
Target and Other Adjustments	*94,899*
Accounts and Control ISF (statewide adjustments)	1,536,438
Centralized Services (statewide adjustments)	719,243
ERP Maintenance and Operations Billings (statewide adjustments)	(552,314)
Personnel: Salary and Benefit Adjustment	494,327
Training Unit Operating Supplies and Expenses Adjustment	(293,749)
FY2027 Enacted	**$26,874,592**

Personnel: Salary and Benefit Adjustment *$494,327*

The Budget provides $13.8 million in general revenue for the salary and benefits of personnel within the Central Management program, reflecting an increase of $494,327 from the FY2026 enacted level. The adjustment includes an additional $389,837 for salaries, $54,206 for benefits, $28,337 for overtime, and $21,947 for the statewide benefit assessment.

Training Unit Operating Supplies and Expenses Adjustment *($293,749)*

The Budget includes $175,571 of general revenue to fund operating supplies and expenses for the Department's Training Unit, reflecting a reduction of $293,749 from the FY2026 enacted level. Notable adjustments include decreases of $189,999 for recruitment advertising and $104,322 for staff clothing and uniforms. The Department graduated 32 correctional officers in Class 94 and anticipates an additional 37 in June 2026 following the graduation of Class 95. The Budget provides funding in FY2027 for two classes of 50 recruits each.

PAROLE BOARD

The Parole Board is a six-member commission appointed by the Governor that evaluates and authorizes the early release of inmates who meet certain conditions. The Department determines eligibility criteria, including that inmates must serve at least one-third of their sentence before being eligible for parole and must meet defined criteria post-parole and for the duration of their sentence. The Parole Board has one sub-program, the Sex Offender Community Notification (SOCN) Unit. The SOCN Unit is intended to support the sex offender leveling process, notify the community, and provide support to the Rhode Island Sex Offender Board of Review, the RI Sex Offender Registry, state and local police, as well as the public.

Parole Board	General Revenue
FY2026 Enacted	$1,673,257
Target and Other Adjustments	*(24,821)*
Personnel: Salary and Benefit Adjustment	19,750
FY2027 Enacted	**$1,668,186**

Personnel: Salary and Benefit Adjustment *$19,750*

The Budget includes $1.6 million of general revenue to support the salary and benefits of personnel in the Department's Parole Board program, reflecting a net increase of $19,750 from the FY2026 enacted level. The increase occurs within the Sex Offender Community Notification Unit and includes various

adjustments related to the current agreements with the RIBCO and the State Employee Collective Bargaining Unit.

CUSTODY AND SECURITY

The Custody and Security program is responsible for the secure custody and control of the State's inmate population to ensure the safety of staff, inmates, and the general public. The program manages six correctional institutions and one jail complex, all located in Cranston at the Pastore Center. Men's facilities include High Security, Maximum Security, the John J. Moran Medium Security Prison, Minimum Security, and the Intake Service Center. Women are housed in the Gloria McDonald. Some female inmates were previously housed in the Bernadette Guay facility; however, this facility was closed in FY2017. The program is the largest within the Department and is divided into two sub-programs: Custody, which includes all staff, activities, and food service within the facilities under the care of their respective Wardens, and the Security sub-program which includes the Central Office Warden, the Correctional Emergency Response Team, Facility Security Audit Teams, Crisis Intervention Teams, Special Investigations Unit, the Canine Unit, and a Department Armorer.

Custody and Security	General Revenue
FY2026 Enacted	$182,260,831
Target and Other Adjustments	*(70,399)*
Personnel: Salary and Benefit Adjustment	5,371,192
Operating Supplies and Expenses Adjustment	(267,027)
FY2027 Enacted	**$187,294,597**

Custody and Security	Other Fund Sources
State Criminal Alien Assistance Program (federal funds)	($317,186)

Personnel: Salary and Benefit Adjustment ***$5.4 million***

The Budget provides $183.5 million in general revenue to support the salary and benefits of personnel within the Custody and Security program, reflecting a net increase of $5.4 million from the FY2026 Budget as Enacted. The adjustment includes the 3.0 percent COLA for FY2027 and other contract provisions agreed upon with the Rhode Island Brotherhood of Correctional Officers (RIBCO) and the State Employee Collective Bargaining Unit. Personnel within the Medium-Security and Maximum-Security Facility received the largest increases, with funding increasing by $3.8 million and $1.6 million from the FY2026 Budget as Enacted.

Included within the adjustment is a $983,599 reduction to account for the Department's revision to its absenteeism policy. The Department revised the policy in 2019, adjusting the disciplinary path for absenteeism, which RIBCO challenged. The Courts determined that the Department may implement the policy without negotiating with the union, which the Department mandated in September 2025. The $983,599 in savings represents 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 action against those who violate the absenteeism policy, personnel will abuse sick time less. The Department further notes that this is the first iteration of the policy change, and the fiscal impact remains undetermined. The following table compares the general revenue funding provided by the FY2026 Budget as Enacted with the funding included in the FY2026 Final and FY2027 Budget as Enacted, by facility/unit.

Facility/Unit	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Medium Security - Moran	$42,389,766	$45,102,018	*$2,712,252*	$46,168,171	*$3,778,405*
Intake Services Center	44,640,370	43,766,006	*(874,364)*	44,008,539	*(631,831)*
Maximum Security	27,349,884	28,380,746	*1,030,862*	28,982,447	*1,632,563*
High Security	21,172,003	21,804,988	*632,985*	22,260,476	*1,088,473*
Minimum Security	17,721,118	16,516,290	*(1,204,828)*	17,133,053	*(588,065)*
Women's Facilities	16,240,719	16,221,357	*(19,362)*	16,682,165	*441,446*
Records and ID Unit	3,281,529	3,172,265	*(109,264)*	3,286,024	*4,495*
Special Investigations Unit	2,469,778	2,476,639	*6,861*	2,544,190	*74,412*
Institutions/Operations - General	1,471,733	1,407,113	*(64,620)*	1,453,934	*(17,799)*
Tactical Team	465,797	516,777	*50,980*	530,912	*65,115*
K-9 Unit	936,983	470,974	*(466,009)*	484,005	*(452,978)*
Health Services - General	23,044	-	*(23,044)*	-	*(23,044)*
Total	**$178,162,724**	**$179,835,173**	***$1,672,449***	**$183,533,916**	***$5,371,192***

Operating Supplies and Expenses Adjustment ***($267,027)***

The Budget includes $2.7 million in general revenue for operating supplies within the Custody and Security program, reflecting a decrease of $267,027 from the FY2026 enacted level. Significant adjustments include decreases of $124,112 for janitorial supplies, $122,697 for loan repayment to the State Fleet Revolving Loan Fund, $84,130 for linen and laundry, $48,524 for security supplies, and $43,368 for mobile telephone expenses, offset by increases of $209,327 for clothing and uniforms and $74,051 for building supplies.

State Criminal Alien Assistance Program (federal funds) ***($317,186)***

The Budget includes $1.0 million of federal funds awarded through the State Criminal Alien Assistance Program (SCAAP) in FY2027, reflecting a $317,186 decrease from the FY2026 enacted level. The FY2026 Final Budget removes $1.3 million of SCAAP funding, which reflects the entire appropriation included in the FY2026 Budget as Enacted, due to delays at the federal level. The Department's 3rd Quarter Report indicated that, "At the time of this report, the grant has not posted… The last award released was for federal fiscal year 2024, which was received in FY2025." The grant has since been posted, and the Department will direct any awarded funds to FY2027.

The State Criminal Alien Assistance Program (SCAAP) is a payment program administered by the Bureau of Justice Assistance and supported by the Department of Homeland Security that reimburses states and localities for the costs incurred from incarcerating undocumented aliens, including the salaries and training costs of correctional officers. In the context of SCAAP, an undocumented criminal alien is an individual who has been convicted of a felony or two misdemeanors and "(i) entered the United States without inspection or at any time or place other than as designated by the Attorney General; (ii) was the subject of exclusion or deportation proceedings at the time he or she was taken into custody by the State or a political subdivision of the State; or (iii) was admitted as a nonimmigrant and at the time he or she was taken into custody by the State or a political subdivision of the State, has failed to maintain the nonimmigrant status in which the alien was admitted or to which it was changed under Section 238, or to comply with the conditions of any such status." To qualify for SCAAP reimbursement, aliens under their jurisdiction must have at least one felony or two misdemeanor convictions and be incarcerated for at least four consecutive days.

A brief issued on February 27, 2025, by the Congressional Research Service, provides details concerning SCAAP qualifications and reimbursements. According to the brief, Rhode Island was awarded $10.4 million in SCAAP funding from FFY2015-FFY2024 and received the second most in New England in FFY2022-FFY2024. The following tables illustrate the SCAAP reimbursements awarded to Rhode Island from FFY2015-FFY2024 and compare recent reimbursements throughout New England.

SCAAP Funding Directed to Rhode Island

Federal Fiscal Year	Award Amount
FFY2015	$597,336
FFY2016	750,610
FFY2017	874,842
FFY2018	947,270
FFY2019	1,002,858
FFY2020	1,252,418
FFY2021	1,370,555
FFY2022	1,325,777
FFY2023	1,318,639
FFY2024	1,001,353
10 Year Total	**$10,441,658**

Source: Congressional Research Service

SCAAP Funding in New England

State	FFY20222	FFY2023	FFY2024
Massachusetts	$2,533,419	$2,482,878	$1,450,444
Rhode Island	***1,325,777***	***1,318,639***	***1,001,353***
Connecticut	1,194,121	1,134,231	752,067
New Hampshire	99,447	94,476	65,409
Maine	24,797	38,115	14,839
Vermont	-	-	-

Source: Congressional Research Service 2025

FFY represents federal fiscal year

INSTITUTIONAL SUPPORT

The Institutional Support program is divided into three sub-programs: the Food Services sub-program, which is responsible for the procurement and preparation of nutritionally balanced foods for all inmates; the Facilities and Maintenance sub-program, which is responsible for all maintenance and repairs to the Department's buildings on the Pastore Complex; and the Classification sub-program, which divides inmates into groups based on their needs.

Institutional Support	General Revenue
FY2026 Enacted	$40,099,600
Target and Other Adjustments	*(55,847)*
Centralized Services (statewide adjustment)	(1,885,118)
Facility Maintenance Unit	694,524
Food Services Unit	606,900
FY2027 Enacted	**$39,460,059**

Facility Maintenance Unit Adjustment ***$694,524***

The Budget includes $20.1 million of general revenue to support the Facility Maintenance Unit, reflecting an increase of $694,524 from the FY2026 enacted level. The adjustment increases operating supplies by $1.0 million and salary and benefits by $111,867, offset by a $444,990 reduction to contracted services. The increase to operating supplies provides an additional $879,625 for building repairs and $114,869 for property insurance. The adjustment to contracted services primarily includes a $404,514 reduction to contracted security services, which the agency notes in the FY2027 Budget Request were reclassified as building repairs to better align with the intended use.

Food Services Unit Adjustment ***$606,900***

The Budget includes $11.2 million of general revenue to support the Food Services Unit, reflecting an increase of $606,900 from the FY2026 Budget as Enacted. The adjustment increases operating supplies by $274,586 and personnel costs by $332,314. The operating supplies adjustment raises food expenditures by $338,454, offset by a $57,990 reduction to kitchen supplies. The personnel adjustment reflects the collective bargaining agreements with RIBCO and the state employee collective bargaining unit, as well as the elimination of $51,881 in turnover savings. The Department indicates that the food cost increase is consistent with the nationwide increase due to inventory and delivery concerns.

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INSTITUTIONAL BASED REHABILITATION/POPULATION MANAGEMENT

The Institutional Based Rehabilitation/Population Management program handles educational and vocational training; Correctional Industries; case management services; inmate treatment services, including substance abuse and counseling and other services; and reentry services, including discharge planning and reentry assistance.

Correctional Industries provide inmate labor and work crews, and certain manufactured items. Correctional Industries provides services centrally to all state departments and agencies as well as to municipalities. State law requires the State and municipalities to solicit bids from Correctional Industries when soliciting labor and/or supplies offered under the program. The operational cost of the program is shown on a centralized basis for informational purposes (internal service funding), but the actual costs are reflected in the operating budgets of user agencies.

Institutional Based Rehab/Population Management	General Revenue
FY2026 Enacted	$15,027,101
Target and Other Adjustments	*(20,688)*
Contract Professional Services Adjustment	209,073
Operating Supplies and Expenses Adjustment	(138,864)
FY2027 Enacted	**$15,076,622**

Contract Professional Services Adjustment *$209,073*

The Budget provides $4.3 million of general revenue to support contract professional services within the Institutional Based Rehab/Population Management program in FY2027, reflecting a $209,073 increase from the FY2026 enacted level. Significant adjustments include a $395,143 increase for management and advisory services, offset by a $217,171 reduction in doctors and medical professionals. The increase to management and advisory services reflects the Department's plan to expand religious services. The Department notes that certain religions require specific items and services and had requested funding to ensure everyone can practice appropriately. The reduction in healthcare professionals reflects a better alignment with actual spending and population. The following table compares the funding included in the FY2026 Budget as Enacted for contract professional services with the appropriation in the FY2026 Final Budget and the FY2027 Budget as Enacted.

Contract Professional Services	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Doctors, Medical Specialists, & Dentists	$2,706,956	$2,433,550	*($273,406)*	$2,489,785	*($217,171)*
Management & Advisory Services	822,665	1,073,378	*250,713*	1,217,808	*395,143*
University/College Services	377,974	433,812	*55,838*	433,812	*55,838*
Training Consultants	100,676	69,383	*(31,293)*	111,156	*10,480*
Lawn Maintenance	77,791	90,000	*12,209*	77,791	-
Interpreters/Translators	432	500	*68*	500	*68*
Temporary Staffing	35,285	-	*(35,285)*	-	*(35,285)*
Total	**$4,121,779**	**$4,100,623**	***($21,156)***	**$4,330,852**	***$209,073***

Operating Supplies and Expenses Adjustment *($138,864)*

The Budget provides $292,596 of general revenue for operating supplies and expenses within the Institutional Based Rehabilitation/Population Management program, representing a decrease of $138,864 from the FY2026 Budget as Enacted. The adjustment includes reductions to program, office, and medical supplies as well as equipment rental costs. The Office of Management and Budget indicates that the reduction reflects the revised inmate population.

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Operating Supplies and Expenses	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Program Supplies	$186,046	$143,552	*($42,494)*	$149,032	*($37,014)*
Office Supplies	97,031	63,623	*(33,408)*	63,623	*(33,408)*
Equipment Rental	29,760	555	*(29,205)*	555	*(29,205)*
Software Maintenance	48,720	36,920	*(11,800)*	36,920	*(11,800)*
All Other Adjustments	69,903	42,452	*(27,451)*	42,466	*(27,437)*
Total	**$431,460**	**$287,102**	***($144,358)***	**$292,596**	***($138,864)***

HEALTHCARE SERVICES

The Healthcare Services program is constitutionally mandated to provide medical, dental, and mental health service provision to all inmates. According to the Department, the inmate population is more likely than the general population to have infectious diseases and other conditions. About 1.0 percent of the inmate population is HIV positive, 25.0 percent are infected with Hepatitis C, 10.0 percent have persistent mental health illnesses, and 70.0 to 90.0 percent have histories of substance abuse.

Healthcare Services	General Revenue
FY2026 Enacted	$37,051,880
Target and Other Adjustments	*158,025*
Personnel: Salary and Benefit Adjustment	2,767,370
Operating Supplies and Expenses Adjustment	1,001,354
FY2027 Enacted	**40,978,629**

Personnel: Salary and Benefit Adjustment *$2.8 million*

The Budget includes $22.7 million of general revenue to support the salary and benefits of personnel within the Healthcare Services program, reflecting an increase of $2.8 million from the FY2026 Budget as Enacted. The increase primarily represents provisions agreed upon by the Rhode Island Brotherhood of Correctional Officers (RIBCO) and the State Employee Collective Bargaining Unit. Personnel costs within the Nursing Services and General Health units increased by $1.7 million and $930,213, respectively, from the FY2026 enacted level.

Salary and Benefits: Healthcare Services	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Nursing Services	$13,252,193	$14,617,489	*$1,365,296*	$14,990,219	*$1,738,026*
General	1,400,488	2,255,592	*855,104*	2,330,701	*930,213*
Mental Health	2,614,259	2,666,491	*52,232*	2,876,574	*262,315*
Physician Services	1,108,222	950,802	*(157,420)*	975,793	*(132,429)*
Medical Records	851,500	759,233	*(92,267)*	788,050	*(63,450)*
Special Services	313,466	314,405	*939*	328,845	*15,379*
Dental Services	314,356	313,358	*(998)*	327,514	*13,158*
Pharmacy Services	121,231	121,635	*404*	125,389	*4,158*
Total	**$19,975,715**	**$21,999,005**	***$2,023,290***	**$22,743,085**	***$2,767,370***

Operating Supplies and Expenses Adjustment *$1.0 million*

The Budget provides $6.5 million of general revenue for operating supplies and expenses within the Healthcare Services program, reflecting an increase of $1.0 million from the FY2026 Budget as Enacted. The adjustment includes an additional $964,802 for pharmaceuticals and $40,365 for medical supplies. The Department notes prescription medications are a very costly element of correctional medical services. The treatment of Hepatitis C specifically has fluctuated from a high of $120,000 per treatment regimen to the current average of $19,500, due in part to the 340B program. The 340B Drug Pricing Program is a federal program that requires drug manufacturers to provide outpatient drugs at significantly reduced prices to

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eligible organizations. The following table compares the funding included in the FY2026 Budget as Enacted with the funding in the FY2026 Final Budget and FY2027 Budget as Enacted.

Operating Supplies and Expenses	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Pharmaceuticals	$4,675,885	$5,438,328	*$762,443*	$5,640,687	*$964,802*
Medical Supplies	264,838	309,122	*44,284*	305,203	*40,365*
Professional Liability and Occurances	-	30,307	*30,307*	30,307	*30,307*
Medical Equipment Maintenance and Repairs	7,326	35,262	*27,936*	35,262	*27,936*
All Other Adjustments	587,284	524,432	*(62,852)*	525,228	*(62,056)*
Total	**$5,535,333**	**$6,337,451**	***$802,118***	**$6,536,687**	***$1,001,354***

COMMUNITY CORRECTIONS

The Community Corrections program is responsible for supervising offenders serving portions of their sentence under probation, parole, or community confinement, and also provides certain services to victims of crimes. The Probation and Parole unit provides supervision and services for individuals under the jurisdiction of the courts or Parole Board and attempts to successfully reintegrate individuals from incarceration back into the community. Community Confinement provides supervision to individuals sentenced to "house arrest" by the courts and can include work-release supervision. Community Corrections uses electronic monitoring as a primary component of its supervision strategy. Victim Services provides 24-hour-per-day automated information about offender status and victim advocacy services, including crisis intervention, referral, and case management.

Community Corrections	General Revenue
FY2026 Enacted	$23,026,186
Target and Other Adjustments	*(36,742)*
Personnel: Salary and Benefit Adjustment	226,485
Contract Professional Services Adjustment	72,691
Community Corrections Population	Informational
FY2027 Enacted	**$23,288,620**

Personnel: Salary and Benefit Adjustment *$226,485*

The Budget provides $21.2 million of general revenue to support the salary and benefits of personnel within the Community Corrections program, reflecting an increase of $226,485 from the FY2026 Budget as Enacted. The increase includes various adjustments related to the current agreements with the RIBCO and the State Employee Collective Bargaining Unit, as well as a $109,663 increase in turnover savings.

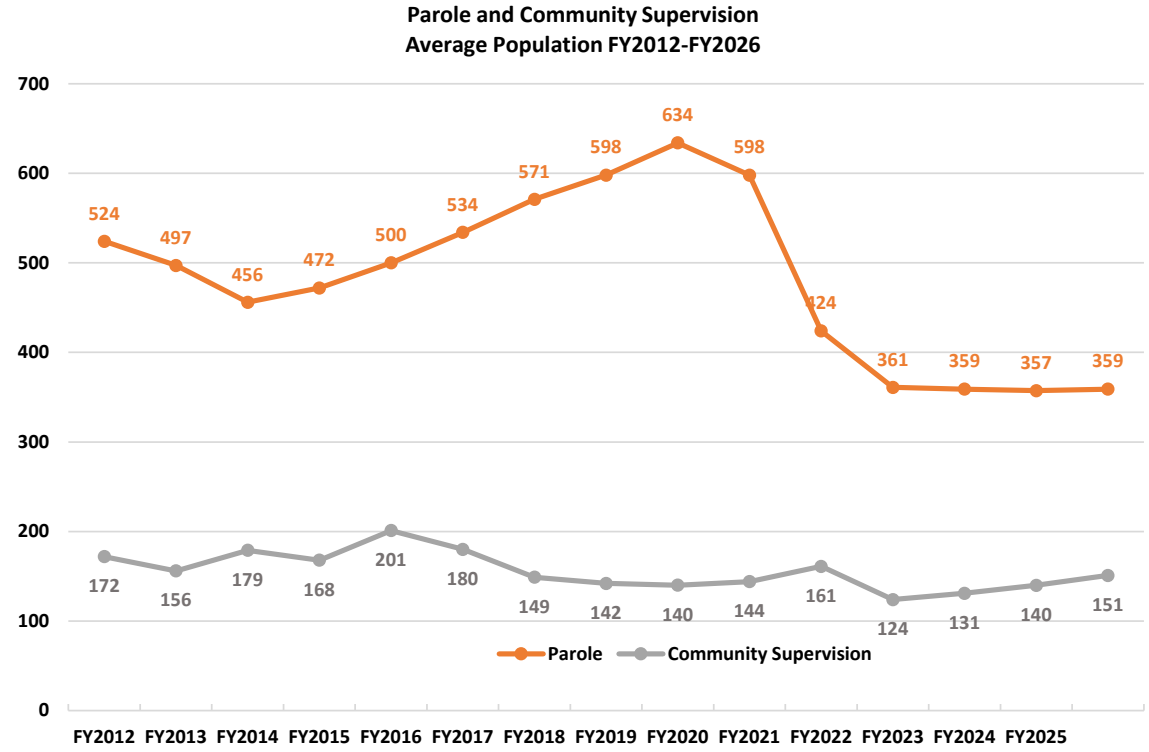
Contract Professional Services Adjustment *$72,691*

The Budget provides $479,169 of general revenue to support contracted services within the Community Corrections program, reflecting an increase of $72,691 from the current enacted level. The adjustment increases management and advisory services by $231,848, primarily within the Probation and Parole Unit, and reduces health service expenditures, such as doctors, dentists, and specialists, by $166,124. The increase in management and advisory services reflects the Department's expansion of religious services. The Department indicates that the reduction to contracted health services aligns with the expected spending levels and population projections.

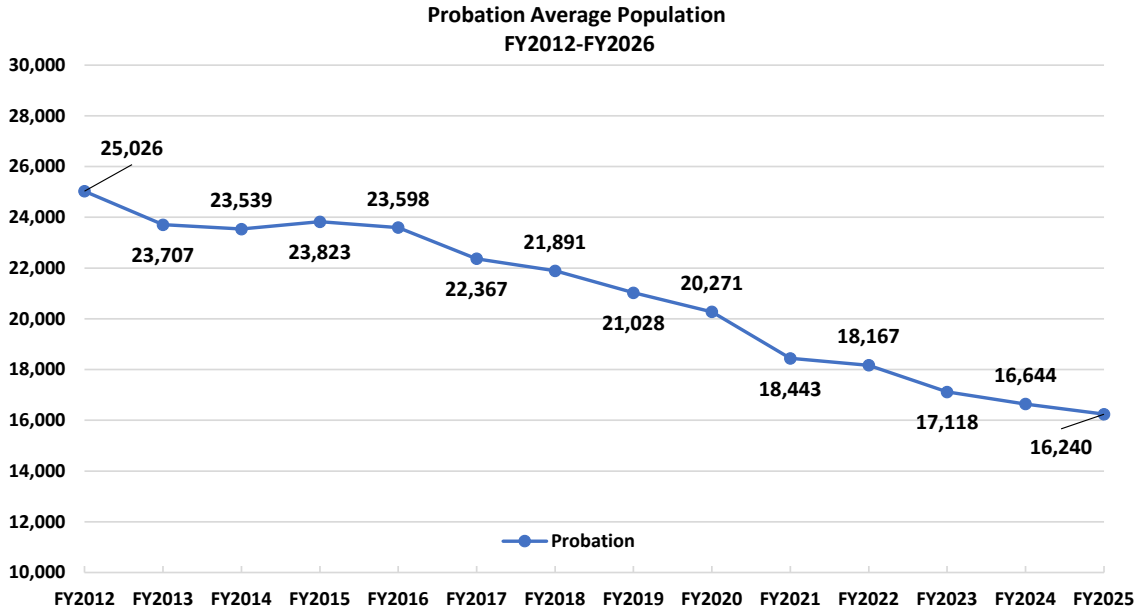
Community Corrections Population Information *Informational*

While representing only 7.0 percent of the Department's general revenue budget in FY2027, the Community Corrections program serves the largest number of individuals. The Department indicates that in FY2026, the Community Corrections population averaged 16,348, including 15,838 individuals on probation, 359 on parole, and 151 under community supervision. The FY2012 Population Report indicates an average population of 25,722, including 25,026 individuals on probation, 524 on parole, and 172 under

community supervision. Compared to the current population, the Department's population is 36.4 percent smaller than in FY2012. The following table and graphs illustrate the Department's average number of individuals on probation and parole, and under community supervision for FY2012-FY2026.



Source: Department of Corrections Population Report



Source: Department of Corrections Population Report

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Supervision	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Probation	25,026	23,707	23,539	23,823	23,598	22,367	21,891	21,028	20,271	18,443	18,167	17,118	16,644	16,240	15,838
Parole	524	497	456	472	500	534	571	598	634	598	424	361	359	357	359
Community Supervision	172	156	179	168	201	180	149	142	140	144	161	124	131	140	151
Population Total	**25,722**	**24,360**	**24,174**	**24,463**	**24,299**	**23,081**	**22,611**	**21,768**	**21,045**	**19,185**	**18,752**	**17,603**	**17,134**	**16,737**	**16,348**

Source: Department of Corrections Population Report

CAPITAL PROJECTS

The Department of Corrections' Capital Budget for FY2026 and FY2027 is supported entirely with Rhode Island Capital Plan (RICAP) funds. The FY2026 Final Budget provides $18.9 million, reflecting a decrease of $20.4 million from the FY2026 enacted level. The FY2027 Budget as Enacted provides $26.0 million, representing a $13.3 million reduction from the previous year's enacted level. The HVAC replacement project at the Intake Service Center is the primary cause of the adjustment.

RICAP Funded Projects	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
HVAC Replacement	$27,818,335	$8,541,112	*($19,277,223)*	$19,800,000	*($8,018,335)*
Asset Protection	8,277,650	10,377,650	*2,100,000*	6,200,000	*(2,077,650)*
Correctional Facilities Renovation	3,179,677	-	*(3,179,677)*	-	*(3,179,677)*
Total	**$39,275,662**	**$18,918,762**	***($20,356,900)***	**$26,000,000**	***($13,275,662)***

HVAC Replacement: The Budget provides $8.5 million of RICAP funds in FY2026, $19.8 million in FY2027, and $5.9 million in out-year FY2028 for the heating, ventilation, and air conditioning (HVAC) replacement project at the Intake Services Center. The Budget's FY2026 appropriation is $19.3 million below the FY2026 enacted level, and the FY2027 appropriation is $8.0 million below the FY2026 enacted level. The Department prioritized replacing the HVAC system at the Intake Services Center (ISC) and indicated that it was over 30 years old, had reached the end of its useful life, required costly repairs with parts that were difficult to obtain, and had been the subject of numerous complaints from both staff and inmates. Furthermore, the Department believes that a newer HVAC system at the ISC will be more energy efficient and reduce emissions.

Asset Protection: The Budget provides $10.4 million of RICAP funds in FY2026 and $6.2 million in FY2027 for asset protection projects at the Department of Corrections. The adjustment includes a $2.1 million increase in FY2026 and a $2.1 million reduction in FY2027, compared to the FY2026 enacted level. Current asset protection projects include security system upgrades, roof replacements throughout the complex, acquisition of laundry and kitchen equipment throughout the complex, and renovations to the Central Distribution Center, Correctional Industry shops, and parking lots.

The Department's FY2027 Capital Budget Request states that in the Spring of 2025, "the Medium Security Facility steampipe and chillers suffered irreparable damage due to severe pipe corrosion which resulted in the HVAC system being completely offline. As a result, the Department is renting generators and chillers to power the HVAC system at a monthly cost exceeding $100,000." The Budget does not include funding to replace the HVAC system at the Medium Security Facility. The additional $2.1 million in the FY2026 Final Budget supports the rental costs of temporary chillers, heaters, and generators at the Medium Facility while the HVAC system is inoperative.

Correctional Facilities Renovations: The Budget eliminates funding for this project in both FY2026 and FY2027 at the agency's request, reflecting a $3.2 million reduction from the FY2026 enacted level. The Department's FY2027 Capital Budget Request notes that the Behavioral Management Unit (BMU) pilot program began in FY2025 and repurposed a housing module within the Intake Service Center (ISC). The pilot has proven to be capable of treating and housing individuals requiring a BMU level of treatment. Consequently, the Department is working with the Courts on a potential agreement for the pilot program to serve as the permanent BMU, eliminating the need to construct a separate unit.

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Judiciary

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Supreme Court	$52.3	$52.7	$54.4	*$1.7*	*3.2%*	$56.3	*$3.6*	*6.8%*
Superior Court	28.4	30.5	30.6	*0.1*	*0.2%*	32.0	*1.5*	*4.9%*
Family Court	32.8	34.6	34.2	*(0.4)*	*-1.0%*	35.0	*0.5*	*1.3%*
District Court	18.5	18.5	18.2	*(0.3)*	*-1.6%*	18.5	*0.1*	*0.4%*
Traffic Tribunal	11.8	11.7	11.7	*0.0*	*0.3%*	12.0	*0.3*	*2.7%*
Workers' Compensation Court	10.2	11.1	11.1	*(0.0)*	*-0.1%*	12.1	*1.0*	*8.9%*
Judicial Tenure & Discipline	0.2	0.2	0.2	0.0	*0.0%*	0.2	*0.0*	*1.2%*
Total	**$154.2**	**$159.2**	**$160.4**	***$1.1***	***0.7%***	**$166.1**	***$6.9***	***4.3%***
Expenditures By Source								
General Revenue	$131.1	$133.5	$135.6	*$2.0*	*1.5%*	$140.1	*$6.6*	*4.9%*
Federal Funds	5.2	6.3	5.4	*(0.9)*	*-13.8%*	5.4	*(0.9)*	*-13.9%*
Restricted Receipts	13.2	15.8	15.7	*(0.1)*	*-0.4%*	16.8	*1.0*	*6.1%*
Other Funds	4.7	3.6	3.7	*0.0*	*1.4%*	3.9	*0.3*	*6.9%*
Total	**$154.2**	**$159.2**	**$160.4**	***$1.1***	***0.7%***	**$166.1**	***$6.9***	***4.3%***
Authorized FTE Levels	745.3	749.3	749.3	-	-	752.3	*3.0*	*0.4%*

$ in millions. Totals may vary due to rounding.

Rhode Island has a unified court system composed of six statewide courts. The Supreme Court is the court of review, the Superior Court is the general trial court, and the Family, District, Traffic Tribunal, and Workers' Compensation Courts are trial courts of special jurisdiction. The entire system is state funded with the exception of probate courts, which are the responsibility of cities and towns, and the municipal courts, which are local courts of limited jurisdiction.

The Chief Justice of the Supreme Court is the executive head of the state court system and has authority over the Judiciary's budget. The Chief Justice appoints the State Court Administrator and an administrative staff to handle budgetary and general administrative functions. Under the direction of the Chief Justice, the Court Administrator manages appropriations for all state courts, except those as provided otherwise by law. Each court has responsibility over its own operations and has a chief judge who appoints an administrator to handle internal court management.

Pursuant to RIGL 35-3-5, passed in 2004, "Itemized estimates of the financial needs of the legislature and of the judiciary shall be submitted, without revision, by the budget officer to the governor on or before the first day of October for inclusion in the budget. The Governor shall submit the financial needs as requested by the legislature and judiciary without revision for inclusion in the budget recommendation to the general assembly." The Governor's Office questions the authority of the statute relative to the state constitution and other general laws.

MAJOR ISSUES AND TRENDS

The Budget includes $139.5 million in general revenue funding, a $6.0 million (4.5 percent) increase over the FY2026 Budget as Enacted, or 6.4 percent over the FY2025 Actual expenditures. $2.6 million of the increase is due to a current service level inflator of 2.5 percent applied to the Governor's FY2026 Revised Budget and $3.0 million is for the statewide cost of living adjustment (COLA). The Judiciary requested an 11.1 percent increase in general revenue relative to the FY2026 Budget as Enacted, or 13.1 percent increase over the FY2025 Actual expenditures. Though not included in the budget request, for FY2027, the Judiciary agreed to a 3.5 percent turnover adjustment for both salaries and benefits, for a total reduction of $4.2 million in general revenue. As shown in the table on the following page, the Governor reduced the Judiciary's total salary and benefit request by 5.2 percent or $6.2 million, a difference of $2.0 million. In FY2026, the Governor recommends the reappropriation of $1.8 million in unused funds from FY2025 and adjusts for statewide personnel adjustments. The General Assembly agreed with the Governor's

recommendation and added $635,000 and 3.0 new FTE positions to support a new Domestic Violence Calendar in the Superior Court.

Federal funds decrease by $876,899 primarily due to the expiration of grants including funding for Veterans Treatment, Family Treatment, and Mental Health Treatment Courts. In FY2027, restricted receipts increase by $967,097 due primarily to a $982,683 or 8.9 percent increase in the Worker's Compensation Court. The costs for this court are paid through the Workers' Compensation Administrative Fund.

Judiciary's Budget Request versus Governor's Recommendation
General Revenue Only

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Revised Request	FY2026 Revised Governor	*Governor Difference to Request*		FY2027 Request	FY2027 Governor	*Governor Difference to Request*	
Supreme Court	$44.7	$44.5	$46.2	$46.3	$0.1	0.3%	$50.4	$48.0	($2.4)	-4.8%
Superior Court	28.3	30.2	30.9	30.3	(0.6)	-2.0%	33.7	31.1	(2.6)	-7.7%
Family Court	28.4	29.2	29.4	29.2	(0.2)	-0.6%	31.4	30.0	(1.5)	-4.7%
District Court	17.8	17.7	18.9	17.8	(1.1)	-5.9%	20.2	18.2	(2.0)	-9.7%
Traffic Tribunal	11.8	11.7	11.8	11.7	(0.1)	-0.5%	12.4	12.0	(0.4)	-3.3%
Judicial Tenure & Discipline	0.2	0.2	0.2	0.2	0.0	15.3%	0.2	0.2	(0.0)	-1.9%
Total	**$131.1**	**$133.5**	**$137.4**	**$135.6**	**($1.8)**	**-1.3%**	**$148.3**	**$139.5**	**($8.8)**	**-5.9%**
Expenditures By Category										
Assistance and Grants	$11.6	$12.6	$12.9	$12.9	$0.0	0.0%	$13.0	$13.0	$0.0	0.0%
Capital Purchases and Equipment	0.6	0.6	0.8	0.8	-	-	0.8	0.8	-	0.0%
Contract Professional Services	2.1	2.2	4.7	4.7	-	-	4.8	4.8	(0.0)	-0.4%
Operating Supplies and Expenses	13.1	6.5	8.7	6.8	(1.9)	-22.0%	10.5	7.8	(2.6)	-25.3%
Salary and Benefits	103.8	111.6	110.3	110.4	0.1	0.1%	119.1	113.0	(6.2)	-5.2%
Total	**$131.1**	**$133.5**	**$137.4**	**$135.6**	**($1.8)**	**-1.3%**	**$148.3**	**$139.5**	**($8.8)**	-5.9%
Authorized FTE Levels			749.3	749.3	-	-	*751.3*	749.3	*(2.0)*	*-0.3%*

$ in millions. General revenue only. Totals may vary due to rounding.

In FY2026, the Judiciary requested the restoration of $3.9 million, a 2.9 percent increase, in general revenue for the unidentified savings programmed into the FY2026 Budget as Enacted. Toward the restoration, the Budget includes a reappropriation of $1.8 million in unexpended funds from FY2025 and an additional $1.3 million in turnover savings achieved through a hiring freeze/delay. This freeze assumes replacements for 9.0 vacant judge and magistrate positions will not occur this fiscal year. In addition, the Budget includes an increase of $333,506 for the pay-go-pension account and $365,000 for Providence Police security detail due to the Sheriff shortage.

Unfunded Vacant Positions in FY2026

Court	Position	Cost
Family Court	Clerk Magistrate	$293,415
	Clerk Magistrate	293,415
District Court	Clerk Magistrate	293,415
Superior Court	Associate Justice	321,128
	Associate Justice	321,128
	Magistrate	293,443
	Presiding Justice	351,232
Total		**$2,167,176**

Source: Judiciary

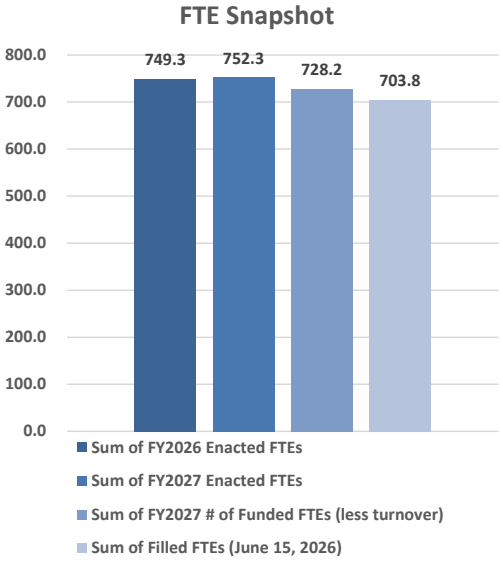
In FY2027, the Judiciary requested a general revenue increase of $14.8 million (11.1 percent) relative to the FY2026 Budget as Enacted. This increase includes the following:

- $6.0 million to replace the unidentified savings in the FY2026 Budget as Enacted,
- $4.2 million reflecting a turnover savings of 3.5 percent that was not included in the request,
- $3.1 million for the 3.0 percent COLA,
- $267,106 in salaries and benefits for the 2.0 new Deputy Chief Investigator FTE positions in the District Court,

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- $478,000 for increased pay-go pension costs to reflect changes to the beneficiaries receiving payments. Pay-go pensions support judges hired before 1990 who are not part of the state employees' retirement system,
- $390,000 for the Providence Police security detail,
- $76,000 for rent increase,
- $324,000 in contract increases for building repairs.

The Budget provides 749.3 FTE positions in FY2026, consistent with the enacted budget and 752.3 FTE positions in FY2027, an increase of 3.0 new FTE positions to support the new Domestic Violence Calendar. The Judiciary requested $267,105 in general revenue for 2.0 new Deputy Chief Investigator FTE positions for the District Court. The additional positions were not recommended by the Governor, nor included in the enacted budget. According to Judiciary, the new positions are needed in the Pretrial Services Unit (PTSU) to alleviate pressure on existing staff, improve service delivery, and align with national best practices. The scope of the PTSU has expanded with the Veterans Treatment Court (VTC) and the Mental Health Treatment Court (MHTC) and is operating beyond recommended capacity with 16 investigators managing 2,100 active cases and monitoring about 1,800 defendants. The additional positions will reduce caseloads, improve supervision, enhance data reporting, and increase capacity to support specialized court programs. Of the new positions, one will be placed in Providence County and one in Kent County. These positions have anticipated start date of July 1, 2026.



SUPREME COURT

The Supreme Court is the only constitutionally-established court in the State and is empowered with administrative authority over the entire state court system. The Court is the final court of review and also issues advisory opinions to Legislative and Executive branches of government and regulates the Rhode Island Bar. Administrative functions include budgeting, human resource management, purchasing, information technology management, and fine and fee collection. The Supreme Court also offers programs related to domestic violence prevention, mandatory continuing legal education, alternative dispute resolution, victim rights information, and the interpreter program.

Supreme Court	General Revenue
FY2026 Enacted	$44,540,913
Target and Other Adjustments	*419,542*
Current Service Level Inflator	2,623,311
Security Services	390,000
FY2027 Enacted	**$47,973,766**

Current Service Level Inflator ***$2.6 million***

The Budget includes an additional $2.6 million in general revenue to accommodate rising personnel and operating costs. The adjustment represents a 2.0 percent increase in general revenue relative to the FY2026 Budget as Enacted.

Security Services ***$390,000***

The Budget increases general revenue by $390,000 to provide a total of $571,500 for contracted security services. Due to shortages in the Division of Sheriffs, the Judiciary contracts with the Providence Police Department to provide additional security at the courthouses in Providence.

SUPERIOR COURT

The Superior Court has jurisdiction for all felony cases, misdemeanor cases that have been appealed or waived from the District Court, civil cases in which the disputed amount exceeds $10,000, and all probate and zoning appeals. The Court has four locations throughout the state, including Providence, Warwick, Wakefield, and Newport. The Gun Court and Adult Drug Court were established in FY1995 and FY2002, respectively. The Superior Court also has appellate jurisdiction of decisions of local municipal and probate courts. Appeals from various boards and commissions, such as zoning boards and Ethics Commission appeals, are heard in Superior Court as well as petitions to review disciplinary action imposed upon a state or local police officer by the chief of that department. In addition to conducting trials, the Superior Court administers the Court-Annexed Arbitration Program which accelerates the disposition of certain less complex civil cases in which there is $100,000 or less at issue. Matters such as contract disputes, personal injury claims, and property damage suits may be certified to this alternative dispute resolution program.

Superior Court	General Revenue
FY2026 Enacted	$30,216,228
Target and Other Adjustments	*334,713*
Domestic Violence Calendar (3.0 FTE positions)	635,000
Judges' Pensions	518,028
FY2027 Enacted	**$31,703,969**

Domestic Violence Calendar (3.0 FTE positions) ***$635,000***

The Budget adds $635,000 and 3.0 new FTE positions to support the creation of a new Domestic Violence Calendar within the Superior Court. The calendar is projected to increase efficiency and reduce the backlog of felony domestic violence cases. The Judiciary reports a current backlog of more than 1,200 felony domestic violence cases. By consolidating and expediting dispositions, the Calendar will improve efficiency, victim safety, and enforcement of bail conditions, no-contact orders, and projective orders. The three new positions include a Domestic Violence Case Coordinator, a Senior Deputy Clerk, and a Magistrate.

Judges' Pensions ***$518,028***

The Budget increases general revenue funding for pay-go pensions by $518,028 in the Superior Court, $478,192 system-wide, to reflect newly retired and recently deceased judges. In FY2027, general revenue funded pay-go pensions total $4.4 million. Pay-go pensions support judges hired before 1990 who are not part of the state employees' retirement system.

FAMILY COURT

The Rhode Island Family Court, established in 1961, was the first statewide Family Court in the United States. The Family Court has jurisdiction to hear and determine all petitions for divorce and any motions in conjunction with divorce proceedings, such as motions relating to the distribution of property, alimony, support and custody of children. It also hears petitions for separate maintenance, and complaints regarding support for parents and children. The Family Court also has jurisdiction over matters relating to delinquent, wayward, dependent, neglected, abused, and mentally deficient or mentally disordered children. In addition, it has jurisdiction over adoptions, paternity proceedings, and a number of other matters involving domestic relations and juveniles. Appeals from decisions of the Family Court are taken directly to the state Supreme Court.

The Court runs specialty court programs, including the Juvenile Drug Court, Domestic Violence Court, Truancy Court, Mental Health Court Clinic, and the Juvenile Re-Entry Court. The Court has four locations throughout the state, including Providence, Warwick, Wakefield, and Newport.

Family Court	General Revenue
FY2026 Enacted	$29,167,951
Target and Other Adjustments	*562,320*
Personnel Adjustments (statewide adjustments)	234,168
FY2027 Enacted	**$29,964,439**

DISTRICT COURT

The District Court has jurisdiction over all criminal misdemeanor cases if the defendant waives the right to a jury trial. If the defendant asks for a jury trial, the case will be transferred to the Superior Court. The District Court also has jurisdiction over bail hearings in felony cases and over violation hearings in misdemeanor cases. The District Court presides over civil trials in which the damages sought total up to $5,000. If the parties agree, the District Court can hear civil suits for damages to a maximum of $10,000. District Court jurisdiction also includes Small Claims Court for damages up to $2,500; violations of municipal ordinances and regulations; violations and hearings on involuntary hospitalization under the mental-health, drug-abuse, and alcohol laws; regulatory appeals, including those related to taxation; and violations of state or local housing codes. Appeals from District Court decisions go to the Superior Court. The Court has four locations throughout the state, including Providence, Warwick, Wakefield, and Newport.

District Court	General Revenue
FY2026 Enacted	$17,697,776
Target and Other Adjustments	*91,443*
Personnel Adjustments (statewide adjustments)	456,961
FY2027 Enacted	**$18,246,180**

TRAFFIC TRIBUNAL

The Traffic Tribunal replaced the Administrative Adjudication Court in 1999. The Traffic Tribunal is responsible for hearing most traffic cases, distributing and controlling traffic summonses, and maintaining accurate driver accident and violation records. The Traffic Tribunal hears appeals from the Division of Motor Vehicles and the municipal courts as well as certain violations of the Department of Environmental Management. The Tribunal has authority to enforce its own judgments. The Traffic Tribunal has one location, at the Pastore Center in Cranston.

Traffic Tribunal	General Revenue
FY2026 Enacted	$11,704,985
Target and Other Adjustments	*317,524*
FY2027 Enacted	**$12,022,509**

WORKERS' COMPENSATION COURT

The Workers' Compensation Court (WCC) has jurisdiction over all disputes between employers and employees relating to workers' compensation. The court's jurisdiction includes contested cases involving the rehabilitation of injured employees and claims involving disputes between an employer and its workers' compensation insurer. Since FY1990, the expenses incurred in the operation of the court are paid through the Workers' Compensation Administrative Fund (restricted receipts).

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Workers' Compensation Court	Restricted Receipts
FY2026 Enacted	$11,090,756
Target and Other Adjustments	*158,632*
Personnel Adjustments (statewide adjustments)	824,051
FY2027 Enacted	**$12,073,439**

JUDICIAL TENURE AND DISCIPLINE

The Commission on Judicial Tenure and Discipline is the program charged with investigating judges who have been charged with misconduct. The Supreme Court may affirm, modify, or reject the recommendations of the Commission.

Judicial Tenure & Discipline	General Revenue
FY2026 Enacted	$188,686
Target and Other Adjustments	*2,215*
FY2027 Enacted	**$190,901**

CAPITAL PROJECTS

The Budget includes $3.7 million in Rhode Island Capital Plan (RICAP) funds in FY2026 and $3.9 million in FY2027, an increase of $49,768 and $250,000 respectively, relative to the FY2026 Budget as Enacted.

- **Garrahy Courthouse Restoration:** The Budget includes $1.1 million in RICAP funds in FY2026 and in FY2027 to complete the restoration of interior spaces at the judicial complex. The project includes carpet replacement, repairing tiles, as well as painted and natural wood surfaces. In addition, upgrades will be made to employee bathrooms. Total project costs are projected at $4.5 million.
- **Judicial Complexes HVAC:** The Budget includes $505,885, including a small carryforward, in FY2026 and $500,000 FY2027 for the replacement and repair of court-managed HVAC systems at the courthouses system wide. Total project costs are currently estimated at $11.9 million with funding extending beyond FY2031. Funds are provided for installation of air handler units (AHU) and variable air volume (VAV) systems, replacement of make-up air units and water heaters, and fan coil replacement.
- **Judicial Complexes Asset Protection:** The Budget includes $1.5 million in FY2026 and FY2027 for asset protection projects throughout the court system. Projects include security and fire suppression upgrades, courtroom restorations, elevator upgrades, and electrical upgrades.
- **Judicial Complexes Fan Coil Unit Replacements:** The Budget provides $503,082, including a small carryforward, in FY2026 and $750,000 in FY2027, an increase of $3,082 and $250,000 respectively relative to the enacted budget. The project includes architectural/engineering work and the installation of the fan coils in the Licht, Fogarty, and Murray facilities. The total project cost is estimated at $6.6 million and is expected to continue beyond FY2031.

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Military Staff

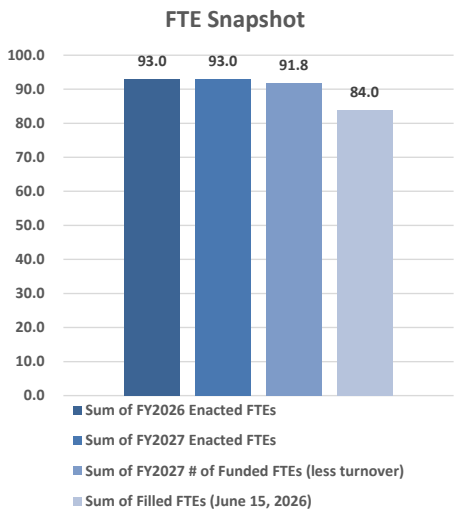
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
RI National Guard	$34.7	$41.6	$80.2	*$38.5*	*92.5%*	$63.8	*$22.1*	*53.2%*
Expenditures By Source								
General Revenue	$3.0	$3.4	$3.5	*$0.1*	*2.3%*	$3.6	*$0.2*	*6.1%*
Federal Funds	27.4	29.0	67.8	*38.8*	*134.0%*	49.0	*20.0*	*69.0%*
Restricted Receipts	0.0	0.1	0.1	-	-	0.1	-	-
Other Funds	4.2	9.2	8.8	*(0.4)*	*-4.1%*	11.1	*1.9*	*20.9%*
Total	**$34.7**	**$41.6**	**$80.2**	***$38.5***	***92.5%***	**$63.8**	***$22.1***	***53.2%***
Authorized FTE Levels	93.0	93.0	93.0	-	-	93.0	-	-

$ in millions. Totals may vary due to rounding.

The mission of the Military Staff (Rhode Island National Guard) is to prepare for immediate mobilization in the event of war or national emergency; to maintain peace, order, and public safety in the state in time of man-made or natural disaster or when otherwise directed by the Governor; and, to participate in the development and establishment of local, regional, and nationwide initiatives and programs.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget includes $80.2 million, of which $67.8 million (84.6 percent) are federal funds, $3.5 million (4.4 percent) is general revenue, $8.8 million (11.0 percent) are RICAP funds, and $66,000 (0.1 percent) are restricted receipts. This reflects an all funds increase of $38.5 million from the FY2026 Budget as Enacted. Federal funds increase by $38.8 million, other funds (RICAP) decrease by $379,439, and general revenues increase by $84,034.



The Final Budget includes federal Asset Forfeiture Funds of $4.5 million to complete the construction of the Counter Drug Training Facility. This facility is a 15,722 square foot Counter Drug Training Facility at Camp Fogarty in the Town of East Greenwich.

The FY2027 Budget as Enacted includes $63.8 million, of which $49.0 million (77.8 percent) are federal funds, $11.1 million (17.4 percent) are RICAP funds, $3.6 million (5.7 percent) are general revenue, and $66,000 (0.1 percent) are restricted receipts. This reflects an all funds increase of $22.1 million from the FY2026 Budget as Enacted. Federal funds increase by $20.0 million, general revenues increase by $210,535, and other funds (RICAP) increase by $1.9 million.

The Budget authorizes 93.0 FTE positions in FY2026 and in FY2027, consistent with the enacted budget.

Quonset Air National Guard Facilities

The largest expenditures of the Military Staff budget occur at the Rhode Island Air National Guard facilities at Quonset, which is scheduled to receive federal appropriations of $18.2 million in FY2026, $1.4 million in FY2028, and $1.4 million in FY2029, for several capital projects. A significant portion of these federal funds are not State-guided projects, and the federal funding is not appropriated through the State.

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In addition, the Rhode Island Air National Guard will receive $3.3 million in RICAP funds in FY2026 for the Air National Guard Repair Squadron Operations Facility, a new Air National Guard Headquarters Building, and for the reconstruction of the Quonset runways to meet military specifications.

Quonset Air National Guard Capital Projects	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	Total
Federal	$18.2	$0.0	$1.4	$1.4	$0.0	$0.0	$21.0
RICAP	3.3	-	-	-	-	-	3.3
Total	**$21.5**	**$0.0**	**$1.4**	**$1.4**	**$0.0**	**$0.0**	**$24.3**

$ in millions

Source: RICAP FY2027 Capital Budget. Federal from FY2027 Capital Budget Book.

Federal Funding

The FY2026 Final Budget includes $67.8 million in federal funds, reflecting an increase of $38.8 million from the FY2026 Budget as Enacted, of which $30.8 million of the federal funds increase is applied to minor construction projects of the Army and Air National Guard facilities and $4.5 million of the increase is to complete the construction of the Counter Drug Facility.

The FY2027 Budget includes $49.0 million in federal funds, reflecting an increase of $20.0 million from the previous fiscal year. Approximately $35.7 million, or 72.9 percent of the federal funds, is applied to the operations and capital construction projects of the Army and Air National Guard facilities. In particular, the major expenses involve the Quonset Air National Guard facility and runway reconstruction projects, armory asset protection, and renovations to the Air Guard Squadron Operations Facility at Quonset Air Guard Base. The remaining $13.3 million or 27.1 percent, support personnel and contract services of the Army and Air National Guard.

The capital budget also contains federal funds for National Guard projects that are not State projects appropriated within the State budget. Most of the federal funded capital projects are direct federal appropriations to the National Guard facilities. These capital projects are included to provide an understanding of activities of the federal National Guard Bureau in improving facilities in the State.

Federal Funded National Guard Capital Projects	Pre-FY2026	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031 Post-2031		Total
Federal Aviation Admiistation/TSA	$22.9	$3.8	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$26.6
National Guard Bureau	83.7	56.6	24.9	6.6	9.4	8.1	8.6	8.2	206.1
Total	**$106.6**	**$60.3**	**$24.9**	**$6.6**	**$9.4**	**$8.1**	**$8.6**	**$8.2**	**$232.7**

$ in millions

Source: Federal from FY2027 Capital Budget Book.

Coventry Water Modernization Project

The FY2026 Final Budget Amendment adds federal funds of $600,000 and the FY2027 Budget as Enacted adds $3.5 million to finance the Coventry Water Modernization project.

At the time the agency submitted its capital plan requests for FY2027-FY2031, the Military Staff requested funding for this project via the Army MSAP subproject listing, which at the time was to be 100.0 percent RICAP funded. However, the project was not included in the Governor's recommended capital budget. Recently, the Military Staff learned that $4.1 million in federal funds would be awarded for the project, making the project 100.0 percent federally funded.

The project involves the installation of a new water supply from the Kent County Water Authority (KCWA) to the Rhode Island Army National Guard (RIARNG) property located in Coventry, RI. The work includes the installation of approximately 3,100 linear feet of new 8-inch DI water main along Read School House Road and Nike Site Road, a prefabricated booster pump station, emergency diesel generator, electrical, instrumentation, SCADA, including valves, hydrants, water system tie-in connections, pavement restoration, and appurtenances. In addition, the existing RIARNG pump station, three water supply wells, and underground storage tank will be decommissioned.

NATIONAL GUARD

The National Guard program is composed of reserve units of the United States Army and Air Force, the Rhode Island National Guard (RING), and the State Historic Militia. The Guard is authorized to have more than 3,249 members (2,130 Army National Guard and 1,179 Air National Guard). The Guard has numerous facilities throughout the state, including 14 armories, 3 air bases, 2 training sites, 10 maintenance and support buildings, and housing equipment valued at $500.0 million. According to the Military Staff, the estimated annual economic impact on the State attributed to National Guard programs exceeds $238.0 million. The Guard is largely financed through federal funds, including drill and training pay for Army and Air Guard personnel, supplies, equipment, facility maintenance, and capital projects. State funds are provided as a match on some projects and primarily pay employee salary and benefit costs, training, travel, and maintenance.

RI National Guard	General Revenue
FY2026 Enacted	$3,424,058
Target and Other Adjustments	*(3,354)*
Personnel Adjustments (statewide adjustment)	116,209
A&C ISF Charges (statewide adjustment)	78,904
ERP Maintenance and Operations Billing (statewide adjustment)	(72,761)
Operating Adjustments	52,602
Capital Purchases	48,600
Internal Agency ETSS Charges (statewide adjustment)	(36,941)
Fire and Safety Inspections	27,276
FY2027 Enacted	**$3,634,593**

RI National Guard	Other Fund Changes
Miscellaneous Minor Construction (federal funds)	$19,831,345

Operating Adjustments *$52,602*

The Budget includes $1.3 million in general revenue ($8.7 million in all funds) for operating expenses, reflecting a net increase of $52,602 from the FY2026 Budget as Enacted. The largest adjustments include a decrease of $40,983 for building repairs, an increase of $35,670 for natural gas – fuel, an increase of $29,641 for bank analysis charges, a reduction of $15,500 for building/machinery supplies, and an increase of $14,430 for insurance.

The increase in bank analysis costs is predominantly due to the Grants Management System billing, which is expected to increase 15.0 percent in FY2027. In addition, several other budget natural accounts were consolidated into Bank Analysis charges in the transition from RIFANS accounting system to WorkDay.

The increase in insurance costs is a correction for past practice. It was discovered last year that the Department of Administration was mistakenly charging the Rhode Island State Police for property insurance expenditures for Rhode Island National Guard properties. The insurance cost increase covers the corresponding state match for that cost.

Operating Adjustments	FY2026 Enacted	FY2027 Enacted	*Change*
Building Repairs	$256,682	$215,699	*($40,983)*
Natural Gas	190,327	225,997	*35,670*
Bank Analysis Charges	250	29,891	*29,641*
Building/Machinery Supplies	40,744	25,244	*(15,500)*
Property Casualty and Liability Insurance	34,688	49,118	*14,430*
All Other Operating Adjustments	745,486	774,830	*29,344*
Total	**$1,268,177**	**$1,320,779**	***$52,602***

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Capital Purchases ***$48,600***

The Budget includes general revenue of $48,600 to finance a one-time request for four lawnmowers to maintain the grounds at Quonset runway and ensure grass is kept at a certain height for air safety.

Fire and Safety Inspections ***$27,276***

The Budget includes $60,836 in general revenue, reflecting an increase of $27,276 for increased costs for fire inspections. The Military Staff contracted with Encore Fire Protection for testing alarms and fire suppression inspections (done quarterly) at all facilities and installations. In addition, the contractor flushes lines bi-annually and does annual back flow preventions.

The increase reflects higher fees and expenses charged by the contractor for necessary repairs to the systems that were discovered during preventative maintenance work. There is also a corresponding increase to general revenue of $23,789 in the FY2026 Final Budget.

Miscellaneous Minor Construction (federal funds) ***$19.8 million***

The Budget includes $27.2 million in federal funds for numerous miscellaneous minor capital and asset protection projects that are partially or fully paid with federal funds. This is an increase of $19.8 million from the FY2026 Budget as Enacted. Included in the increase is $3.5 million to finance the Coventry Water Modernization project during FY2027.

CAPITAL PROJECTS

The Budget includes RICAP funds of $8.8 million in FY2026, reflecting a decrease of $375,439 from the FY2026 Budget as Enacted, and includes $11.1 million in FY2027, reflecting an increase of $1.9 million from the previous fiscal year. The RICAP funded projects include:

Capital Projects - RICAP Funds	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
RICAP - Asset Protection	$2,564,675	$2,371,867	*($192,808)*	$3,492,912	*$928,237*
RICAP - Aviation Readiness Center	4,538,673	518,614	*(4,020,059)*	7,603,990	*3,065,317*
RICAP - Counter-Drug Training Facility	1,025,250	2,583,808	*1,558,558*	-	*(1,025,250)*
RICAP - Quonset Air National Guard Headquarters Facility	-	1,893,948	*1,893,948*	-	-
RICAP - Quonset Airport Runway Reconstruction	446,663	827,585	*380,922*	-	*(446,663)*
RICAP - Squadron Ops Facility (Air Guard)	600,000	600,000	-	-	*(600,000)*
Total	**$9,175,261**	**$8,795,822**	***($379,439)***	**$11,096,902**	***$1,921,641***

- **Asset Protection:** The Budget includes $2.4 million in RICAP funds in FY2026 and $3.5 million in FY2027 for general asset protection projects. The project lists out-year funding of $13.6 million in RICAP funds through FY2031.
- **Aviation Readiness Center:** The Budget includes $518,614 of RICAP funds in FY2026, reflecting a decrease of $4.0 million from the FY2026 Budget as Enacted and includes $7.6 million in RICAP funds in FY2027 towards the construction of a $62.0 million, 73,788 square foot training and readiness center at the Quonset Air Base for the Rhode Island National Guard 1/126th Aviation Unit. The Budget shifts $7.0 million in RICAP funds from FY2026 to FY2028 to complete the project. Approximately, 75.0 percent of the project cost is paid through the federal National Guard Bureau.
- **Counter Drug Facility:** The Budget includes $2.6 million in RICAP funds in FY2026 to complete the Counter Drug Facility capital project.
- **Squadron Ops Facility:** The Budget includes $600,000 in RICAP funds in FY2026, for a new asset protection/rehabilitation project involving work on the HVAC system, envelope sealing, as well as work for a new auditorium and command post for the Squadron Operations Facility at the Quonset Air National Guard Base.

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Rhode Island Emergency Management Agency

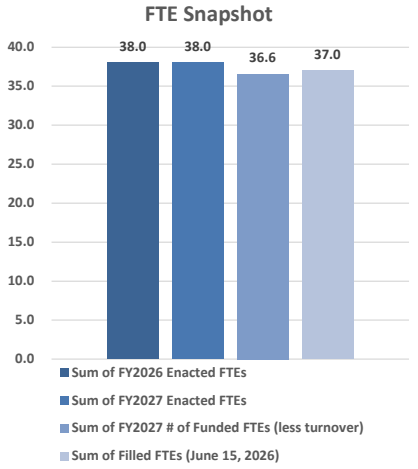
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$24.2	$43.7	$57.0	*$13.4*	*30.7%*	$64.6	*$20.9*	*47.9%*
Expenditures By Source								
General Revenue	$6.9	$7.5	$7.6	*$0.2*	*2.5%*	$8.4	*$0.9*	*12.3%*
Federal Funds	15.2	34.9	47.7	*12.8*	*36.8%*	52.2	*17.3*	*49.6%*
Restricted Receipts	0.2	0.4	0.6	*0.2*	*49.8%*	0.4	*(0.0)*	*-2.6%*
Other Funds	2.0	0.9	1.0	*0.1*	*17.2%*	3.5	*2.7*	*310.2%*
Total	**$24.2**	**$43.7**	**$57.0**	***$13.4***	***30.7%***	**$64.6**	***$20.9***	***47.9%***
Authorized FTE Levels	38.0	38.0	38.0	-	-	38.0	-	-

$ in millions. Totals may vary due to rounding.

The Rhode Island Emergency Management Agency (RIEMA) is the coordinating agency for multi-jurisdiction and multi-agency response in the state for all emergencies including natural and technological hazards such as fires, floods, tornadoes, hurricanes, winter storms, chemical releases, weapons of mass destruction, and terrorism incidents. RIEMA is the official coordinating agency of the State for the federal Department of Homeland Security and the Federal Emergency Management Agency in times of state, national, multi-jurisdiction, and multi-agency emergencies and disasters. RIEMA operates and maintains the State Emergency Operations Center, as well as the statewide 800 MHz radio system and network.

MAJOR ISSUES AND TRENDS

The FY2026 Final Budget includes $57.0 million, of which $7.6 million is general revenue. This reflects a net increase of $186,926 from the FY2026 Budget as Enacted. The largest funding source is federal funds which comprise 83.7 percent or $47.7 million of the Agency's budget in FY2026. Federal funding increases by $12.8 million from the FY2026 Budget as Enacted, largely due to increased emergency and security program grant awards.



The FY2026 Final Budget includes general revenue of $250,000 for expenses related to the upcoming 2026 Fédération Internationale de Football Association (FIFA) World Cup. Event sponsors and visiting teams may reimburse other costs. The State expects to have a state public safety presence at The Graduate Hotel in Providence, as well as at Bryant University in Smithfield.

The FY2027 Budget includes $64.6 million, of which $8.4 million is general revenue. The general revenue increase is $918,180, reflecting the inclusion of a full-year lease payment for the managed public safety warehouse and the third year COLA of 3.0 percent. Federal funds are $52.2 million and account for 80.9 percent of the Agency's budget in FY2027, an increase of $17.3 million from the FY2026 Budget as Enacted. This includes a $1.0 million receipt of FEMA award in FY2027. Other funds are $3.5 million, an increase of $2.7 million from the FY2026 Budget as Enacted, largely reflecting the additional funding to obtain a new Mobile Command Post.

The Budget includes 38.0 FTE positions in FY2026 and in FY2027, consistent with the budget as enacted.

Blizzard of 2026

The State sought and was denied federal reimbursement for costs associated with the Blizzard of 2026. The Governor declared a State of Emergency on February 22, 2026, which allowed the state to begin the process of requesting federal disaster assistance through the Rhode Island Emergency Management Agency

(RIEMA). The State officially submitted the request for assistance on April 7. On July 7, 2026, FEMA announced that the blizzard emergency did not warrant federal assistance under the federal Stafford Disaster Relief and Emergency Assistance Act. Currently, the State is appealing the FEMA decision. The Budget as Enacted includes an appropriation of $1.0 million for RIEMA contractor costs. Depending on the outcome of the State's appeal, this appropriation may or may not be used during the fiscal year.

Central Management	General Revenue
FY2026 Enacted	$7,457,256
Target and Other Adjustments	*78,000*
RIEMA Managed Public Safety Warehouse Lease	537,003
Personnel Adjustments (statewide adjustment)	215,989
A&C ISF Charges (statewide adjustment)	196,219
Turnover	(172,321)
Internal Agency ETSS Charges (statewide adjustment)	108,950
ERP Maintenance and Operations Billing (statewide adjustment)	(38,486)
Centralized Services (statewide adjustment)	(7,174)
FY2027 Enacted	**$8,375,436**

Central Management	Other Fund Changes
Disaster and Emergency Preparedness Grants (federal funds)	$19,331,263
Personnel, Contract Services, Operating, and Capital Adjustments (federal funds)	(2,002,579)

RIEMA Managed Public Safety Warehouse Lease ***$537,003***

The Budget includes $836,519 in general revenue to fund lease expenses of the Rhode Island Emergency Management Agency public safety warehouse. This reflects an increase of $537,003 from the FY2026 Budget as Enacted, to cover costs associated with rental payments for the warehouse. Article 12, of the FY2026 Budget as Enacted authorized a lease agreement for warehouse space to be administered by the Rhode Island Emergency Management Agency.

The warehouse is 73,770 square feet of space located at 2700 Plainfield Pike in the City of Cranston and owned by EIM Plainfield Pike LLC. The warehouse space was co-administered between the Department of Administration and the Rhode Island Emergency Management Agency as part of the State's pandemic response using federal funding from the ARPA SFRF for the storage of personal protection equipment (PPE) and other necessary COVID-19 response related supplies.

The Budget also includes $341,779 in general revenue for personnel and contract service costs to operate the warehouse.

Turnover ***($172,321)***

The Budget increases general revenue turnover savings by $172,321 from $42,971 to $215,292, a change equivalent to 1.1 FTE positions in FY2027. The Budget reflects anticipated turnover in personnel expenses as compared to the FY2026 Budget as Enacted. As of June 15, 2026, RIEMA had one vacant position.

Disaster and Emergency Preparedness Grants (federal funds) ***$19.3 million***

The Budget includes $42.6 million in federal funds for various federal grants and reimbursements received for storm and natural disaster events. This appropriation is $19.3 million more than the FY2026 Budget as Enacted. These funds also reimburse preparedness efforts for terrorist threats, active shooters, hazardous material containment, and other emergency events. The preparedness efforts are intended to improve and enhance the State's ability to prevent, deter, respond to, and recover from threats and incidents. Federal grant funds vary from year to year depending upon the number and severity of natural disasters and the availability of federal funds for non-disaster grants. The following table highlights the more significant changes in FY2026 and FY2027.

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RIEMA Federal Grants	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
FEMA 4505 Hazard Mitigation	$63,090	$12,719,882	*$12,656,792*	$16,328,703	*$16,265,613*
SLCGP 2024 State and Local Cybersecurity Grant Program	-	3,335,047	*3,335,047*	3,335,047	*3,335,047*
SHSP 2025 State Homeland Security Grant	-	1,933,255	*1,933,255*	3,199,441	*3,199,441*
NSGP 2024 Supp Non-Profit Security Grant Program	-	1,702,507	*1,702,507*	1,702,507	*1,702,507*
SHSP 2023 State Homeland Security Grant	2,616,299	1,688,972	*(927,327)*	1,188,972	*(1,427,327)*
BRIC 2023 - Building Resilient Infrastructure and Communities (Projects)	345,000	1,562,430	*1,217,430*	1,562,430	*1,217,430*
EMPG 2022 Emergency Management Preparedness Grant	1,422,558	419,937	*(1,002,621)*	219,937	*(1,202,621)*
SHSP 2022 State Homeland Security Grant	1,195,186	605,890	*(589,296)*	-	*(1,195,186)*
NPSG 2022 Non Profit Security Grant	1,021,804	234,833	*(786,971)*	-	*(1,021,804)*
SLCGP 2023 State and Local Cybersecurity Grant Program	4,243,868	1,000,000	*(3,243,868)*	3,243,868	*(1,000,000)*
All Other Grants	12,357,435	12,077,260	*(280,175)*	11,815,598	*(541,837)*
Total	**$23,265,240**	**$37,280,013**	***$14,014,773***	**$42,596,503**	***$19,331,263***

Personnel, Contract Services, Operating, and Capital Adjustments (federal funds) ($2.0 million)

The Budget includes $9.6 million in federal funds for personnel, contract services, operating, and non-RICAP capital costs, reflecting a decrease of $2.0 million in federal funds from the FY2026 Budget as Enacted. The largest increase reflects the new 2025 Emergency Management Preparedness Grant award of $3.0 million in FY2027 and a $1.2 million increase for the 2025 State Homeland Security Grant. These are largely offset by the decrease of $2.5 million for 2024 Emergency Management Preparedness Grant and $1.6 million for 2023 Emergency Management Preparedness Grant.

Personnel, Contract Services, Operating, and Capital - Federal	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
EMPG 2025 Emergency Management Preparedness Grant	$0	$1,508,365	*$1,508,365*	$3,024,015	*$3,024,015*
EMPG 2024 Emergency Management Preparedness Grant	3,109,107	2,799,964	*(309,143)*	622,647	*(2,486,460)*
EMPG 2023 Emergency Management Preparedness Grant	1,554,474	-	*(1,554,474)*	-	*(1,554,474)*
SHSP 2025 State Homeland Security Grant	-	248,120	*248,120*	1,164,884	*1,164,884*
SHSP 2024 State Homeland Security Grant	1,063,731	1,140,847	*77,116*	400,272	*(663,459)*
FEMA 4505- Management Costs	1,500,813	284,944	*(1,215,869)*	1,000,000	*(500,813)*
All Other Personnel, Contract Services, Operating, Capital - Federal	4,413,251	4,484,711	*71,460*	3,426,979	*(986,272)*
Total	**$11,641,376**	**$10,466,951**	***($1,174,425)***	**$9,638,797**	***($2,002,579)***

CAPITAL PROJECTS

The Budget includes $1.0 million in RICAP funds in FY2026, reflecting an increase of $149,162 from the FY2026 Budget as Enacted and $3.5 million in RICAP funds in FY2027, reflecting an increase of $2.7 million from the FY2026 Budget as Enacted for the following projects:

RICAP Fund Projects	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
RICAP - RISCON Infrastructure Upgrades	$315,404	$400,566	*$85,162*	$330,000	*$14,596*
RICAP - RISCON Tower	550,000	550,000	-	-	*(550,000)*
RICAP - State Emergency Ops Center	-	64,000	*64,000*	-	-
RICAP: Mobile Command Post	-	-	-	3,218,908	*3,218,908*
Total	**$865,404**	**$1,014,566**	***$149,162***	**$3,548,908**	***$2,683,504***

The Capital Budget includes $3.2 million to obtain a new Mobile Command Post (MCP) to replace the existing 22-year old vehicle. The MCP provides an on-scene command location for emergency management operations, training exercises, and as according to RIEMA, "to ensure compliance with compliance with National Incident Management System NIMS) standards."

In addition, the Budget includes $330,000 for infrastructure upgrades to the Rhode Island Statewide Communications Network (RISCON) radio network system. The infrastructure improvements include propane generator replacements, adding propane generators to sites currently without one, and other security and wiring upgrades. The Budget includes out-year RICAP funding of $1.1 million to construct communication towers for the RISCON system and municipal agencies in the Towns of Warren, Richmond, and Cumberland.

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Department of Public Safety

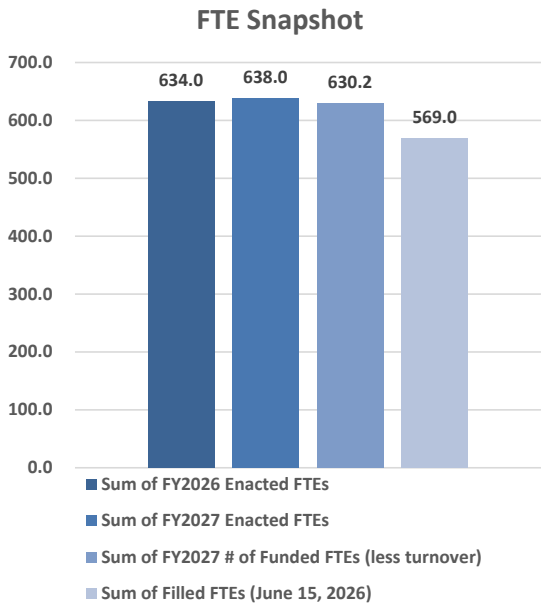
Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Central Management	$16.2	$21.1	$31.3	*$10.1*	*47.9%*	$13.5	*($7.7)*	*-36.3%*
E-911	10.1	10.7	11.0	*0.2*	*2.3%*	10.5	*(0.2)*	*-1.9%*
Security Services	28.3	33.7	31.0	*(2.7)*	*-8.0%*	34.0	*0.3*	*0.8%*
Municipal Police Training	0.6	0.8	0.9	*0.1*	*11.4%*	0.6	*(0.2)*	*-20.4%*
State Police	122.4	131.5	152.8	*21.3*	*16.2%*	118.1	*(13.5)*	*-10.2%*
Total	**$177.6**	**$197.9**	**$226.9**	***$29.1***	***14.7%***	**$176.7**	***($21.2)***	***-10.7%***
Expenditures By Source								
General Revenue	$128.4	$132.8	$141.3	*$8.5*	*6.4%*	$138.5	*$5.7*	*4.3%*
Federal Funds	19.8	27.1	30.3	*3.2*	*11.9%*	16.2	*(10.8)*	*-40.0%*
Restricted Receipts	12.0	14.3	14.8	*0.5*	*3.2%*	14.7	*0.4*	*2.8%*
Other Funds	17.4	23.7	40.6	*16.9*	*71.5%*	7.2	*(16.5)*	*-69.6%*
Total	**$177.6**	**$197.9**	**$226.9**	***$29.1***	***14.7%***	**$176.7**	***($21.2)***	***-10.7%***
Authorized FTE Levels	632.0	634.0	635.0	*1.0*	*0.2%*	638.0	*4.0*	*0.6%*

$ in millions. Totals may vary due to rounding.

The Department of Public Safety (DPS) is the executive branch's principal agency responsible for law enforcement functions. It includes five program areas: Central Management, E-911, the Municipal Police Training Academy, Security Services, and the State Police. The Department was created in the FY2009 Budget and is headed by the Superintendent of the State Police.

MAJOR ISSUES AND TRENDS

FY2026: The FY2026 Final Budget includes $226.9 million for the Department of Public Safety, reflecting an increase of $29.1 million or 14.7 percent from the FY2026 enacted level. The Budget includes $141.3 million in general revenue, representing an $8.5 million, or 6.4 percent, increase over the FY2026 enacted level. The general revenue increase is primarily driven by $9.3 million in reappropriations, of which $9.0 million is attributable to the statewide body-worn camera program. The FY2026 Budget as Enacted did not fund a State Police Training Academy; however, the Budget reallocated turnover savings to fund a 2026 Academy, which began in March 2026 and concludes in August 2026.



The Budget includes $30.3 million in federal funds, reflecting an increase of $3.2 million from the FY2026 enacted level. The increase includes $4.5 million of reappropriated American Rescue Plan Act State Fiscal Recovery Funds (ARPA SFRF) for the Support for Survivors of Domestic Violence project and $1.5 million of carry-forward funding for the Anti-Heroin Task Force program, offset by reductions to previously awarded federal grants. The Budget provides $40.6 million in other funds, reflecting an increase of $16.9 million from the FY2026 Budget as Enacted, primarily due to $12.2 million in unspent RICAP funds for the Southern Barracks project carried forward from FY2025.

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FY2027: The FY2027 Budget as Enacted includes $176.7 million in all funds for the Department of Public Safety, reflecting a decrease of $21.2 million, or 10.7 percent, from the FY2026 enacted level. The Budget includes $138.5 million in general revenue, representing an increase of $5.7 million from the enacted level. The adjustment includes an additional $2.5 million for revisions to the State Police pension calculations, $1.7 million for the State Police to conduct a Training Academy (which was not funded in the FY2026 Budget as Enacted), $600,000 for the renewal of the taser and body-worn camera contract, and $360,000 for the Family Services of RI GO Team.

The Budget provides $16.2 million in federal funds, reflecting a $10.8 million or 40.0 percent reduction from the FY2026 enacted level. The adjustment includes an $8.5 million reduction to federally funded assistance and grants, due to the inclusion of backdated grant awards that are no longer available. The Budget includes $7.2 million of other funds, representing a $16.5 million reduction, primarily due to the removal of $16.8 million of RICAP funds for the Department's new Southern Barracks, which will be completed in the Summer of 2026.

The Budget authorizes 635.0 FTE positions in FY2026 and 638.0 FTE positions in FY2027, reflecting increases of 1.0 and 4.0 FTE from the FY2026 enacted level, respectively. The 1.0 FTE position added in FY2026 is a Data Processing Systems Manager for the State Police program, transferred from the Department of Administration. The 3.0 FTE positions added to FY2027 include 2.0 FTE Telecommunicator positions and 1.0 FTE Shift Supervisor position for the E-911 program, which are supported entirely by restricted receipts.

CENTRAL MANAGEMENT

The Central Management program consists of the Business Office, Legal Office, and Public Safety Grants Administration Office (formerly the Governor's Justice Commission). The Business Office provides fiscal oversight for the Department, as well as human resources, payroll, and purchasing. The Public Safety Grants Administration Office serves as a conduit agency for several federal grants that flow to local and state public safety agencies. Grant administration includes both formula and discretionary grant programs.

Central Management	General Revenue
FY2026 Enacted	$1,899,154
Target and Other Adjustments	*12,331*
A&C ISF Charges (statewide adjustment)	816,157
Family Services of RI GO TEAM Expansion	360,000
ERP Maintenance and Operations Billings (statewide adjustment)	(178,420)
Centralized Services (statewide adjustment)	(50,516)
Statewide Body-Worn Camera Project	Informational
FY2027 Enacted	**$2,858,706**

Central Management	Other Fund Changes
Federal Grant Adjustment (federal funds)	($8,772,948)
ARPA SFRF: Support for Survivors of Domestic Violence (federal funds)	35,033

Family Services of RI: GO TEAM Expansion ***$360,000***

The Budget includes $760,000 of general revenue to support the expansion of the Family Services of Rhode Island's GO TEAM, reflecting an increase of $360,000 from the FY2026 enacted level. The additional funding will expand the program to include partnerships with municipal police departments in North Providence, East Providence, Middletown, Jamestown, South Kingstown, and New Shoreham. The FY2026 Final Budget includes $558,089 of general revenue for the program.

Family Services of Rhode Island (FSRI) first developed the GO TEAM in 2004 with the Providence Police Department and has since partnered with departments throughout the State, including Pawtucket, Central Falls, Woonsocket, Newport, Barrington, and the Rhode Island State Police, to provide 24/7/365 joint response services for victims of crime, with a particular focus on children exposed to traumatic events. The GO TEAM played a critical role in coordinating on-scene crisis response and trauma support following the recent mass violence incidents at Brown University and the Dennis M. Lynch Arena in Pawtucket.

Statewide Body-Worn Camera Project ***Informational***

The FY2026 Final Budget includes $9.0 million of general revenue for the Statewide Body-Worn Camera Project, all of which reflects reappropriations from the previous fiscal year. The FY2025 Final Budget provided $11.5 million for the project, of which the Department spent $2.5 million. The Department plans to disburse the funds over multiple years as police departments statewide fulfill their contracts. The FY2027 Budget as Enacted contains language requiring all unexpended or unencumbered balances to be reappropriated to the next fiscal year.

Current Status: According to a July 2026 query, the State's Free Balance Report indicates that the Department spent $3.5 million in FY2026, for an overall project spend of $9.5 million. The project has a remaining balance of $5.5 million and is expected to be completed by 2030.

Background: In 2021, the General Assembly authorized a statewide program to put body-worn cameras on every frontline police officer and supervisor in Rhode Island. The statewide program is designed to equip approximately 1,700 of Rhode Island's uniformed patrol officers, across every municipal police department and the Rhode Island State Police, with body-worn cameras.

The FY2023 Enacted Budget appropriated $15.0 million to the Department to purchase body-worn cameras and associated equipment, contingent on creating the initiative's rules and regulations. The rules and regulations took effect on October 19, 2022, and police departments statewide began implementing the changes. Language included in the enacted budgets from FY2024, FY2025, FY2026, and FY2027 directs the reappropriation of any unspent funds to the following fiscal year. The following table illustrates the program's actual expenditures in FY2023-FY2025 as well as the funding included in the FY2026 Final Budget.

Statewide Body-Worn Camera Project	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026* Budget	Total
Actual Expenditures	$968,054	$2,506,992	$2,477,558	$9,047,396	$15,000,000

**FY2026 reflects the funding included in the FY2026 Final Budget*

Federal Grant Adjustment (federal funds) ***($8.7 million)***

The Budget includes $9.8 million in federally funded grants in FY2027 for the Central Management program, reflecting a net decrease of $8.7 million when compared to the FY2026 enacted level. The decrease is primarily due to the utilization of backdated grant awards that are no longer available. The Department's Public Safety Grant Administration Office (PSGAO) administers the application and tracking process for grants, and the Criminal Justice Policy Board approves projects that will receive funding. The following table compares the grant funding levels included in the FY2026 Final and FY2027 Enacted Budgets with the funding provided in the FY2026 Budget as Enacted.

Federal Grants	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Byrne/JAG Grant Program (JAG)	$6,450,875	$4,715,379	*($1,735,496)*	$3,256,219	*($3,194,656)*
Crime Victim Assistance (VOCA)	4,879,209	4,479,218	*(399,991)*	2,270,319	*(2,608,890)*
Sexual Assault Services Formula Program (SASP)	2,037,367	1,573,581	*(463,786)*	880,749	*(1,156,618)*
Juvenile Justice and Delinquency Prevention (JJDP)	1,720,244	1,086,171	*(634,073)*	978,425	*(741,819)*
Violence Against Women Formula Grants (VAWA)	2,422,912	1,600,970	*(821,942)*	1,840,492	*(582,420)*
Paul Coverdell Forensic Sciences Improvement Program	253,726	114,370	*(139,356)*	-	*(253,726)*
Project Safe Neighborhoods (PSN)	284,972	305,200	*20,228*	150,367	*(134,605)*
Body Worn Camera Policy and Implementation	114,072	78,752	*(35,320)*	10,100	*(103,972)*
State Justice Statistics Program (SJS)	81,890	55,933	*(25,957)*	270	*(81,620)*
Coronavirus Emergency Supplemental Funding (CESF)	1,276	77,041	*75,765*	-	*(1,276)*
Crime Victim Assistance/Discretionary Grants	150	50	*(100)*	50	*(100)*
Residential Substance Abuse Treatment for State Prisoners	25,657	35,437	*9,780*	28,875	*3,218*
Support for Adam Walsh Act Implementation Grant	15,480	50,020	*34,540*	50,020	*34,540*
Coronavirus State and Local Fiscal Recovery Funds	29,753	4,531,003	*4,501,250*	64,786	*35,033*
National Criminal History Improvement Program (NCHIP)	192,139	231,412	*39,273*	241,135	*48,996*
Total	**$18,509,722**	**$18,934,537**	***$424,815***	**$9,771,807**	***($8,737,915)***

- **Byrne/Justice Assistance Grant Formula Grant (JAG):** Provided through the Office of Justice Programs, the JAG program is the leading source of federal criminal justice funding provided to states and supports a range of program areas, such as law enforcement, prosecution and court, prevention and education, corrections and community corrections, drug treatment and enforcement.
- **Crime Victim Assistance (VOCA):** Provided through the Office for Victims of Crime within the United States Department of Justice, VOCA grants provide individuals victimized by crime with compensation and assistance. The Crime Victims Fund, established by the Victims of Crime Act of 1984, funds the grants.
- **Sexual Assault Services Formula Program (SASP):** Provided through the Office on Violence Against Women, the SASP program supports the efforts of states and territories in aiding victims of sexual assault. SASP is the first federal funding stream dedicated to providing direct intervention and assistance for victims of sexual assault as well as their families.
- **Juvenile Justice & Delinquency Prevention - Title II (JJDP):** Provided through the Office of Juvenile Justice and Delinquency Prevention within the United States Department of Justice, JJDP grants support the states' and territories' efforts to improve the juvenile justice system. JJDP funding is provided directly to states to develop and implement comprehensive juvenile justice plans, which may include education, training, research, prevention, diversion, treatment, and rehabilitation programs. The goals of the JJDP grants are the deinstitutionalization of status offenders, the separation of juveniles from adult inmates, and the reduction of racial and ethnic disparity.

ARPA SFRF: Support for Survivors of Domestic Violence (federal funds) ***($10.0 million)***

The Budget includes $64,786 of federal American Rescue Plan Act State Fiscal Recovery Funds (ARPA SFRF) in FY2027 for the Support for Survivors of Domestic Violence program, and $4.5 million in FY2026. The project has been supported entirely with ARPA SFRF since it launched in FY2023, and unspent funds are automatically reappropriated to the following fiscal year.

Current Status: The Department indicates that contracted nonprofit organizations have provided services to 34,639 victims of domestic violence or sexual assault, provided housing assistance for 17,844 victims, and provided clinical or mental health services to 3,039 victims.

Background: The FY2023 Budget as Enacted included $3.5 million in planned expenditures for FY2023, FY2024, and FY2025, reflecting a total appropriation of $10.5 million. The program had no actual expenditures in FY2023, $1.1 million in FY2024, and the FY2025 Final Budget appropriates $9.3 million.

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Rhode Island serves domestic violence and sexual assault survivors through a network of non-profit agencies that are largely supported with public funding. These organizations provide various types of assistance, including safe housing, wraparound services, counseling, trauma-related mental health, and other supports to victims. The organizations selected include the Blackstone Valley Advocacy Center, Crossroads RI, Family Services of RI, McCauley Ministries, and Sojourner House.

According to DPS, demand for services for survivors of domestic violence and sexual assault regularly surpasses the ability of the provider system to meet it. The pandemic significantly exacerbated this demand. Extensive waitlists exist for supportive housing and mental health services. DPS notes, for instance, that domestic violence calls to the RI Victims of Crime hotline in July and August 2020 increased year-over-year by 93.7 percent and 69.5 percent, respectively. The State's primary program addressing victims of domestic violence and sexual assault is the Victims of Crime Act Grant (VOCA). The US Department of Justice funds this federal formula grant, which has been reduced in recent years due to changes in federal settlement agreements.

E-911

The objective of the E-911 Uniform Emergency Telephone System is to maintain a statewide emergency telephone system providing prompt transfers of E-911 calls to the appropriate responding fire department, medical rescue service, or law enforcement agency. The Division operates 24 hours a day, 7 days a week. E-911 has a primary public safety answering point (PSAP) located in the State Police Headquarters complex in North Scituate, as well as a secondary PSAP in North Providence. Backup PSAP facilities are considered best management practices to provide service continuity if an emergency affects the primary PSAP. Article 2 of the FY2020 Budget as Enacted provided a dedicated funding stream for E-911 services by shifting all E-911 surcharge fee revenue from general revenue to a restricted receipt account, the E-911 Fund.

E-911	Restricted Receipts
FY2026 Enacted	$10,730,138
Target and Other Adjustments	*28,451*
Records Management System Implementation Costs (restricted receipts)	(1,033,425)
3.0 FTE Increase to E-911 Personnel (restricted receipts)	519,646
Personnel: Salary and Benefit Adjustment (restricted receipts)	282,205
Surcharge and Revenue Fund Balance	Informational
FY2027 Enacted	**$10,527,015**

Records Management System Implementation Costs (restricted receipts) ***($1.0 million)***

The Budget removes $1.0 million of E-911 restricted receipts in FY2027 that were utilized to implement the Computer Aided Dispatch (CAD) and Records Management System (RMS) in FY2026. The FY2026 Budget as Enacted provided $1.0 million of restricted receipts for the project, which remain in the FY2026 Final Budget.

Background: The FY2025 Budget provided funding for a centralized Computer Aided Dispatch (CAD) and Records Management System (RMS), to be utilized by the Department of Public Safety and other law enforcement agencies throughout Rhode Island. Before implementation, law enforcement and fire agencies independently administered their records management systems, many of which were over 20 years old and poorly integrated. The Department believed the lack of system integration raised concerns about officer safety and situational awareness, as well as repetitive business processes. Furthermore, agencies could not quickly analyze statewide crime data in real time while making critical decisions about policing strategies.

The FY2026 Budget as Enacted provided funding for the implementation and compliance with the Governmental Accounting Standards Board, Statement 96 (GASB 96). GASB 96, implemented by the State Controller, requires shifting all "subterranean" (recurring) software costs to a new account.

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The CAD and RMS project created a centralized, unified records management system, hosted by Amazon Web Services, eliminating the need for physical recordkeeping and providing instant access to statewide records for all participating agencies. The system utilizes a multi-agency approach, providing real-time location data and information on current and previously recorded incidents to personnel at participating agencies.

Analyst Note: The Department indicates that the operating cost projection includes full participation from agencies and departments statewide. As of June 29, 2026, 21 municipal agencies and 6 state agencies currently use the RMS. The participation rate will not affect the implementation costs but will require a revision to operating costs. The Department notes that the contract includes a provision that will proportionally reduce operating costs to the State for cities and towns that do not participate.

3.0 FTE Increase to E-911 Personnel (restricted receipts) ***$519,646***

The Budget increases restricted receipts by $519,646 to support 3.0 new FTE positions in the E-911 program, including 2.0 FTE E-911 Telecommunicator positions and 1.0 FTE E-911 Shift Supervisor position. The appropriation includes $504,646 for new personnel salary and benefits and $15,000 for furniture and equipment. The Department indicates the additional positions will address deficiencies in E-911 metrics, reduce burnout and turnover among personnel, and minimize wait times and the number of calls in the queue.

Personnel: Salary and Benefit Adjustment ***$282,205***

The Budget provides $7.3 million in restricted receipts to support personnel salaries and benefits within the E-911 program, excluding the 3.0 new FTE positions. The adjustment reflects a net increase of $282,205 from the FY2026 Budget as Enacted, primarily to regular wages, offset by a $56,000 reduction in overtime. The overtime reduction reflects the program's expanded personnel.

Surcharge Revenue and Fund Balance ***Informational***

In FY2027, $11.6 million is projected to be collected from the First Response Surcharge, of which, $1.2 million will be deposited into the ITRR, and the remaining $10.4 million will be transferred to the general fund. Additionally, $7.4 million is projected to be collected as E-911 restricted receipts.

Background: The FY2020 Budget as Enacted reconfigured the telecommunication surcharges that support emergency services and first response programs, including the E-911 program. Previously, there was a $1.00 emergency services and first response surcharge on wireline, wireless, and prepaid telecommunication services and an additional $0.26 technology surcharge on just wireless services. 90.0 percent of the revenue from the $1.00 surcharge was deposited as general revenue, with the balance placed into the State's Information Technology Investment Fund. The $0.26 surcharge was deposited into a restricted receipt account to support the State geographic information system (GIS) and other technology improvements.

Article 2 of the FY2020 Budget as Enacted eliminated both of these surcharges and established two new ones, an E-911 surcharge and a First Response Surcharge. The $0.50 E-911 surcharge directly supports the E-911 program, with revenue deposited to a dedicated restricted receipt account within the Department of Public Safety (DPS) explicitly reserved to support the E-911 system. The First Response Surcharge was also established to support first responder services across the State. The surcharge amount varies by telecommunication type and ranges from $0.50 to $0.75. 90.0 percent of the revenue collected from the First Response Surcharge is deposited into the general fund, with the remaining 10.0 percent transferred to the Information Technology Restricted Receipt account (ITRR). The following table illustrates the fund's revenues, expenditures, and transfers from FY2010 through FY2026.

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E-911 Surcharge and First Response Surcharge Revenues vs. Expenditures

Fiscal Year	E-911 Surcharge	First Response Surcharge	E911 Restricted Receipts	E-911 Expenditures	Deposit to ITIF	Net to General Fund
2010	$17,898,223	-	-	$4,635,901	-	$13,262,322
2011	17,248,460	-	-	4,829,770	-	12,418,690
2012	17,255,770	-	-	4,766,586	-	12,489,185
2013	17,507,117	-	-	5,103,735	-	12,403,382
2014	17,454,670	-	-	5,444,296	-	9,798,629
2015	17,640,703	-	-	5,320,615	-	12,320,088
2016	18,130,694	-	-	5,499,050	1,480,947	11,150,697
2017	18,280,846	-	-	5,699,440	1,435,310	11,146,096
2018	18,660,771	-	-	5,894,522	1,588,357	11,177,893
2019	18,886,107	-	-	5,899,730	1,545,323	11,441,053
2020	4,598,771	6,922,020	5,242,464	6,519,118	1,181,109	9,063,027
2021	4,182	10,451,821	8,329,344	7,197,039	1,045,535	9,406,285
2022	31,897	10,625,484	8,080,045	7,106,599	1,062,497	9,562,987
2023	4,895	10,834,241	7,897,162	7,252,509	1,083,822	9,750,419
2024		10,008,507	8,518,703	7,464,523	1,000,656	9,007,852
2025		10,418,710	8,449,835	10,114,801	1,042,253	9,376,458
2026 (Enacted)		11,234,469	7,465,807	10,730,138	1,123,447	10,111,022
2026 (Revised)		11,154,513	7,106,770	10,974,080	1,115,451	10,039,062
2027 (Recommended)		11,622,526	7,381,367	10,527,015	1,162,253	10,460,273
2026 Final		12,597,785	7,403,789	10,503,961	1,259,778	11,338,006
2027 Enacted		11,603,949	7,370,221	10,527,015	1,160,395	10,443,554

Source: Office of Revenue Analysis, August 2026

Analyst Note: Since FY2025, expenditures in the E-911 program have exceeded the amount of E-911 restricted receipts collected. The Department's FY2027 Budget Request included legislation that would increase the E-911 Surcharge from the current amount of $0.50 per month to $0.75 per month, in addition to reducing the First Response Surcharge from the current amount of $0.75 per month to $0.50 per month. The Budget did not adopt the proposal.

SECURITY SERVICES

The Security Services program consists of the Capitol Police and the Division of Sheriffs. The Capitol Police have arrest powers and provide security at 13 State buildings, including the State House, the courthouses, and numerous executive branch facilities. The Sheriffs are responsible for statewide activities assigned by law which relate to the duties and functions of the sheriffs in several counties. The Division is responsible for courtroom security, judicial security, cellblock security, transportation of individuals charged with crimes, interstate prisoner extraditions, and service of process.

Security Services	General Revenue
FY2026 Enacted	$33,685,555
Target and Other Adjustments	*(35,739)*
Turnover Savings	308,071
Capital Police and Sheriffs: Motor Vehicles	Informational
FY2027 Enacted	**$33,957,887**

Turnover Savings *$308,071*

The Budget includes $544,025 of general revenue funded turnover savings in FY2027, reflecting a $308,071 reduction from the $852,096 provided by the FY2026 Budget as Enacted. The adjustment is primarily within the Sheriffs Division, which reduces turnover savings by $247,433 compared to the previous year's enacted level. The adjustment reflects the budgetary process as the Department assumes recruit hire dates and creates vacancies before their start dates.

The Department indicates that the decrease in turnover savings reflects ongoing vacancies experienced in FY2026 and is primarily due to retirements and employees leaving the agency for other employment opportunities. Furthermore, the Department anticipated graduating 20.0 Sheriffs in FY2026, but 11.0 completed the program. The following table compares the turnover savings included in the FY2026 Budget as Enacted with the FY2026 Final Budget and the FY2027 Budget as Enacted for both the Sheriffs and Capitol Police.

Turnover Savings: Security Services	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Sheriffs	($771,433)	($453,376)	*$318,057*	($524,000)	*$247,433*
Capitol Police	(80,663)	(60,682)	*19,981*	(20,025)	*60,638*
Total	**($852,096)**	**($514,058)**	***$338,038***	**($544,025)**	***$308,071***

Capitol Police and Sheriffs: Motor Vehicles ***Informational***

The Budget authorizes the Department to acquire seven vehicles for the Security Services program in FY2027 through the State Fleet Revolving Loan Fund. The total cost is $414,500, including six vehicles for the Sheriff's Division at $59,000 each and one Capitol Police vehicle at $60,500. The Office of State Fleet Operations bills agencies annually for their lease payments beginning the year following purchase. The Department's 15 Year Vehicle Replacement Plan indicates that the purchase will be repaid with payments of $142,312 in FY2028, $138,167 in FY2029, and $138,167 in FY2030.

The Budget directs the Department to use personnel savings to purchase five vehicles outright for the Security Services program in FY2026. The total cost is $551,500 and includes three vehicles for the Capitol Police and two vehicles for the Sheriffs Division, including one large bus costing $300,000.

MUNICIPAL POLICE TRAINING ACADEMY

The Rhode Island Municipal Police Training Academy (MPTA) was established in 1969 and assigned to train and certify municipal law enforcement officers for all municipalities except for the City of Providence. Municipalities do not pay to send recruits to the Academy, but they do provide in-kind services including officer time to teach courses and meeting and firing range space. Municipalities pay recruits for their time spent at the Academy. Since the first training class in 1970, the Academy has graduated 114 classes. The Academy runs two to three classes and 80 to 100 professional development workshops annually. Since 1981, the Academy has been located at the Community College of Rhode Island (CCRI) Flanagan Campus in the Town of Lincoln.

Municipal Police Training	General Revenue
FY2026 Enacted	$349,440
Target and Other Adjustments	*(6,206)*
RI POST Grant	75,000
MPTA Records Management System Equipment	(32,400)
FY2027 Enacted	**$418,234**

Municipal Police Training	Other Fund Changes
Federal Grant Adjustment (federal funds)	($225,463)

RI POST Grant ***$75,000***

The Budget includes $75,000 of general revenue for the administrative, information technology, and operating expenses incurred by the Rhode Island Police Officers Commission on Standards and Training (RI POST).

RIGL 42-28.2-3 establishes the RI POST as the statewide oversight body for law enforcement professional standards. State statute requires that the RI POST include five members appointed by the Governor and one member appointed upon recommendation from the League of Cities and Towns. Additionally, the statute

requires three or more POST members to be Chiefs of municipal police departments. The RI POST currently has nine members, and the next meeting occurs on September 24, 2026.

MPTA Records Management System Equipment ***($32,400)***

The Budget removes $32,400 of general revenue in FY2027 that was included as a one-time expense in FY2026 to purchase wireless network equipment for the Rhode Island Municipal Police Training Academy (MPTA). The funding remains in the FY2026 Final Budget. The equipment will give recruits access to primary law enforcement databases and direct training on the new Records Management System (RMS).

Federal Grant Adjustment (federal funds) ***($225,463)***

The Budget includes $191,992 of federal funds from the 2026 Law Enforcement Highway Safety Grant for the MPTA program, reflecting a net reduction of $225,463 from the FY2026 enacted level. The adjustment relates to funding availability; the FY2026 Budget as Enacted included $104,364 from the 2025 Law Enforcement Highway Safety Grant and $313,091 from the 2026 Law Enforcement Highway Safety Grant.

STATE POLICE

The Rhode Island State Police is a uniformed and investigative law enforcement agency with statewide jurisdiction. The agency is organized into three bureaus: the Administrative Bureau, Uniform Bureau, and Detective Bureau. The Administrative Bureau includes sworn command staff and civilian personnel and provides overall management and support. The Uniform Bureau prevents crime and investigates criminal and noncriminal activities. The Uniform Bureau also promotes highway safety by enforcing motor vehicle laws, with an emphasis on hazardous moving violations, i.e., drunk driving and speeding. The Detective Bureau is the primary investigative unit that helps the Attorney General's Office and other agencies investigate organized and white-collar crime and supports police agencies throughout the State.

State Police	**General Revenue**
FY2026 Enacted	$96,907,970
Target and Other Adjustments	*603,346*
State Police Pension Revision	2,476,038
State Police Training Academy	1,655,511
Turnover Savings	(695,915)
Taser and Body-Worn Camera Contract	600,000
Centralized Services (statewide adjustments)	(257,903)
1.0 FTE Increase to State Police Personnel	4,309
FY2027 Enacted	**$101,293,356**

State Police	**Other Fund Changes**
Road Construction Reimbursement (other funds)	$1,000,000
State Police Vehicles	Informational

State Police Pension Revision ***$2.5 million***

The Budget includes $2.5 million ($2.6 million in all funds) to reflect the two revisions to the State Police pensions included in Article 3. The first revision reduces the number of years used to calculate pension benefits for State Police personnel. The calculation currently uses compensation based on the highest five consecutive years of service, which the article reduces to the highest three consecutive years. This technical change corrects a drafting error in the FY2026 Budget as Enacted and reflects the changes made for other state employees. The second revision increases the benefit accrual rate from 2.0 percent to 3.0 percent after 20 years of service for members hired before July 1, 2007, and to 3.0 percent after 25 years of service for members hired on or after July 1, 2027. In addition to the general revenue increase, the Budget includes a corresponding increase of $109,187 in federal funds and $14,775 in other funds to support the revision. The

following table illustrates the additional general revenue provided in FY2027 to support the pension revision by State Police sub-program.

State Police Sub-Program	FY2027 Enacted
Detectives	$1,341,524
Patrol	670,856
Support	463,658
Total	**$2,476,038**

State Police Training Academy ***$1.7 million***

The Budget provides $2.6 million in general revenue for the Department to conduct a State Police Training Academy in FY2027, an increase of $1.7 million from the FY2026 enacted level, which assumed no class in FY2026. In 2024, the State Police Academy graduated 29 new troopers. 16.0 troopers graduated in June of 2025, and 13.0 are expected to graduate in August 2026. The Department plans to start the FY2027 academy in March 2027. The Department believes hosting annual classes will help mitigate recruitment concerns.

The Budget provides an additional $975,858 for operating supplies and $679,653 for personnel salary and benefits. Specific operating increases include $285,000 for military supplies, $238,750 for clothing and uniforms, $165,000 for food, and $142,812 for safety supplies. The following table compares the general revenue included in the FY2026 Budget as Enacted, the FY2026 Final Budget, and the FY2027 Budget as Enacted for the State Police Training Academy.

State Police Training Academy	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Seasonal/Special Salaries/Wages	$0	$224,100	*$224,100*	$375,300	*$375,300*
Military Supplies	-	213,750	*213,750*	285,000	*285,000*
Staff Clothing, Uniforms, Accessories	-	179,063	*179,063*	238,750	*238,750*
ERSRI State Police Retirement Plans	-	197,067	*197,067*	196,983	*196,983*
Food	-	123,750	*123,750*	165,000	*165,000*
Security/Safety Supplies	-	107,109	*107,109*	142,812	*142,812*
ERSRI Retirement Plans	101,720	-	*(101,720)*	-	*(101,720)*
Software Maintenance	-	66,972	*66,972*	89,296	*89,296*
Overtime	-	84,901	*84,901*	84,901	*84,901*
State Police Retiree Health Ins Contributions	41,713	82,919	*41,206*	105,939	*64,226*
Computer and Software Supplies	-	30,000	*30,000*	40,000	*40,000*
All Other Adjustments	836,492	922,973	*86,481*	911,455	*74,963*
Total	**$979,925**	**$2,232,604**	***$1,252,679***	**$2,635,436**	***$1,655,511***

Turnover Savings ***($695,915)***

The Budget provides $1.0 million in general revenue funded turnover savings to the State Police, reflecting a $695,915 reduction to general revenue from the FY2026 enacted level of $310,554. The adjustment is primarily within the patrol sub-program, which increases by $688,515 from the FY2026 appropriated amount. The following table compares the turnover appropriated in the FY2026 Budget as Enacted with the FY2026 Final Budget and the FY2027 Budget as Enacted by sub-program.

State Police Turnover Savings	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Patrol	($260,554)	($633,596)	*($373,042)*	($949,069)	*($688,515)*
Support	(50,000)	-	*50,000*	(57,400)	*(7,400)*
Total	**($310,554)**	**($633,596)**	***($323,042)***	**($1,006,469)**	***($695,915)***

Taser and Body-Worn Camera Contract ***$600,000***

The Budget provides $600,000 in general revenue to fund a new 5-year contract for body-worn and vehicle cameras, and to consolidate the contracts for tasers and unmanned aerial equipment into a single contract. The State Police's current contract for the Taser 7 system expired in April of 2026, and the new contract

will upgrade the inventory with Taser 10 devices. The manufacturer indicates the system has a 5-year useful life and that use outside of the recommended period should be for training only, as factors like temperature and humidity may affect the device's performance. The Department indicates that consolidating and bundling contracts will create general revenue savings of $125,000 over 5 years when compared to a la carte replacement.

1.0 FTE Increase to State Police Personnel ***$4,309***

The Budget transfers 1.0 FTE Data Processing Systems Manager position from the Department of Administration to the Department of Public Safety and recommends a net general revenue increase of $4,309. The position is currently stationed at the Rhode Island State Police Headquarters and exclusively supports the Department of Public Safety but is considered an employee of the Department of Administration's Division of Enterprise Technology and Strategy Services (ETSS). ETSS bills the Department of Public Safety $222,881 for the position. The Budget transfers the position to the Department of Public Safety in both FY2026 and FY2027, resulting in a net general revenue savings of $1,286 in FY2026 and a net general revenue increase of $4,309 in FY2027.

Road Construction Reimbursement (other funds) ***$1.0 million***

The Budget provides $4.4 million in road construction reimbursement receipts for the Department to use in FY2027, reflecting a $1.0 million increase from the FY2026 enacted level. The Department is reimbursed for Troopers working on projects alongside the Department of Transportation (DOT). The reimbursement includes overtime hours worked, the Medicare rate of 1.45 percent, and an hourly rate of $24 per vehicle. These funds are used by the Department to offset overtime worked and State Fleet maintenance costs. The $1.0 million increase in FY2027 reflects the number of active DOT projects.

The FY2026 Final Budget includes $5.5 million in receipts, reflecting a $2.2 million increase from the enacted level; $1.0 million will offset overtime costs, and $1.2 million will support the outright purchase of State Police vehicles.

State Police Vehicles ***Informational***

The Budget authorizes the Department to acquire 32 vehicles for the State Police through the State Fleet Revolving Loan Fund in FY2027 for $2.4 million. The Office of State Fleet Operations bills agencies annually for their lease payments beginning the year following purchase. The Department's 15 Year Vehicle Replacement Plan indicates the FY2027 purchase will be repaid by FY2031, with $824,000 expected in FY2028, $800,000 in FY2029, and $800,000 in FY2030.

The FY2026 Final Budget includes $1.2 million of general revenue ($2.4 million all funds) to outright purchase 29 vehicles for the State Police, reflecting a general revenue reduction of $1.2 million from the enacted level ($71,211 increase in all funds). The Budget directs the Department to use personnel turnover and $1.2 million in receipts collected through Road Construction Reimbursement, rather than utilizing the State Fleet Revolving Loan Fund.

CAPITAL PLAN PROJECTS

The Budget provides $34.2 million of Rhode Island Capital Plan (RICAP) funds in FY2026 and $2.0 million in FY2027 for the Department of Public Safety's capital budget. The FY2026 Final appropriation reflects a $14.5 million increase over the FY2026 enacted level, primarily due to a $12.2 million increase for the Southern Barracks project. The FY2027 appropriation is $17.7 million below the enacted level, primarily due to the completion of the Southern Barracks project. The following table compares the RICAP funds included in the FY2026 Budget as Enacted with the FY2026 Final and FY2027 Budget as Enacted.

Capital Project	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Southern Barracks	$16,750,000	$28,993,957	*$12,243,957*	$0	*($16,750,000)*
Training Academy Upgrades	1,550,000	1,875,148	*325,148*	670,000	*(880,000)*
RISCON	245,048	245,048	-	-	*(245,048)*
DPS Asset Protection	1,205,000	3,116,587	*1,911,587*	1,345,000	*140,000*
Total	**$19,750,048**	**$34,230,740**	***$14,480,692***	**$2,015,000**	***($17,735,048)***

Southern Barracks

The Budget provides $29.0 million of RICAP funds in FY2026 and no funding in FY2027 to support the Department's Southern Barracks project. The Department is constructing a new State Police barracks located at 65 New London Turnpike in West Greenwich to serve the State's southern region. The ribbon cutting occurred on July 30, 2026, and occupancy is expected in August 2026. The project's total cost is $41.4 million, all of which is RICAP funds.

Background: In 2018, the Department of Public Safety initiated a comprehensive planning review and feasibility study related to the Rhode Island State Police (RISP) barracks facilities located in Wickford, Hope Valley, and Portsmouth. A master planning committee consisting of RISP members, representatives from the Department of Administration, and an architectural and engineering design firm completed a review and study in the Fall of 2019. The committee found that the existing three barracks, built in the 1930s, did not meet the State Police's modern public safety and policing requirements. The committee therefore determined that renovating each existing structure was not feasible and recommended that the Department construct a combined barracks in the southern part of the State.

The Department selected a parcel of land located at 65 New London Turnpike, West Greenwich. The Department of Transportation previously owned the property and transferred the deed to the State Police. The ceremonial groundbreaking occurred on site in October of 2024. Upon completion, the Department plans to decommission the assets and revert ownership of the Wickford and Hope Valley barracks to the Department of Administration.

Training Academy Upgrades

The Budget provides $1.9 million of RICAP funds in FY2026 and $670,000 in FY2027 for improvements to the State Police Training Academy located in Foster. Recently, the Department has maintained the grounds, renovated the pumphouse, and contracted A&E services for the construction of a storage facility with environmental controls to prolong the life of RISP equipment. FY2026 projects include relocating the storage facility and contracting A&E services to upgrade the classroom building. FY2027 projects include upgrading the classrooms, bathrooms, and sleep bunks.

The Department identified a need for a dedicated training facility to accommodate increased law enforcement programming at the Training Academy. It engaged RGB Architects to prepare a feasibility study to estimate the cost of building a field house. The study examined the cost to build a 28,000-square-foot field house with two classrooms, two offices, equipment storage, and a dedicated room for the firearm simulator. The study estimated total construction costs at $24.3 million, funding for which is not included in the Budget.

RISCON (RI Statewide Communications System Network)

The Budget includes $245,048 of RICAP funds in FY2026 to reflect the final payment for the upgrade to the State Police microwave loop network, a statewide 6 GHz digital network comprising 5 microwave hops connecting key radio transmission sites and facilities statewide. The Rhode Island Statewide Communications Network (RISCON) is managed by the Rhode Island Emergency Management Agency (RIEMA). It serves as the primary radio communications platform for the Department of Public Safety, the Department of Transportation, the Rhode Island Public Transit Authority, and numerous other agencies and departments statewide.

Asset Protection

The Budget provides $3.1 million of RICAP funds in FY2026 and $1.3 million in FY2027 to fund maintenance and preservation costs for the 28 buildings and seven radio towers throughout the State maintained by the Department of Public Safety. Recently completed asset protection projects include renovations and ADA compliance updates to the Radio Bureau Building and the Richard Rhodes House. The Richard Rhodes House was originally built in 1794, extensively renovated in 1912, and acquired by the State in 1936 for use as the State Police Headquarters and Scituate Barracks. The Public Safety Grant Administration Office is currently housed there. Projects in FY2026 include health and safety improvements to the Wickford and Hope Valley Barracks; renovations and ADA improvements to the Administrative Support Building; upgrades to the Communications Towers; a feasibility study for HVAC improvements at Headquarters; and asset protection for Headquarters' roof. FY2027 projects include renovations and asset protection projects at Headquarters and the Lincoln Barracks.

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Office of the Public Defender

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Central Management	$16.7	$18.3	$18.3	*$0.0*	*0.1%*	$18.9	*$0.7*	*3.6%*
Expenditures By Source								
General Revenue	$16.6	$18.2	$18.2	*$0.0*	*0.1%*	$18.8	*$0.7*	*3.6%*
Federal Funds	0.1	0.1	0.1	-	*0.0%*	0.1	-	*0.0%*
Total	**$16.7**	**$18.3**	**$18.3**	***$0.0***	***0.1%***	**$18.9**	***$0.7***	***3.6%***
Authorized FTE Levels	104.0	104.0	104.0	-	-	105.0	*1.0*	*1.0%*

$ in millions. Totals may vary due to rounding.

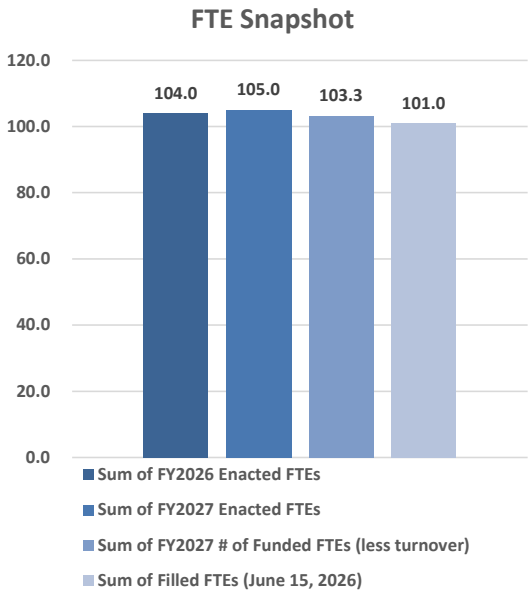
The Office of the Public Defender represents indigent adults and juveniles who are charged with criminal offenses or who are in jeopardy of losing custody of their children to the State. Referrals come from the Supreme, Superior, District, and Family Courts. All who are financially eligible are assigned to a staff attorney for representation in the appropriate court. The main office and two branch locations are located in Providence. Three additional offices are located in the southern half of the state. The metropolitan areas of Providence and Newport account for the bulk of the cases. The Office includes four basic divisions of attorneys: appellate, criminal trial (including separate felony and misdemeanor units), juvenile, and parental rights. The Public Defender is appointed by the Governor to a six-year term, with the advice and consent of the Senate.

MAJOR ISSUES AND TRENDS

The Office of the Public Defender is funded almost entirely by general revenue.

FY2026: The FY2026 Final Budget provides the Office of the Public Defender with $18.3 million in all funds, of which $18.2 million is general revenue and $85,035 are federal funds. The Budget increases general revenue by $11,095 from the FY2026 enacted level and maintains the federal fund appropriation at the FY2026 enacted level.

FY2027: The FY2027 Budget as Enacted provides the Office of the Public Defender with $18.9 million in all funds, including $18.8 million of general revenue, representing an increase of $660,580 or 3.6 percent from the FY2026 enacted level. The general revenue increase includes the addition of 1.0 new FTE Assistant Public Defender position, the statewide 3.0 percent cost of living adjustment (COLA) for state employees, and funding to support the Office's lease of the property located at 160 Pine Street in Providence. The Budget includes $85,035 in federal funds, consistent with the FY2026 enacted level. Budget items of note include:



- Article 9 of the Budget authorizes the renewal of the lease for the Public Defender's main office, located at 160 Pine Street in Providence. The authorization is for a 5-year term with aggregate rent not to exceed $2.4 million and a maximum annual rent of $483,619.
- The Office indicates that it currently suffers from a well-documented caseload crisis and requested additional staff to provide legal representation to the

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State's indigent population. The Office notes that "National standards recommend that misdemeanor attorneys handle no more than 400 cases per year, our attorneys routinely handle between 800 and 1,200 cases per year." The Office requested 7.0 additional FTE positions in FY2027, including 3.0 FTE Case Management Coordinator, 3.0 Assistant Public Defender I positions, and 1.0 Staff Attorney II position.

The Budget includes 104.0 FTE positions in FY2026, which is consistent with the enacted level. The Budget authorizes 105.0 FTE positions in FY2027, reflecting an increase of 1.0 position from the previous year's enacted level.

Central Management	General Revenue
FY2026 Enacted	$18,178,679
Target and Other Adjustments	*(10,604)*
Personnel: Salary and Benefit Adjustment (statewide adjustment)	364,661
1.0 New Assistant Public Defender FTE Position	187,176
A&C ISF Charges (statewide adjustment)	96,597
Lease Extension	75,470
ETSS Billings (statewide adjustment)	(52,720)
FY2027 Enacted	**$18,839,259**

Personnel: Salary and Benefit Adjustment ***$364,661***

The Budget includes $16.9 million in general revenue for FY2027 to support the salaries and benefits of personnel within the Office of the Public Defender (excluding the new FTE position), reflecting an increase of $364,661 from the enacted level. The adjustment provides a $220,653 increase in turnover savings, and a 3.0 percent cost-of-living adjustment (COLA), which was included in the most recent contract with the state employee collective bargaining unit.

1.0 New Assistant Public Defender FTE Position ***$187,176***

The Budget authorizes 1.0 new Assistant Public Defender FTE position for the Office and provides $187,176 of general revenue to support the new position in FY2027. The appropriation includes $178,668 for salary and benefits, $6,508 for operating supplies, and $2,000 for computer equipment.

Lease Extension ***$75,470***

The Budget provides $745,234 in general revenue to support property rent and lease expenditures for the Office of the Public Defender in FY2027, reflecting an increase of $75,470 from the FY2026 enacted level. Article 9 authorizes the agency to extend its lease for the 19,777 square-foot property located at 160 Pine Street in Providence. The Governor submitted Budget Amendment 4 on March 11, 2026, to increase general revenue to the Office by $73,370 from his recommendation to reflect updated cost estimates, including tenant improvements, utilities, and parking. The current lease expires on July 31, 2026, and the new 5-year lease is in effect until July 31, 2031.

Department of Environmental Management

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Office of the Director	$16.1	$15.7	$17.1	*$1.4*	*8.6%*	$18.3	*$2.6*	*16.6%*
Bureau of Natural Resources	80.7	106.5	100.7	*(5.8)*	*-5.5%*	105.5	*(1.0)*	*-0.9%*
Bureau of Environmental Protection	37.6	42.2	45.3	*3.1*	*7.4%*	43.8	*1.6*	*3.7%*
Total	**$134.5**	**$164.4**	**$163.1**	***($1.3)***	***-0.8%***	**$167.6**	***$3.2***	***1.9%***
Expenditures By Source								
General Revenue	$56.0	$58.4	$60.1	*$1.7*	*2.9%*	$60.8	*$2.4*	*4.1%*
Federal Funds	46.6	44.7	48.2	*3.5*	*7.8%*	51.2	*6.5*	*14.5%*
Restricted Receipts	21.3	24.8	26.7	*1.9*	*7.8%*	27.3	*2.5*	*10.1%*
Other Funds	10.6	36.6	28.1	*(8.5)*	*-23.2%*	28.4	*(8.2)*	*-22.4%*
Total	**$134.5**	**$164.4**	**$163.1**	***($1.3)***	***-0.8%***	**$167.6**	***$3.2***	***1.9%***
Authorized FTE Levels	439.0	439.0	439.0	-	*0.0%*	440.0	*1.0*	*0.2%*

$ in millions. Totals may vary due to rounding.

The Department of Environmental Management (DEM) is responsible for protecting, managing, and restoring the natural resources of the State. The Department is organized into three divisions: the Office of the Director, the Bureau of Natural Resources, and the Bureau of Environmental Protection.

The Department is charged with supervising and controlling the protection, development, planning, and utilization of the natural resources of the state; the promotion of agriculture and animal husbandry; and, providing for the maintenance of waterways and boating facilities.

MAJOR ISSUES AND TRENDS

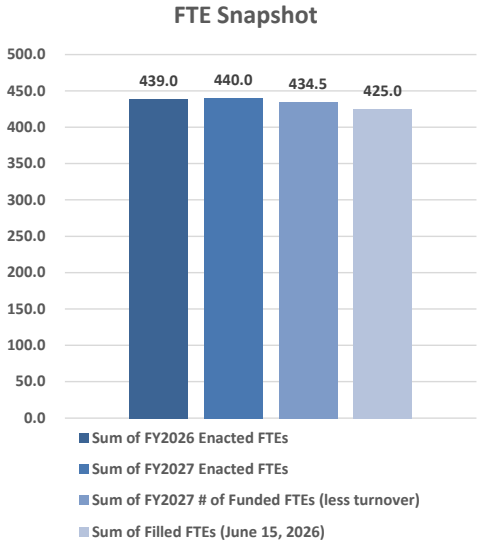
The FY2027 Budget includes an all funds increase of $3.2 million, or 1.9 percent, from the FY2026 Budget as Enacted. The Budget includes a $2.4 million (4.1 percent) increase in general revenue expenditures due primarily to an increase of $752,000 to support the maintenance and operating costs of the Department's online application system, $148,523 for the transfer of authority over the Big River Reservoir lands, $118,119 to support increased lease costs, statewide salary and benefit adjustments including the most recent cost of living adjustment, and statewide central services. The Local Agriculture and Seafood (LASA) grant program is level funded, compared to the FY2026 Budget as Enacted, with $500,000 in general revenue. The increase in federal funds is primarily due to a $15.5 million Federal Emergency Management Agency (FEMA) Hazard Mitigation grant awarded to Rhode Island to elevate structures at the Port of Galilee and Wickford Dock in FY2026 and FY2027. The increase in restricted receipts is primarily driven by the indirect cost recovery (ICR) on federal grants which is a rate negotiated between DEM and the relevant federal agency and charged to individual grants based on eligible expenses. The decrease in other funds is driven by project schedule shifts primarily in a decrease of RICAP funded repairs to state-owned dams and the Galilee Piers, partially offset by an increase in the Recreational Facilities Improvement project.

Pursuant to RIGL 28-12-3(q), the minimum wage in Rhode Island will increase from $16.00 per hour to $17.00 per hour on January 1, 2027. While this change is expected to impact seasonal employees within the DEM, the adjustment was not provided for in the FY2027 budget target provided by the Office of Management and Budget. According to DEM, if 2025 seasonal staffing levels were maintained, the cost for the wage increase would be about $4.9 million while the Budget provides $4.3 million for seasonal wages.

In FY2026, the Budget reduces funding by $1.3 million, including an $8.5 million reduction in RICAP funding, partially offset by a $1.7 million increase in general revenue due primarily to $1.4 million in personnel adjustments. Federal and restricted receipt increases are primarily driven by the FEMA Hazard Mitigation grant to improve resiliency at commercial fishing ports. The decrease in other funds is driven

by project schedule shifts primarily in a decrease of RICAP funded repairs to state-owned dams and the Galilee Piers, partially offset by an increase in Recreational Facilities Improvement.

The Budget authorizes 439.0 FTE positions in FY2026, consistent with the FY2026 Budget as Enacted, and 440.0 in FY2027 to reflect the transfer of 1.0 FTE programming services position from the Water Resources Board as part of the transfer of administrative and regulatory authority over the Big River Management Area.



OFFICE OF THE DIRECTOR

The Office of the Director includes the Office of Management Services, Legal Services, Administrative Adjudication, and the two central service offices of Human Resources and Information Technology. The Office is responsible for developing and implementing programs to protect the State's environment, protect citizens from public health threats resulting from pollution, and provide facilities that support outdoor recreational activities.

Office of the Director	General Revenue
FY2026 Enacted	$9,446,875
Target and Other Adjustments	*(10,150)*
Online Permitting Application Portal	752,000
Centralized Services (statewide adjustments)	321,104
Foundry Lease	118,119
FY2027 Enacted	**$10,627,948**

Online Permitting Application Portal *$752,000*

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 restricted receipt funds that are not available in FY2027. The ongoing costs include $234,000 for vendor management support and $518,000 for annual software licensing fees. The online platform is more accessible and convenient for the public, and it also reduces the amount of time staff need to review and approve licenses and permits. Applicants get real-time status updates on applications, communicate directly with DEM staff, and receive notifications for renewals.

Foundry Lease *$118,119*

The Budget adds $118,119 for increased rental costs at DEM. Article 9 authorizes a new, ten-year lease for 115,733 square feet at 235 Promenade Street that is currently occupied by the DEM. This is a decrease in space from the existing rent agreement which expires on June 30, 2026. According to the Office of Management and Budget, the increase is primarily due to the finalization of the tenant improvement costs which were higher than anticipated and triggered additional borrowing costs. The renovations will allow DEM to be more efficient, and customer-facing by moving the Boating Division and Human Resources Department from the third floor to the second floor, which is the ground floor, with the other customer-facing operations. Consistent with the current agreement, the new lease agreement includes all improvements, parking, security, cleaning, shuttle service, and gas/water/sewer. The decrease in square footage increases the cost per square foot from $20.50 to about $23.86, or 16.4 percent.

The new lease agreement will provide for annual, fixed rent for the first 5 years that will not exceed $2.8 million or $3.0 million for the remaining five years. For the current fiscal year, the annual rent is slightly

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under $2.6 million. The term of the lease may not exceed 10 years, and the aggregate rent may not exceed $28.6 million.

BUREAU OF NATURAL RESOURCES

The Bureau of Natural Resources is comprised of six divisions which manage the State's marine, freshwater, and upland resources. The Bureau administers the State's agriculture programs, state land acquisitions, and local matching grant programs for outdoor recreation. The Bureau is also responsible for enforcing state laws and regulations governing hunting and fishing, public safety in state parks, and recreational boating; and for administering, maintaining, and operating eleven state parks, five campgrounds, seven state beaches, a golf course, the East Bay and Blackstone Bike Paths, and 40,000 acres of state-owned forests. Furthermore, the Bureau is responsible for oversight of all land leases and capital assets of port facilities and commercial fishing piers in Narragansett and Newport.

Bureau of Natural Resources	General Revenue
FY2026 Enacted	$32,325,750
Target and Other Adjustments	*340,721*
Big River Managment Area Transfer (1.0 FTE position)	148,523
Replacement of Forestry Firehoses	50,000
FY2027 Enacted	**$32,864,994**

Big River Management Area Transfer (1.0 FTE position) *$148,523*

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). The transfer includes 1.0 FTE programming services position and $148,523 in general revenue, including $138,523 in salaries and benefits and $10,000 in operating supplies and expenses.

The Big River Management Area (BRMA) includes 8,400 acres of land, including portions of West Greenwich, Coventry, and Exeter, designated as a potential water supply resource but currently managed as open space allowing passive recreation such as hiking, canoeing, and non-motorized biking. The WRB is a regulatory body with limited capacity for property management and enforcement. Consequently, DEM is managing the property through a Memorandum of Understanding (MOU) with the WRB and is therefore responsible for issues with the property including maintenance, access, and public safety. Given DEM's current role with the management areas and their experience with land management across the State, the transfer of administrative and regulatory authority will consolidate responsibility.

According to DEM, the State maintains leases on nine residential properties and three commercial properties within BRMA, including Coventry Pines Golf Course, Greenwich Village Nursey School, and Maple Root Ramblewood Corporation mobile home park. Pursuant to 490-RICR-00-00-5.6, the Division of Capital Asset Management and Maintenance (DCAMM) manages the leases on the property in consultation with the WRB. However, the article provides that the current regulations will remain in effect until the rules and regulations are transferred and promulgated by DEM, and, based on information received from DEM, management of the leases will also be transferred with the regulatory authority. DEM indicated that the intent is to continue the commercial leases but to phase out the residential leases as the leases expire or the tenants move out.

Replacement of Forestry Fire Hoses *$50,000*

The Budget provides $50,000 to purchase fire hoses for the Division of Agriculture and Forest Environment. The current hoses are about 40 years old and recent fires have highlighted the need for new equipment. The Division offers several forest fire programs to assist local departments and the public with fire control and prevention.

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BUREAU OF ENVIRONMENTAL PROTECTION

The Bureau of Environmental Protection is comprised of six programs which are responsible for regulating and protecting water resources; protecting and improving air resources; regulating the transportation and disposal of solid, medical and hazardous waste, and investigating and remediating unpermitted release of those materials; responding to emergency spills of oil and chemicals that present an immediate danger to public health and environment; and assisting the public by coordinating the review of projects requiring multiple applications and permits, and tracking the status of permitting activities throughout the Bureau.

Bureau of Environmental Protection	General Revenue
FY2026 Enacted	$16,607,743
Target and Other Adjustments	*349,327*
Partial Reversal of Personnel Cost Shift to Restricted Receipts	333,749
FY2027 Enacted	**$17,290,819**

Partial Reversal of Personnel Cost Shift to Restricted Receipts ***$333,749***

The FY2025 Revised Budget included a one-time shift of costs to certain restricted receipt funds; however, according to the Department, the shift was carried into FY2026 and the base for FY2027; consequently, DEM requested an additional $1.1 million in general revenue funded salaries and benefits in FY2027 to correct errors in the calculation of the base budget target. The Budget includes an additional $333,749. Of the four accounts accessed for the one-time shifts, two were raised as a concern moving forward due to the potential depletion of funds.

- **Oil Spill Prevention, Administration and Response Fund (OSPAR):** The OSPAR Fund was established in 1996 in response to the environmental damage caused by the North Cape Oil Spill along the Rhode Island coast. Pursuant to RIGL 46-12.7-5.1, the funds may be used to cover the costs of response, containment, and cleanup of oil spills into marine or estuarine waters. The OSPAR Fund may also be used for structural improvements to reduce the risk of oil tanker spills, restoration of natural resources, response training and equipment, and monitoring activities. The fund is capitalized primarily with a fee of $0.05 for each barrel of petroleum products received at a marine terminal in the State. The North Cape spill cost the State approximately $3.0 million ($6.2 million in today's dollars). Based on the estimates provided in the table below, which do not account for the possibility of an oil spill, this fund is projected to be depleted by FY2029.

OSPAR	Current Balance (09.2025)[1]	FY2026	FY2027	FY2028	FY2029
	$3.0		$2.3	$1.5	$0.7
Receipts[1]		1.6	1.6	1.6	1.6
Expenditures[2]		(2.3)	(2.3)	(2.4)	(2.5)
Net Income (loss)		*(0.7)*	*(0.7)*	*(0.8)*	*(0.9)*
Ending Balance Carry Forward		$2.3	$1.5	$0.7	($0.1)

[1] Estimated annual receipts and current balance based on DEM FY2027 Budget Request detail.

[2] Estimated Expenditures based on Governor's FY2027 budget recommendation inflated by 2.5 percent annually.

$ in millions

- **Bays, Rivers and Watersheds Fund:** The Bays, Rivers and Watersheds Fund (BRWF) is a restricted receipt account within DEM created pursuant to Article 16 of the FY2016 Budget as Enacted. Funding decisions are made by the Director of DEM within the limited purposes of The Comprehensive Watershed and Marine Monitoring Act (RIGL 46-23.2-1); Water Pollution (RIGL 46-12); the Resilient

Rhode Island Act of 2014 – Climate Change Coordination Council (RIGL 46-6.2); and, through Article 3 of the FY2027 Budget as Enacted, the Freshwater Lake Management Program (RIGL 46-33). The BRWF is supported with receipts from septage disposal fees, totaling over $700,000 annually in recent years, collected pursuant to RIGL 46-12.11. A disposal fee of $1.00 per every 100 gallons of septage delivered to a disposal facility is paid by septage transporters and collected by disposal facility operators.

According to DEM, the BRWF is used primarily to leverage federal funds in support of ambient water monitoring programs essential to water quality management. For example, the BRWF supports the on-going fixed-site monitoring in Narragansett Bay, in partnership with the University of Rhode Island Graduate School of Oceanography; monthly water quality monitoring of the State's largest rivers; and continuous operation of 21 streamflow gages, in cooperation with the federal United States Geological Survey. The fund has also been used to address high-priority, short-term projects, consistent with the purposes authorized by legislation, such as an initial survey of invasive hydrilla in Worden Pond in South Kingstown to characterize the infestation and plan future treatment, the replacement of the DEM vessel used for shellfish area monitoring, and for investments in other monitoring equipment. In FY2027, DEM plans to use the funds to support projects related to stormwater management, including an update of the state stormwater manual. A portion of the funds has been utilized to support select staffing in the DEM Office of Water Resources. In the FY2027 Budget, the BRWF supports $696,775 in salaries and benefits in FY2026 and $717,364 in FY2027, an increase of $272,183 and $292,772 respectively over the FY2026 Budget as Enacted. Based on the estimates provided in the table below, this fund is projected to be depleted in FY2027 with a shortfall of $136,659; however, since expenditures cannot exceed the available balance, DEM has indicated that expenses will be adjusted to actual revenues.

Bays, Rivers, and Watersheds Fund

Bays, Rivers, and Watersheds Fund	FY2023	FY2024	FY2025	*FY2026 Estimate* [1]	*FY2027 Estimate* [1]
Beginning Balance	$948,923	$1,109,463	$1,405,125	*$865,798*	*$405,725*
Revenue	869,651	652,755	824,500	*782,302*	*782,302*
Expenditures	(709,111)	(357,094)	(1,363,827)	*(1,242,375)*	*(1,324,686)*
Net Income (loss)	160,540	295,661	(539,327)	(460,073)	(542,384)
Ending Balance Carry Forward	**$1,109,463**	**$1,405,125**	**$865,798**	**$405,725**	**($136,659)**

[1] *Estimated revenue based on FY2023 through FY2025 average, as provided by DEM. Expenditures based on Governor's recommended budget.*

CAPITAL PROJECTS

The Budget includes a total of $26.2 million in RICAP funding in FY2026 and $26.5 million in FY2027, a decrease of $8.4 million in FY2026 and $8.2 million in FY2027 relative to the FY2026 Budget as Enacted. Major RICAP funded projects include:

- **Dam Repairs:** The Budget provides $392,411 in FY2026 and $5.6 million in FY2027, a decrease of $6.4 million and $1.2 million respectively relative to the FY2026 Budget as Enacted. This project allows DEM to complete engineering studies, designs and repairs to "high-hazard" State-owned dams which, if they were to fail, would cause significant property damage and potential for loss of life. The State owns 10 high hazard and four significant hazard dams. During the past 12 years, the Department completed repairs to the Stillwater Dam in Smithfield, the Olney Pond Dam in Lincoln Woods, the Bowdish Lake Dam at the George Washington Management Area, and the upper JL Curran Dam in

Cranston. The Wyoming Pond Upper Dam was completed in FY2024, and planning and design work for the Lower Curran Dam is underway with construction commencing in FY2026. Upon closer inspection, the Upper Burlingame Dam project now includes the upper and lower dams. The decrease in the current budget is from project delays due to the need for approval from the U.S. Army Corps of Engineers (USACOE).

- **Galilee Piers:** The Budget provides $14.7 million in RICAP funding in FY2026 and $10.7 million in FY2027 for repairs to the Galilee Piers, a decrease of $5.8 million in FY2026 and $9.8 million in FY2027 relative to the FY2026 Budget as Enacted. While RICAP funding for the project decreases, the new Federal Emergency Management Agency (FEMA) grant increases total project funding across the two fiscal years by $2.5 million. The Port of Galilee is home to 170 commercial fishing vessels and provides affordable berthing spaces close to wholesale and retail seafood processing businesses. Since 2009, the Department has rebuilt numerous piers, as well as the southwest and northwest bulkhead. In FY2024, work was completed on the North Bulkhead and Docks AA-QQ. The North Bulkhead was more than 50 years old with 16 piers along its 1,500-foot length. The piers include berthing for vessels and businesses such as RI Engine, which provides regional vessel services, and Sea Freeze, a fish processing house with worldwide shipping. Work began on the design phase of the Coastal Headquarters project and implementation of automated parking for Parking Lot G in FY2025 and continued into FY2026. In FY2026 and FY2027, the new $15.5 million FEMA Hazard Mitigation grant and $25.4 million in RICAP funding will be used to demolish and replace eight piers, including utility upgrades and resiliency measures. Six of the piers are at the Port of Galilee, one pier at the Commercial Fisheries Lab in Kingston, and one pier at the Wickford Marina.
- **Recreational Facilities Improvements:** The Budget provides $7.6 million in FY2026, an increase of $4.7 million due to the reappropriation of unexpended funds from FY2025, and $4.6 million in FY2027, an increase of $1.7 million relative to the enacted level, for this ongoing project. The Department manages over 50 buildings and 25 miles of roads, in addition to water supply systems and other infrastructure elements, in State Parks and Management Areas. In FY2024, DEM finished exterior preservation work at Colt State park's historic stone dairy barn; the Fort Adams Maintenance Garage, safety improvements at Brenton Point; and demolition of outdated facilities at Haines, Pulaski, and Burlingame State Parks. Current tasks in this ongoing project include interior preservation work at Colt State park's historic stone dairy barn; safety improvements at Brenton Point; demolition of outdated and unsafe facilities at state management areas; bathroom renovations at Burlingame State Campgrounds; bulkhead repair at several state beaches; entry way repairs at Misquamicut State Beach; and asset protection projects such as roof replacement, waterline connections, and roadway repair.
- **Newport Pier Upgrades:** The Budget includes $115,000 in FY2026, a decrease of $385,000 relative to the FY2026 Budget as Enacted, and $500,000 in FY2027, level with the enacted budget, for the Newport Pier project. The funds will support ongoing repairs and renovations of the pier. This project supports the commercial fishing industry by making infrastructure improvements for commercial fishing facilities at the State Pier in Newport. State Pier #9 in Newport houses approximately 50 commercial fishing vessels, providing the only affordable, berthing space for the local commercial fleet. Over the past several years, DEM has replaced the bulkhead and pilings, renovated the parking facilities, and made landscape and drainage improvements. The electrical project to improve the utility services at the pier, including electrical work to install 100-amp service in strategic locations and replacement of the 30-amp and 50-amp services along the bulkhead and docks, was finished in March 2024.
- **Natural Resources Offices/Visitor's Center:** The Budget provides $234,077 in FY2026 and $2.6 million in FY2027, a decrease of $1.6 million in FY2026 and an increase of $750,000 in FY2027 relative to the enacted budget to reflect the updated project schedule. This project has changed scope over the years. While previously considering the construction of new offices and visitor centers in the

Arcadia Management area and the Great Swamp Management Area, the unavailability of federal funding and suitable land has refocused the project on securing and renovating space on the Alton Jones Campus at the University of Rhode Island.

- **Marine Infrastructure and Pier Development:** The Budget provides $1.5 million in FY2026 and $500,000 in FY2027, an increase of $752,413 in FY2026, due to the reappropriation of unspent funds, and a decrease of $200,000 in FY2027 relative to the enacted budget. Also included in the Budget is $779,383 in federal funds over the two years. This project is aimed at developing recreational and transient boating piers and related marine facilities in Narragansett Bay. Marine infrastructure projects can include recreational or commercial sites. Eligible projects can include, but are not limited to, docks, piers, bulkheads, and associated land-side infrastructure. The project is currently focused on the redevelopment of Chase Marina in Tiverton to improve access for local fishermen and smaller business owners as the number of larger vessels at Galilee continues to increase. The redevelopment project at Chase Marina in Tiverton to improve access for commercial fishing is ongoing. Currently, the design phase is completed and the project is moving into the bidding process of the construction phase.
- **Big River Management Area:** 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). As part of the transfer, the Budget shifts $593,000 in funding for infrastructure improvements and repairs from DOA to DEM. The funds are used to finance a comprehensive land management and asset protection plan for the 8,400-acre property, including road repairs, demolition of vacant structures, and maintenance of rental structures.

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Coastal Resources Management Council

Expenditures By Program	FY2025 Actuals	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Coastal Resources Management Council	$5.7	$14.9	$14.7	*($0.2)*	*-1.3%*	$19.2	*$4.4*	*29.5%*
Expenditures By Source								
General Revenue	$3.9	$3.9	$4.2	*$0.3*	*6.9%*	$4.4	*$0.5*	*12.0%*
Federal Funds	1.7	3.3	3.1	*(0.2)*	*-6.7%*	3.2	*(0.2)*	*-5.4%*
Restricted Receipts	0.1	0.6	0.3	*(0.3)*	*-46.3%*	0.3	*(0.3)*	*-46.3%*
Other Funds	(0.0)	7.0	7.1	*0.0*	0.7%	11.4	*4.4*	62.6%
Total	**$5.7**	**$14.9**	**$14.7**	***($0.2)***	***-1.3%***	**$19.2**	***$4.4***	***29.5%***
Authorized FTE Levels	32.0	32.0	32.0	-	-	32.0	-	-

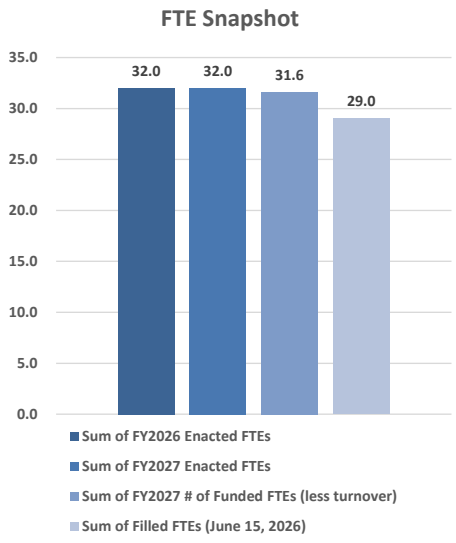
$ in millions. Totals may vary due to rounding.

The Coastal Resources Management Council (CRMC) is mandated to preserve, protect, develop and, where possible, restore the coastal resources of the State. The CRMC oversees the Coastal Habitat Restoration Program and is charged with developing an Ocean Special Area Management Plan (SAMP) and a Marine Resources Development Plan.

MAJOR ISSUES AND TRENDS

The FY2027 Budget includes an all funds increase of $4.4 million (29.5 percent) from the FY2026 Budget as Enacted, including a general revenue increase of $469,959, a federal funds decrease of $179,852, a restricted receipt decrease of $288,957, and an other funds increase of $4.4 million. The increase in general revenue is primarily due to the reversal of the increase in indirect cost recovery on federal funds that was included in the FY2026 Budget as Enacted and a $50,000 placeholder for a permit and enforcement database. The decrease in federal funds is primarily due to the cancelation of a $344,000 federal grant to develop a comprehensive public access strategy for marginalized communities, of the total grant amount $144,000 was appropriated in the enacted budget. The increase in other funds in FY2027 is due to new funding for the Confined Aquatic Dredge Material Disposal (CAD) cell partially offset by the completion of the maintenance dredging of the Ninigret breachway through the South Coast Restoration Project.

The Budget authorizes 32.0 FTE positions in FY2026 and FY2027, consistent with the FY2026 Budget as Enacted. While not included in the Budget, the CRMC requested 5.0 new FTE positions to increase capacity to review renewable energy projects, focus on consistency with federal and state Coastal Zone Management requirements, support the agency hearing officer, conduct routine monitoring and compliance inspections of permitted projects, and support the implementation of the agency's programs.



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Central Management	General Revenue
FY2026 Enacted	$3,904,812
Target and Other Adjustments	*45,191*
Reverse Indirect Cost Recovery on Federal Funds	374,768
Permit and Enforcement Database	50,000
FY2027 Enacted	**$4,374,771**

Reverse Indirect Cost Recovery on Federal Funds ***$374,768***

The Budget adds $374,768 in general revenue to reverse an increase in indirect cost recovery on federal funds included in the enacted budget. On October 1, 2024, the federally permitted minimum rate for indirect cost recovery (ICR) on federal funds increased from 10.0 percent to 15.0 percent. The FY2026 Budget as Enacted took the value of the 5.0 percentage point increase, put it into a restricted receipt account, and deducted the equivalent value of general revenue. According to the Office of Management and Budget, the restricted receipt account is used to record the receipt and the expenditure of the recovered funds, allowing the funds to be directed to specific administrative expenses. However, the CRMC was only approved for $85,811 in indirect cost recovery in the annual federal agreement with the National Oceanic and Atmospheric Administration (NOAA).

According to CRMC, the FY2026 Budget process was the first time the issue of an ICR from federal grants was raised; and, moving forward, CRMC will work to realize the 15.0 percent ICR on allowable costs in federal grants. Of note, however, is of the $3.3 million in federal funds included in the FY2026 Budget as Enacted $2.0 million is an administrative grant from NOAA that funds one-third of CRMC's personnel costs and all the operating costs, except legal and stenographic services. Applying the ICR allowed by NOAA to this grant will not increase the amount of the grant but simply move funds around.

Permit and Enforcement Database ***$50,000***

As part of the FY2027 Budget Request, CRMC requested funding for a permit and enforcement database that is required by the federal government, but the Governor did not fund the proposal and inadvertently removed the $50,000 placeholder. The Budget restores this placeholder until the database costs are finalized. The initial build and implementation of the database is currently estimated at $2.0 million, with annual maintenance and licensing fees of $20,000.

In both the 2020 and 2025 federal evaluations, the National Oceanic and Atmospheric Administration (NOAA) required CRMC to develop a database and web interface that can process permit applications and online payments, serve as a platform for interagency review, and track enforcement issues. The initial deadline for implementation was March 31, 2024. In the subsequent evaluation the deadline was moved to September 30, 2026. The current database was built on the FoxPro platform in 1996. The proposal is to add CRMC to the database modernization happening at DEM to create economies of scale and collaborative staff access. If CRMC fails to comply with the federal requirement or is unable to perform regulatory work due to the failure of the current system, federal funding could be at risk. In addition, 2025-S-1087 was signed into law on July 1, 2025, amending the State Building Code to require the "establishment and maintenance of electronic permitting platforms and regulations relating to … applications and permits for the … coastal resources management council."

Analyst Note: While the Budget includes the $50,000 placeholder, it is unclear if this funding is sufficient to signify the state commitment to the project required for NOAA to sustain the current federal funding levels.

CAPITAL PROJECTS

The Budget includes a total of $7.1 million in capital expenditures from Rhode Island Capital Plan (RICAP) fund in FY2026 and $11.4 million in FY2027. The projects include:

- **Confined Aquatic Dredge Material Disposal (CAD) Cell:** The Budget includes $11.4 million in RICAP funds as part of the state share of a $102.3 million project to dredge the Providence River and Harbor Shipping Channel. Article 4 of the FY2026 Budget as Enacted authorized the issuance of $23.0 million in new certificates of participation (COPs), including $200,000 for the costs of issuance, toward the design and construction of an additional Confined Aquatic Disposal (CAD) cell for dredge material disposal. In addition to the COPs, the project funding included $11.4 million in RICAP funds and $620,000 in dredge fund revenue for a total, maximum, state share of $35.0 million. The project consists of the first phase of Providence River and Harbor Federal Navigation Project (FNP) Dredge Materials Management Plan (DMMP) from the U.S. Army Corps of Engineers (USACOE) which is charged with maintaining the Providence River and Harbor Shipping Channel. While the original deadline for paying the total state share was August 2026, the updated project schedule reflects an April 2027 deadline. CRMC has indicated that the USACOE is scheduled to start construction of the first phase of the project in the Fall of 2027. The design phase for the second phase is scheduled for 2046.

  CAD cells are depressions created in the bottom of a body of water for storing contaminated sediments to reduce the risk of the sediment contaminating the entire system. Currently, there are six CAD cells below the Providence River Federal Navigation Channel in the vicinity of the Port of Providence and Simms Metals that were created in the mid 1990's; however, these cells are reaching capacity.

- **South Coast Restoration Project:** The Budget includes $7.0 million in FY2026 to complete maintenance dredging of the Ninigret breachway. The pond projects were completed and now the South Coast Restoration project is focused on dredging each breachway every three to five years. Maintenance dredging is needed to maintain adequate water depths, healthy marsh systems, and wider breaches. Federal funds are not currently available for this purpose. More frequent dredging may be necessary if a storm forces sediment into the basins and breachways.

- **Pawcatuck Resiliency:** As the next phase of study to reduce damage from storm surge along the southern shore area from the Pawcatuck River to Point Judith, the Budget includes $50,000 from the RI Capital Plan Fund shifted from FY2025 into FY2026 as a place holder for a state match to elevate residences in a project led by the U.S. Army Corps of Engineers (ACOE).

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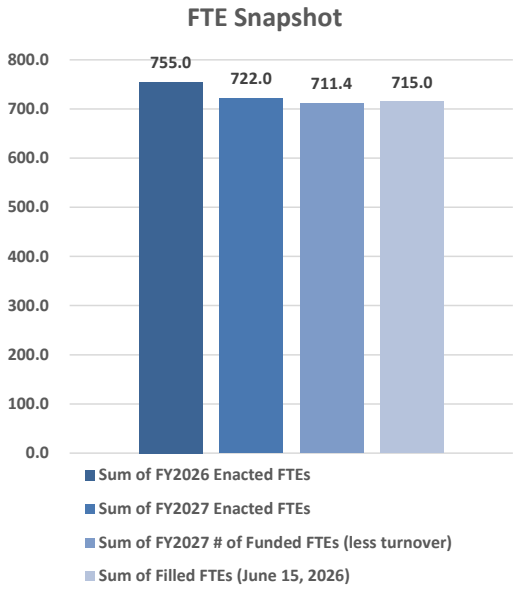
Department of Transportation

Expenditures By Program	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Central Management	$14.8	$22.8	$21.6	*($1.2)*	*-5.2%*	$22.5	*($0.3)*	*-1.3%*
Management and Budget	6.4	3.8	5.5	*1.6*	*42.6%*	5.8	*1.9*	*50.3%*
Infrastructure-Engineering	708.1	695.9	805.4	*109.5*	*15.7%*	927.1	*231.2*	*33.2%*
Infrastructure-Maintenance	131.2	160.3	367.5	*207.3*	*129.3%*	191.0	*30.7*	*19.2%*
Total	**$860.5**	**$882.8**	**$1,200.0**	***$317.2***	***35.9%***	**$1,146.4**	***$263.6***	***29.9%***
Expenditures By Source								
General Revenue	$0.0	$0.0	$0.0	*$0.0*	*$0.0*	$0.0	*$0.0*	*$0.0*
Federal Funds	507.8	474.6	610.1	*135.5*	*28.6%*	779.1	*304.5*	*64.2%*
Restricted Receipts	2.3	6.1	1.9	*(4.2)*	*-68.7%*	4.5	*(1.6)*	*-26.5%*
Other Funds	350.3	402.1	588.0	*185.8*	*46.2%*	362.9	*(39.3)*	*-9.8%*
Total	**$860.5**	**$882.8**	**$1,200.0**	***$317.2***	***35.9%***	**$1,146.4**	***$263.6***	***29.9%***
Authorized FTE Levels	755.0	755.0	755.0	-	-	722.0	(33.0)	-4.4%

$ in millions. Totals may vary due to rounding.

The Rhode Island Department of Transportation (RIDOT) is responsible for over 3,300 "lane miles" (1,100 miles) of highway and 420 bridges recognized by the National Bridge Inventory in the State. RIDOT provides services ranging from snow removal to pothole repair, and from installing and maintaining traffic signalization to designing highway and bridge construction. The Department also develops projects in the areas of rail, water, bicycle, and pedestrian transportation; coordinates with RIPTA on transit projects; and engages in air quality planning and coordination.

Established in FY1994, the Intermodal Surface Transportation Fund (ISTF) accounts for the collection of the gasoline tax, federal grants, and bond proceeds that are used for the maintenance, upgrading, and construction of the State's highway system. It is also funded by proceeds from the Grant Anticipation Revenue Vehicle (GARVEE) and the RI Motor Fuel Tax (RIMFT) revenue bonds, as well as related expenditures. The Transportation Investment and Debt Reduction Act of 2011 created the Rhode Island Highway Maintenance Account within the ISTF. Funds are used to finance all RIDOT personnel and ongoing repair and renovation expenditures for RIDOT facilities throughout the state, as well as highway debt service, and motor fuel tax proceeds allocated to the Rhode Island Public Transit Authority (RIPTA), the Rhode Island Turnpike and Bridge Authority, and the Department of Human Services.



MAJOR ISSUES AND TRENDS

FY2026: The FY2026 Final Budget provides $1.2 billion in all funds to the Department of Transportation, representing an increase of $317.2 million or 35.9 percent from the FY2026 Budget as Enacted. The Budget includes $610.1 million in federal funds, reflecting an increase of $135.5 million from the FY2026 enacted level, primarily due to the inclusion of federal grants awarded for significant transportation projects such as the Washington Bridge, as well as $11.4 million of reappropriated American Rescue Plan Act State Fiscal Recovery Funds (ARPA SFRF) for

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the Rhode Restore program (previously titled Municipal Roads Grant Program). The Department receives no general revenue. State funding directed to the Department comes primarily from taxes on the sale of motor fuel (gas tax), license and vehicle registration fees deposited in the Rhode Island Highway Maintenance Account (HMA), and Rhode Island Capital Plan (RICAP) funds, all of which are classified in budgetary materials as other funds. The Budget provides $588.0 million in other funds, reflecting an increase of $185.8 million from the FY2026 enacted level. The other fund appropriation includes $304.4 million (51.8 percent) in HMA receipts, $150.2 million (25.5 percent) in motor fuel tax receipts, $128.0 million (21.8 percent) in RICAP funds, and $5.4 million in receipts collected through the acquisition and sale of Department-owned land. The Budget removes $10.0 million of toll revenue assumed in the FY2026 Budget as Enacted, because of a delay in the program's implementation. Collections are anticipated to resume in Quarter 3 of FY2027.

FY2027: The FY2027 Budget as Enacted provides $1.1 billion in all funds to the Department, representing an increase of $263.6 million or 29.9 percent from the FY2026 Budget as Enacted. The Budget appropriates $779.1 million of federal funds, which comprise 68.0 percent of the Department's total appropriation and reflect a $304.5 million increase from the enacted level. The Budget includes $362.9 million in other funds, a decrease of $39.3 million. or 9.8 percent, from the FY2026 Budget as Enacted. The other fund appropriation includes $148.9 million (41.0 percent) in motor fuel tax receipts, $129.1 million (35.6 percent) in HMA receipts, $59.5 million (16.4 percent) in RICAP funds, $20.0 million (5.5 percent) in toll revenue, and $5.4 million (1.5 percent) in receipts collected through the acquisition and sale of Department-owned land. Major initiatives include:

- **RIDOT Efficiency Study:** Section 3 of Article 3 directs the Office of Internal Audit and Program Integrity, within the Department of Administration, to commission an efficiency and performance audit of the Department of Transportation by March 15, 2027. The audit will evaluate the Department's asset management ability, including the status of pavement, bridges, and intelligent transportation systems assets, backlog replacement needs, and lifecycle cost analysis. It will also review the Department's maintenance and operations efficiency, including cost per lane-mile per district, salt and chemical usage, vehicle and equipment availability, and overtime utilization. The legislation requires the Office of Internal Audit and Program Integrity to deliver the report to the Governor, President of the Senate, Speaker of the House of Representatives, and Chairs of the House and Senate Finance Committees, as well as publish the report on the Department of Administration's website.
- **Rhode Island Highway Maintenance Account Revision:** Section 3 of Article 2 revises the disposition of Rhode Island Highway Maintenance Account (HMA) receipts, resulting in a $13.4 million reduction of funds for the Department and an equivalent increase for the Rhode Island Public Transit Authority (RIPTA). For FY2027 and future years, the Budget increases RIPTA's 10.0 percent share of available HMA proceeds to 25.0 percent and eliminates the Authority's $5.0 million fixed appropriation. The following table illustrates the revision.

2027 Enacted HMA Transfers	Current Law	Article 2	*Change*
Share to RIDOT	$105,401,878	$92,001,565	*($13,400,313)*
Percentage Share to RIPTA	12,266,875	30,667,188	*18,400,313*
Fixed Share to RIPTA	5,000,000	-	*(5,000,000)*
5% Share to General Revenue	6,456,250	6,456,250	-
Total	**$129,125,004**	**$129,125,004**	***$0***

Source: Office of Revenue Analysis, May 2026

- **Motor Fuel Bond Defeasance:** On December 1, 2025, the Rhode Island Commerce Corporation executed a cash defeasance of the Series 2017 A Motor Fuel Tax Revenue Refunding Bonds. The FY2026 Final Budget includes $3.7 million for the last remaining debt service payments and $7.1 million in bond residuals. The FY2027 Budget as Enacted allocates the $0.02 /gallon that previously

serviced the debt to the Department of Transportation, reflecting an additional $8.8 million in gas tax receipts.

- **Rhode Restore:** The Budget includes $17.9 million in all funds for FY2026 and $10.0 million of motor fuel tax receipts in FY2027 for the Rhode Restore program. The Rhode Restore program awards matching funds to cities and towns to repair and maintain municipal-owned roads and bridges. Municipalities contribute 66.0 percent of a project's cost, and the State provides a 33.0 percent match. The FY2026 Final Budget includes $11.4 million of ARPA SFRF and $6.5 million in motor fuel tax receipts. In FY2027, the Budget increases gas tax receipts by $3.5 million for a total appropriation of $10.0 million.
- **Truck Tolls:** The Budget assumes the reinstatement of the RhodeWorks truck tolling program in Q3 of FY2027 and includes $20.0 million in revenue, reflecting $10.0 million per quarter. The FY2026 Budget as Enacted assumed the program would resume in the final quarter of FY2026 and assumed $10.0 million in revenue. The Department postponed the reinstatement due to necessary maintenance of the toll gantries and the acquisition of a back-office billing contract, both of which have since been resolved. The delay has resulted in $30.0 million in forgone revenue across the two fiscal years.
- **Bridge Inspection Oversight:** The Budget authorizes 2.0 new FTE Chief Civil Engineer positions in the Infrastructure-Engineering program and includes $356,492 of federal funds to support salary and benefits. The new positions will oversee the Department's contracted bridge inspectors, providing additional accountability and transparency.

The Budget authorizes 755.0 FTE positions for FY2026, consistent with the previous year's enacted level, and 722.0 for FY2027, reflecting a net decrease of 33.0 FTE positions compared to the FY2026 Budget as Enacted. The FY2027 Budget eliminates 35.0 FTE positions, reflecting a statewide initiative to remove unfunded positions and align expenditures more closely with historical experience. The adjustment is offset by a 2.0 FTE increase for additional bridge inspection oversight positions, reflecting a net decrease of 33.0 FTE positions compared to the FY2026 enacted level.

REVENUE

Motor Fuel Tax

The Budget assesses a $0.405 /gallon tax on motor fuel in both FY2026 and FY2027, which is used to support expenditures within the Department of Transportation, the Rhode Island Public Transit Authority (RIPTA), the Rhode Island Turnpike and Bridge Authority (RITBA), and the Office of Healthy Aging's transportation program, as well as service debt incurred through GARVEE bonds. Additionally, the State assesses a $0.01 per gallon Environmental Protection Fee and allocates the revenue evenly between the Underground Storage Tank Fund (UST) and RIPTA. The ORA classifies RIPTA's $0.005 per gallon share as gas tax revenue, but not the funds transferred to the UST.

The Office of Revenue Analysis's May 2026 forecast projects a $0.02 per gallon increase in both FY2028 and FY2030, which will be provided to the Department of Transportation, pursuant to RIGL 31-36-20. On December 1, 2025, the Rhode Island Commerce Corporation executed a cash defeasance of the Series 2017 A Motor Fuel Tax Revenue Refunding Bonds, and the $0.02 per gallon that previously serviced debt will now be directed to the Department of Transportation. The following table illustrates the current and projected disposition of the motor fuel tax for FY2026 through FY2031.

Motor Fuel Tax Disposition	FY2026 Enacted	FY2026 Final	FY2027 Enacted	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected
RIDOT's Share	22.25¢	22.25¢	24.25¢	26.25¢	26.25¢	28.25¢	28.25¢
RIPTA's Direct Share	11.25	11.25	11.25	11.25	11.25	11.25	11.25
RITBA's Share	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Debt Service	2.00	2.00	0.00	0.00	0.00	0.00	0.00
Office of Healthy Aging's Share	1.00	1.00	1.00	1.00	1.00	1.00	1.00
RIPTA's Environmental Protection Fee Share	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total	**40.50¢**	**40.50¢**	**40.50¢**	**42.50¢**	**42.50¢**	**44.50¢**	**44.50¢**

Source: Office of Revenue Analysis, May 2026

** Following the January 2026 defeasance of the motor fuel bonds, the $0.02 /gallon for debt service is provided to the DOT.*

Current Revenue: The FY2026 Final Budget assumes collections of $177.8 million in motor fuel tax receipts, reflecting a $1.2 million increase from the FY2026 enacted level. The tax is assessed at a rate of $0.405 /gallon, with each cent projected to yield $4.4 million, $30,311 above the yield assumed in the FY2026 Budget as Enacted. Upon retirement of the motor fuel bonds, the State received $7.1 million in residuals, which the Budget includes. As the bond defeasance occurred within FY2026, the Budget includes $3.7 million for debt service and transfers excess funds to the Department of Transportation.

The FY2027 Budget as Enacted assumes collections of $177.3 million in motor fuel tax receipts, reflecting an increase of $791,249 from the FY2026 enacted level. The tax is assessed at a rate of $0.405 /gallon, with each cent projected to yield $4.4 million, $108,513 above the yield assumed in the FY2026 Budget as Enacted. The following table illustrates the distribution of motor fuel tax included in the FY2026 Enacted Budget, the FY2026 Final Budget, and the FY2027 Enacted Budget.

Motor Fuel Tax Revenue	FY2026 Enacted	FY2026 Final	*Change to Enacted*	FY2027 Enacted	*Change to Enacted*
Department of Transportation	$96,992,489	$102,713,990	*$5,721,501*	$106,184,688	*$9,192,198*
Rhode Island Public Transit Authority*	51,220,753	51,576,907	*356,154*	51,450,313	*229,560*
Rhode Island Turnpike and Bridge Authority	15,257,246	15,363,334	*106,089*	15,325,625	*68,380*
GARVEE Motor Fuel Bond Debt Service†	8,718,426	$3,731,967	*(4,986,459)*	-	*(8,718,426)*
Office of Healthy Aging	4,359,213	4,389,524	*30,311*	4,378,750	*19,537*
Total	**$176,548,127**	**$177,775,722**	***$1,227,596***	**$177,339,375**	***$791,249***

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

† Following the January 2026 defeasance of the motor fuel bonds, the $0.02 /gallon for debt service is provided to the DOT.

Source: Office of Revenue Analysis, May 2026

Of the $177.3 million in motor fuel tax receipts collected in FY2027, the Budget provides the Department of Transportation with $106.2 million, reflecting a $9.2 million increase from the FY2026 enacted level, largely due to the retirement of the bonds and the Department receiving the $0.02 /gallon which previously serviced debt. The Budget transfers $51.5 million to RIPTA, reflecting a $229,560 increase over the enacted amount. RIPTA's allocation includes the Authority's $0.005 /gallon share of the Environmental Protection Fee and the statutory $0.1125 /gallon transfer. The following table illustrates the assumed motor fuel tax collections and transfers included in the FY2026 Enacted Budget, the FY2026 Final Budget, and the FY2027 Enacted Budget, as well as the out-year projections through FY2031.

Motor Fuel Tax Revenue	FY2026 Enacted	FY2026 Final	FY2027 Enacted	FY2028 Projected*	FY2029 Projected	FY2030 Projected*	FY2031 Projected
Department of Transportation	$97.0	$102.7	$106.2	$114.9	$114.2	$122.2	$121.4
Rhode Island Public Transit Authority†	51.22	51.58	51.45	51.44	51.14	50.82	50.50
Rhode Island Turnpike and Bridge Authority	15.26	15.36	15.33	15.32	15.23	15.14	15.04
GARVEE Motor Fuel Bond Debt Service‡	8.72	3.73	0.00	0.00	0.00	0.00	0.00
Office of Healthy Aging	4.36	4.39	4.38	4.38	4.35	4.33	4.30
Total	**$176.5**	**$177.8**	**$177.3**	**$186.1**	**$185.0**	**$192.5**	**$191.3**

$ in millions. Totals may vary due to rounding.

Source: Office of Revenue Analysis, May 2026

* *Indicates year with a projected rate increase*

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

‡ *Following the January 2026 defeasance of the motor fuel bonds, the $0.02 /gallon for debt service is provided to the DOT.*

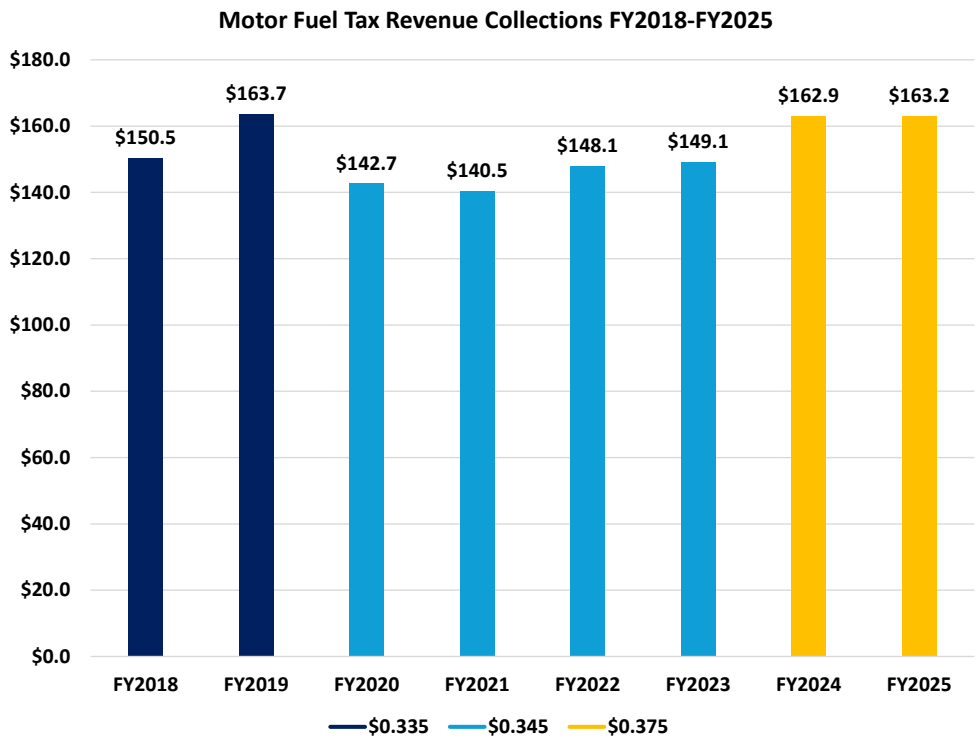
Background on Motor Fuel Tax: In FY2014, the State's motor fuel tax totaled $0.325 /gallon and the Budget transferred $0.1975 /gallon to the Department of Transportation, $0.975 /gallon to the Rhode Island Public Transit Authority (RIPTA), $0.01 /gallon to the Department of Elderly Affairs (DHS), and serviced debt incurred through motor fuel bonds with the remaining $0.02 /gallon. RIPTA uses gas tax revenues to fund maintenance, operations, and its underground storage tank fee, while DHS uses gas tax revenues to partially fund its transit programs. In FY2015, the State amended the gas tax distribution to provide the Rhode Island Turnpike and Bridge Authority (RITBA) with $0.035 per gallon, which it uses for maintenance operations, capital expenditures, and debt service on its projects, in place of a toll on the Sakonnet River Bridge. This reduced RIDOT's share of the gasoline tax to $0.1825 per gallon but kept the total amount at $0.325 /gallon.

In FY2016, the State began adjusting the gas tax for inflation, increasing the rate to $0.335 per gallon. The biennial adjustment was based on a single year's increase in the Consumer Price Index for all Urban Consumers (CPI-U), rounded to the nearest $0.01, with all increases provided to the Department of Transportation. The ORA estimates the gas tax yield and calculates the CPI-U impact. The State subsequently increased the rate by $0.01 to $0.345/gallon in FY2020 and by $0.03 to $0.375/gallon in FY2024.

The FY2026 Budget as Enacted revised the inflation formula to better account for inflation and increased the rate by $0.03, from $0.375 to $0.405/gallon. The revised formula applies the CPI-U change across the entire two-year period to the base rate and rounds the product to the nearest cent. Of the $0.03/gallon increase, the Budget provided $0.02 to RIPTA and the remaining $0.01 to the Department of Transportation. The revision also requires the next adjustment to occur on July 1, 2027, using the CPI-U delta from September 2024 to September 2026. The ORA projects inflationary rate increases of $0.02 in both FY2028 and FY2030. All funds collected through the increase are directed to the Department of Transportation, pursuant to RIGL 31-36-20.

Recent Collections: The State collected $163.2 million in motor fuel tax revenue in FY2025 assessed at a rate of $0.375 per gallon. The revenue reflects a $224,571 increase from the previous year and a $431,583 reduction from the pre-pandemic high of $163.7 million. The following graph illustrates the motor fuel tax collection totals and assessment rate for FY2018 through FY2025.

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Source: Office of Revenue Analysis
$ in millions, totals may vary due to rounding.

Rhode Island Highway Maintenance Account (HMA)

Article 2 Change: Article 2 of the Budget revises the disposition of the Rhode Island Highway Maintenance Account (HMA) for FY2027 and future years by increasing the percentage share provided to the Rhode Island Public Transit Authority (RIPTA) and eliminating the Authority's fixed share. The HMA's current allocation provides RIPTA with a fixed share of $5.0 million and a percentage share equal to 10.0 percent of available proceeds. Article 2 increases the Authority's percentage share to 25.0 percent and eliminates the $5.0 million fixed share, resulting in a $13.4 million increase for RIPTA and an equivalent reduction for the Department of Transportation. The following table compares the HMA fund allocation in current law with the allocation in Article 2.

FY2027 HMA Allocation	Current Law	Article 2	*Change*
5% Share to General Revenue	$6,456,250	$6,456,250	*$0*
Fixed Share to RIPTA	5,000,000	-	*(5,000,000)*
Percentage Share to RIPTA	12,266,875	30,667,188	*18,400,313*
Share to RIDOT	105,401,878	92,001,565	*(13,400,313)*
HMA Total	**$129,125,004**	**$129,125,004**	***$0***

Source: Office of Revenue Analysis, May 2026

Current Revenue: The FY2026 Final Budget assumes $121.9 million in RIHMA receipts, reflecting a net increase of $4.2 million from the FY2026 Budget as Enacted. The increase reflects updated projections from the Office of Revenue Analysis (ORA) utilizing actual registration and license data. Of the $121.9 million in RIHMA collections, the Budget transfers $6.1 million to the general fund, $16.6 million to RIPTA, and the remaining $99.2 million to the Department of Transportation.

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The FY2027 Budget as Enacted assumes $129.1 million in RIHMA receipts, reflecting a net increase of $11.4 million from the previous year's enacted level. The increase largely reflects the implementation of electric vehicle fees, which were partially in effect throughout FY2026 and will be in effect for all of FY2027. Of the $129.1 million in collections, the Budget transfers $6.5 million to the general fund, $30.7 million to RIPTA, and the remaining $92.0 million to the Department of Transportation. The following table compares the receipts included in the FY2026 Budget as Enacted with the receipts assumed in the FY2026 Final Budget and FY2027 Enacted Budget.

Fees and Surcharges	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Licenses Base	$6.7	$7.8	*$1.1*	$7.8	*$1.1*
Registrations Base	50.2	52.1	*1.9*	51.1	*0.9*
Licenses Surcharge	6.1	6.0	*(0.1)*	6.8	*0.7*
Registrations Surcharge	16.3	18.0	*1.7*	21.1	*4.9*
Rental Vehicle Surcharge	10.7	10.4	*(0.3)*	10.4	*(0.3)*
Emission Inspection Fees	12.9	13.9	*0.9*	13.8	*0.9*
Motor Vehicle Title Fees	10.7	10.3	*(0.4)*	10.2	*(0.5)*
Good Driving Fees	0.4	0.4	*0.0*	0.4	*(0.0)*
EV Fees	3.6	3.0	*(0.7)*	7.4	*3.7*
RIHMA Total	**$117.7**	**$121.9**	***$4.2***	**$129.1**	***$11.4***
5% Share to General Revenue	$5.9	$6.1	*$0.2*	$6.5	*$0.6*
Remaining RIHMA Funds	**$111.8**	**$115.8**	***$4.0***	**$122.7**	***$10.9***
Percentage Share to RIPTA	$11.2	$11.6	*$0.4*	$30.7	*$19.5*
Annual Fixed Transfer to RIPTA	5.0	5.0	*0.0*	0.0	*(5.0)*
DOT Share	**$95.6**	**$99.2**	***$3.6***	**$92.0**	***($3.6)***

$ in millions. Totals may vary due to rounding.

Source: Office of Revenue Analysis, May 2026 Estimate

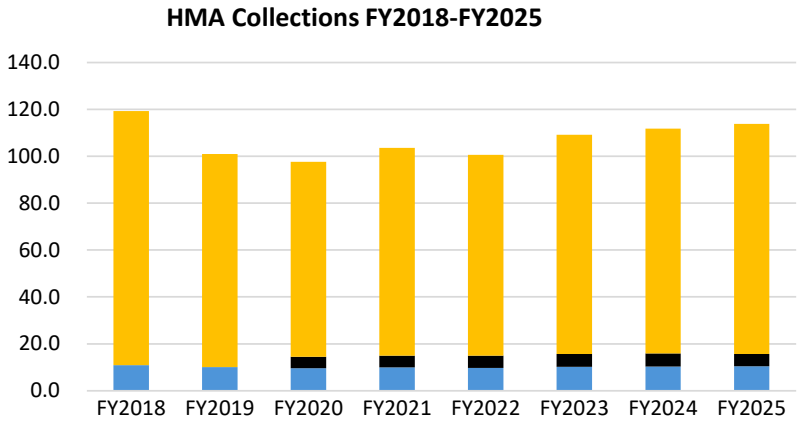
Background on RIHMA: The Transportation Investment and Debt Reduction Act of 2011 created the Rhode Island Highway Maintenance Account within the Intermodal Surface Transportation Fund (ISTF). The FY2015 Budget as Enacted provided additional funding for transportation projects through increased deposits into the HMA including a surcharge of $25.00 on all dismissals based upon a good driving record, in addition to the $5.00 administration fee; an increase in the vehicle inspection fee from $39.00 to $55.00; transfer of existing revenue from inspection stickers ($16.00 per inspection), motor vehicle title ($50.00 per title), and car rental surcharges (8.0 percent of gross receipts per rental vehicle for the first thirty days) from the general fund to the HMA; and, the phased-in transfer of all vehicle license and registration fees into the HMA beginning in FY2016.

Article 8 of the FY2020 Budget as Enacted altered the percentage of fees going into the HMA such that 5.0 percent of the total fees collected each year are retained by the Division of Motor Vehicles (DMV) and the remaining 95.0 percent are deposited into the Account. The funds retained by the DMV are intended to partially offset personnel costs associated with collecting the HMA fees. The remaining 95.0 percent of fees deposited into the HMA are shared between DOT and RIPTA, with RIPTA receiving 5.0 percent of the funds deposited and DOT receiving the remaining amount. Article 8 also extended RIPTA's $5.0 million annual appropriation to support the Free-Fare program indefinitely.

Article 2 of the FY2024 Enacted Budget shifted the Division of Motor Vehicles (DMV) duplicate license/updated information fee revenue from general revenue to the State's Highway Maintenance Account.

Article 11 of the FY2026 Enacted Budget revised the existing statutes concerning the Rhode Island Highway Maintenance Account (HMA). Specifically, the article increased various fees and surcharges assessed at the Department of Motor Vehicles, implemented special registration fees for electric vehicles, and increased RIPTA's percentage allocation from 5.0 to 10.0 percent.

The following graph and table illustrate the HMA collection totals and transfers for FY2018-FY2025.



	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
RIDOT	$108.3	$90.9	$83.0	$88.6	$85.7	$93.5	$95.9	$98.1
General Fund	0.0	0.0	4.9	5.0	5.2	5.4	5.6	5.3
RIPTA	11.0	10.0	9.6	9.9	9.8	10.2	10.3	10.4
Total	$119.3	$101.0	$97.6	$103.5	$100.6	$109.1	$111.8	$113.8

$ in millions, totals may vary due to rounding.

FY2025 collections are nonaudited.

RHODEWORKS

The General Assembly enacted "The Rhode Island Bridge Replacement, Reconstruction and Maintenance Fund Act of 2016" in February 2016. The legislation, also known as "RhodeWorks," authorized the State to issue new GARVEE bonds and collect truck tolls. In September 2022, the U.S. District Court determined the truck tolling program was unconstitutional because certain provisions favored local trucks, and ordered the State to halt toll collection. The State appealed, and in December 2024, the federal First Circuit Court of Appeals ruled for the State and authorized the program to resume if it removed the provisions favoring local trucks. As a result, the tolling program is expected to be reinstated in Q3 of FY2027, and the Budget assumes $20.0 million in collections.

Truck Tolling Background

- **Gantries and Revenue:** The truck-only tolling plan received formal federal approval in September 2016, when RIDOT executed a series of Memoranda of Understanding with the Federal Highway Administration regarding which bridge locations toll revenue could be used to maintain. The program included three statutory caps that benefited local trucks: a truck cannot pay a toll more than once in each direction, a truck cannot pay more than $40 per day, and a truck cannot pay more than $20 for making a single through trip from Connecticut to Massachusetts. In December 2016, RIDOT issued the RFP for the Design-Build-Operate-Maintain (DBOM) contract for the tolling program, including gantry design and construction; all operational elements, testing, and acceptance; and long-term maintenance of the tolling equipment and facilities. In 2017, the Department awarded a contract to Kapsch TrafficCom to design, build, operate, and maintain the gantries for 10 years. The Department originally anticipated building 14 gantries but only completed 13. From FY2018 to FY2022, the State collected $96.2 million in tolling receipts as a result.

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- **Federal Court Decision:** On September 21, 2022, U.S. District Court Judge William E. Smith ordered Rhode Island officials to stop collecting truck tolls, which resulted in a pause to the State's tolling program. Judge Smith ruled that the policy, in its current form, is unconstitutional. The FY2024 Budget as Enacted required $70.0 million in surplus general revenue be deposited into the Rhode Island Capital Plan Fund to hold the Department harmless for expected toll revenue losses through FY2024. The Department's plan had allocated $130.0 million of toll revenue to highway projects from FY2023 through FY2025, including $95.0 million to finance the Route 6/10 Interchange Reconstruction project.
- **Appeal and Resumption:** The State appealed the September 2022 decision and hired the Providence law firm Adler, Pollack, and Sheehan to represent it. In December 2024, the federal First Circuit Court of Appeals ruled for the State but struck down the statutory caps that benefited local trucks. Pursuant to the severability clause in RIGL 42-13.1-14., if any part of the law is held unconstitutional or invalid, all valid parts that are servable from the invalid or unconstitutional portion remain in effect. The FY2026 Budget as Enacted directed the Department to resume collections and assumed $10.0 million of receipts would be collected in FY2026 and $40.0 million in FY2027, a rate of $10.0 million per quarter. Delays in procuring gantry maintenance and back-office billing contracts made resumption in FY2026 unachievable. The Budget includes $20.0 million of toll revenue in FY2027, reflecting $30.0 million in forgone revenue over the two fiscal years.
  - In April 2025, the Department signed a change order under the existing Kapsch contract to repair or replace existing equipment and perform necessary testing. The change order is valued at $19.0 million and increased the contract total to $101.0 million. For the back-office billing contract, which is valued at $944,000, the Department selected Canadian company Quarterhill.

Bonding

- RhodeWorks also allowed for the refinancing and restructuring of previously existing GARVEE bonds to realize approximately $120.0 million in additional resources during the first three years post-refinancing.
- The Rhode Island Commerce Corporation is authorized to issue new GARVEE bonds, not to exceed $300.0 million, for bridge replacement, reconstruction, maintenance, and operations. These bonds have an expected term of fifteen years, with interest-only payments in the first nine years, and will be repaid from future toll revenues and reimbursements.

Analyst Note: GARVEE funding authorized for the Washington Bridge Project in the FY2025 Budget as Enacted is in addition to the above authorization.

- Article 6 of the FY2020 Budget as Enacted provided for the issuance of $200.0 million in GARVEE bonds issued through the Rhode Island Commerce Corporation to fund the bridge replacement, reconstruction, and maintenance of the RhodeWorks program. Total debt service is not expected to exceed $275.0 million over 15 years. Debt service is financed through future Federal Highway Administration appropriations.
- In March 2021, voters approved a bond referendum for $71.7 million in General Obligation (GO) bonds for the Department. The GO bonds provide the 20.0 percent state match required for federal highway road and bridge projects. Debt service for the Department's GO bonds is included in the Department of Administration's Budget but is paid for by DOT through gas tax receipts. The Budget exhausts $67.0 million of this funding in FY2025 and the remaining $4.7 million in FY2026.
- Article 4 of the FY2025 Budget as Enacted authorized the issuance of $334.6 million in Grant Anticipation Revenue Vehicle (GARVEE) bonds with a total debt service amount of $538.6 million to be used for the Washington Bridge Project. Assuming a standard 5.0 percent coupon rate and issuance of the entire authorized amount, total interest would be $204.1 million.

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- On December 1, 2025, the Rhode Island Commerce Corporation executed a cash defeasance of the Series 2017 A Motor Fuel Tax Revenue Refunding Bonds. The FY2026 Final Budget includes $3.7 million for the last remaining debt service payments and $7.1 million in bond residuals. The FY2027 Budget as Enacted includes $8.8 million in gas tax receipts for the Department, representing the $0.02 /gallon that previously serviced debt.

STATE TRANSPORTATION IMPROVEMENT PROGRAM

The Department of Statewide Planning publishes major transportation projects that the State intends to perform in its State Transportation Improvement Program (STIP). The STIP identifies projects expected to be performed over a 10-year period; however, only the first four years are fiscally constrained, meaning project costs may not exceed the funding expected to be available over that period. In accordance with federal regulations, the State must adopt a new STIP every four years. The current STIP, which covers FFY2026-FFY2035, was last revised in May 2026. The Rhode Island Public Transit Authority (RIPTA) and the Rhode Island Turnpike and Bridge Authority (RITBA) each have programs within the STIP, in addition to projects undertaken by the Department of Transportation and those led by the community. Funding distribution in the STIP provides RIDOT with 81.3 percent of the STIP's total funding through FFY2029, with RIPTA receiving 14.4 percent, RITBA receiving 2.4 percent, and the remaining 1.4 percent funding the Community Led Projects. The following table illustrates the funding totals for the STIP programs through FFY2029, reflecting the fiscally constrained period of FFY2026-FFY2029.

Community Led STIP Programs	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**Total**
Community Led Projects	$68.8	$17.5	$9.6	$4.8	$100.7
Community Programs Subtotal	**$68.8**	**$17.5**	**$9.6**	**$4.8**	**$100.7**
RIDOT STIP Programs	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**Total**
Active Transportation Program	$41.6	$59.2	$58.9	$48.9	$208.6
Bridge Program	209.5	186.8	184.1	184.8	765.2
Corridor Projects Program	40.2	58.7	45.5	42.8	187.1
Debt Service Program	105.3	97.3	95.6	90.1	388.3
Headquarters Operations Program	47.0	47.3	47.6	47.9	189.9
Maintenance Operations Program	91.8	89.9	91.0	86.2	358.8
Major Capital Projects Program	530.6	438.9	224.5	163.5	1,357.5
NHTSA Program	9.1	9.1	9.1	9.1	36.3
Pavement Program	63.2	57.5	51.9	51.3	223.9
Stormwater Program	21.1	33.3	31.8	19.8	105.9
Study and Development Program	20.3	27.5	23.5	13.0	84.3
Traffic Safety Program	38.1	33.7	36.7	33.9	142.3
Transit Program	23.2	23.7	24.2	24.8	95.9
RIDOT Subtotal	**$1,241.0**	**$1,162.6**	**$924.3**	**$815.9**	**$4,143.9**
RIPTA STIP Programs	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**Total**
Transit Capital	$107.0	$41.6	$29.2	$27.3	$205.1
Transit Service	25.2	17.1	17.1	17.1	76.7
Transit Support Operations	124.7	108.3	110.9	109.1	453.0
RIPTA Subtotal	**$256.9**	**$167.0**	**$157.3**	**$153.5**	**$734.7**
RITBA STIP Programs	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**Total**
Capital Projects Program	$68.3	$45.4	$6.4	-	$120.1
RITBA Subtotal	**$68.3**	**$45.4**	**$6.4**	**-**	**$120.1**
STIP Total	**$1,635.0**	**$1,392.6**	**$1,097.5**	**$974.3**	**$5,099.4**

$ in millions, totals may vary due to rounding. Years reflect federal fiscal year.

Source: Division of Statewide Planning 2026-2035 STIP Revision 1- May 26, 2026

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Major Capital Projects Program: The Major Capital Projects Program is supported by $1.7 billion in all funds through FFY2035 and represents 15.0 percent of total STIP funding. During the fiscally constrained period, the STIP directs $1.4 billion, the largest share to the Major Capital Projects Program. Projects within the program include the demolition and replacement of the Washington Bridge, the I-95 15 project, and the I-95/RI-4 project. The STIP includes $523.4 million in FFY2026 and $430.0 million in FFY2027. The following table illustrates the program's planned expenditures for projects included in the fiscally constrained FFY2026-FFY2029 period.

Major Capital Projects	FY2026	FY2027	FY2028	FY2029	Total	% of Total
Bridge Group 04, The I-95 15	$179.0	$124.0	$100.0	$100.0	$503.0	37.1%
Washington Bridge: Replacement	175.2	158.8	71.9	20.0	425.9	31.4%
Bridge Group 95 - I-95/RI-4	50.0	50.0	18.5	7.0	125.5	9.2%
Bridge Group 20A - Dean Street	-	-	-	2.5	2.5	0.2%
Bridge Group 16D - Route 6 JON	3.0	15.0	15.0	15.0	48.0	3.5%
Bridge Group 97 - Warwick Quarter	27.0	27.0	13.1	0.5	67.6	5.0%
Bridge Group 18C_R Frenchtown	30.0	30.0	1.5	1.5	63.0	4.6%
RI-12 Scituate and Phenix Avenue	-	2.0	2.0	17.0	21.0	1.5%
Bridge Group 96 -- Route 146	22.4	22.4	2.0	-	46.7	3.4%
Washington Bridge: Demolition	25.0	-	-	-	25.0	1.8%
Bridge Group 51B - RT 37 C-3	10.0	3.0	0.5	-	13.5	1.0%
Bridge Group 49 Henderson Bridge	2.5	2.5	-	-	5.0	0.4%
Bridge Group 57TB Washington Bridge North	1.3	1.3	-	-	2.5	0.2%
Bridge Group 51A Rt-37 C-2	1.3	1.0	-	-	2.3	0.2%
Pell Bridge Ramps, Phase 2	2.0	-	-	-	2.0	0.1%
Bridge Group 75T 5B Providence Viaduct North	1.0	1.0	-	-	2.0	0.1%
6/10 Project	1.0	1.0	-	-	2.0	0.1%
Total	**$530.6**	**$438.9**	**$224.5**	**$163.5**	**$1,357.5**	**100.0%**

$ in millions, totals may vary due to rounding. Years reflect federal fiscal year.

Source: Division of Statewide Planning 2026-2035 STIP Revision 1- May 26, 2026

- **Bridge Group 04, The I-95 15:** The STIP includes $503.0 million in all funds for the I-95 15 project through FFY2029, including $179.0 million in FFY2026 and $124.0 million in FFY2027. The I-95 15 project will repair 15 bridges in poor or fair condition along I-95 and Route 10. The Department was awarded a $251.0 million federal Bridge Investment Program grant, which offsets the State's share. The Department's website indicates that completing the project will reduce the number of bridges rated poor by 7.6 percent and the total deck area of bridges rated poor by 17.5 percent and remove three structurally deficient bridges. The STIP includes $684.0 million in all funds for the project through its expected completion date in FFY2032.
- **Washington Bridge Project:** The STIP includes $450.9 million in all funds for the demolition and reconstruction of the Washington Bridge, including $200.2 million in FFY2026 and $158.8 million in FFY2027. The STIP includes $340.7 million in overall federal funding, $220.5 million of which are federal discretionary grants. The remaining $85.2 million is state funding, including $74.4 million in RICAP funds.
  - **Background:** On December 11, 2023, RIDOT closed the Washington Bridge due to the discovery of a critical failure. Three months later, on March 14, 2024, the Governor announced the bridge would need to be demolished and rebuilt. Starting in May 2024, the Department began publishing a monthly snapshot report that provides critical information including the project's schedule, costs,

and traffic data. The Washington Bridge project is divided into three sub-projects titled: Emergency Repairs, the Demolition Project, and the Replacement Project. The STIP no longer includes the Emergency Repairs project. The June 2026 Washington Bridge Snapshot Report indicates a notice to proceed with a budget of $46.4 million for the Emergency Repairs project, of which $46.2 million has been paid.

- **Demolition Project:** The STIP includes $25.0 million in FFY2026 for the demolition of the Washington Bridge, $20.0 million of which is federal GARVEE bonds, and the remaining $5.0 million is State Fiscal Recovery Funds (SFRF). The project removed the bridge's superstructure and substructure, which the initial estimate did not anticipate, and the Department issued a change order that was approved on October 16, 2024. The Department reached substantial completion of the superstructure demolition on February 21, 2025, and of the substructure on December 3, 2025. The June 2026 Washington Bridge Snapshot Report indicates a revised cost of $97.9 million, of which $88.1 million has been paid. The following table illustrates the funding included in the STIP.

Funding Source	FY2026	FY2027	FY2028	FY2029	Total
Federal: 2024 GARVEE	$20.0	$0.0	$0.0	$0.0	$20.0
State: SFRF	5.0	-	-	-	5.0
Total	**$25.0**	**$0.0**	**$0.0**	**$0.0**	**$25.0**

$ in millions. Totals may vary due to rounding. Years reflect federal fiscal year.

Source: Division of Statewide Planning 2026-2035 STIP Revision 1- May 26, 2026

- **Replacement Project:** The STIP allocates $425.9 million for the replacement of the Washington Bridge, including $175.2 million in FFY2026 and $158.8 million in FFY2027. On June 6, 2025, the Governor announced that Walsh Construction Company and design partner WSP were selected to complete the project, with initial work beginning July 2025. The June 2026 Washington Bridge Snapshot Report indicates a notice-to-proceed budget of $427.9 million, of which $69.1 million has been paid. The report also indicates an interim completion date of November 2028 and a substantial completion date of June 2029. The following table illustrates the project's timeline and funding sources.

Funding Source	FY2026	FY2027	FY2028	FY2029	Total
Federal: 2019 BUILD	$13.1	$0.0	$0.0	$0.0	$13.1
Federal: 2024 GARVEE	30.0	30.0	14.1	16.0	90.1
Federal: 2024 INFRA	47.0	47.0	1.5	-	95.5
Federal: 2025 MEGA	50.0	50.0	25.0	-	125.0
Federal: NHPP	-	-	16.9	-	16.9
State: RICAP Match	24.3	31.8	14.4	4.0	74.4
State: SFRF	10.8	-	-	-	10.8
Total	**$175.2**	**$158.8**	**$71.9**	**$20.0**	**$425.9**

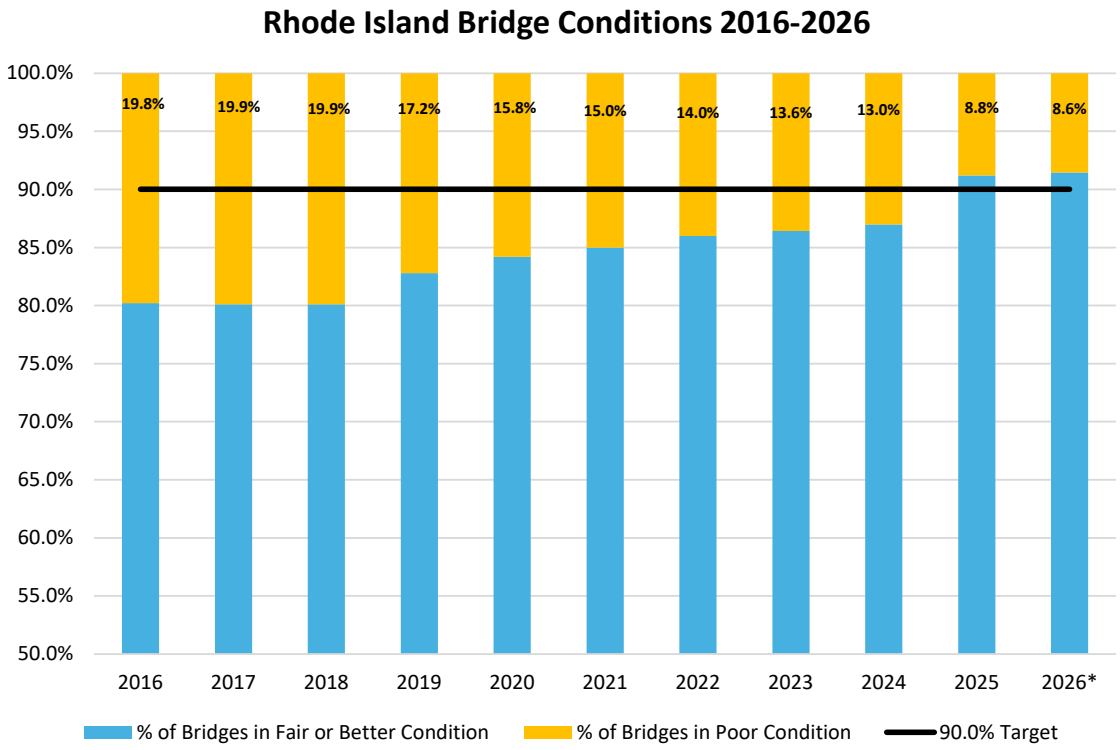
$ in millions. Totals may vary due to rounding. Years reflect federal fiscal year.

Source: Division of Statewide Planning 2026-2035 STIP Revision 1- May 26, 2026

- **Bridge Group 95, I-95/RI-4:** The STIP includes $126.5 million in all funds through FFY2035 for the Bridge Group 95, I-95 RI-4 project, including $50.0 million in both FFY2026 and FFY2027. The project involves creating two roadways to connect Route 95 North to Route 4 South and Route 4 North to Route 95 South, a project known as "the missing move." Additionally, the project will build three limited-access ramps on Route 403 in North Kingstown, connecting Quonset Business Park to its west Davisville district. The project also includes constructing a roundabout south of Route 403 at Compass Circle. The Department expects to finish construction by Fall CY2027.

Bridge Capital Program: The Bridge Capital Program is supported by $2.7 billion through FFY2035 and $765.2 million in the fiscally constrained period, representing 28.1 percent of total STIP funding and 18.5 percent of constrained STIP funding. The STIP includes $209.5 million in FFY2026 and $186.8 million in FFY2027 for the program.

- In 2015, Rhode Island was ranked last in the nation for overall bridge condition, with about 24.0 percent of bridges ranked as structurally deficient. The Bridge Capital Program identifies and develops a structured sequence of preservation, repair, rehabilitation, and replacement actions to sustain a state of good repair for the State's 1,200 bridges at a minimum cost. The program is primarily focused on reducing the percentage of structurally deficient bridges to 10.0 percent by 2025.
- The Department revised the bridge conditions data reported in the Quarterly Report to better align with the federal standards. The Quarterly Report from FY2026 Q1 states, "This chart assesses bridge condition using deck area of the National Bridge Inventory (NBI) on the National Highway System (NHS). It is intended to mirror this Bridge Performance Measure as specified by the FHWA. This performance measure will allow direct comparison with all other states." Subsequently, the Department reduced the number of bridges by 784, from 1,205 bridges to 421.
- As of July 2026, 36 bridges, or 8.6 percent, of the State's 420 bridges are in poor condition. The Department exceeded its goal of 90.0 percent structurally sound bridges throughout the State by 2026. The following graph illustrates the State's bridge conditions from 2016 through 2026.



Source: RIDOT Q1 Quarterly Reports, Bridge Conditions in December.

** 2026 reflects the June CY2026 bridge conditions*

Debt Service Program: The Debt Service Program is supported with $872.0 million in all funds through FFY2035 and $388.3 million in the fiscally constrained period, including $105.3 million in FY2026 and $97.3 million in FY2027. The program services General Obligation Transportation Bonds, Motor Fuel Bonds, Grant Anticipation Revenue Vehicle Bonds (GARVEE), and pass-through funding for RIPTA's

General Obligation Transportation Bonds. The State issues General Obligation Transportation Bonds (GO Bonds) to finance transportation-related construction projects. GARVEE bonds enable the State to pay debt service and other bond-related expenses with future federal-aid highway funds. GARVEE bonds generate up-front capital for major highway projects at generally tax-exempt rates, allowing the State to construct a project earlier than if using traditional pay-as-you-go grant resources.

Maintenance Operations Program: The Maintenance Operations Program is supported with $902.0 million in all funds through FFY2035 and $358.8 million in the fiscally constrained period, including $91.8 million in FFY2026 and $89.9 million in FFY2027. The Maintenance Operations program maintains and repairs state-owned facilities, roadways, and small bridges, as well as RIDOT's vehicle fleet. The program also includes winter maintenance, such as plowing and sanding, and supports the Department's Transportation Management Center, which monitors traffic conditions.

Pavement Program: The Pavement Program is supported with $900.7 million in all funds through FFY2035 and $223.9 million in the fiscally constrained period, including $75.1 million in FFY2026 and $71.4 million in FFY2027. The Pavement Program funds the design and construction projects that maintain the State's roadways. The Department utilizes an asset management approach described as applying the "right treatment, to the right pavement, at the right time" to prevent roadway failure. The Department approved pavement sufficiency targets and phased them in throughout May 2018. Rhode Island has 6,528 miles of roadways, of which the Department maintains approximately 1,100 miles. The Pavement Program aims to improve the State's Pavement Structural Health Index (PSHI), a rating system that evaluates roads using weighted distresses and assigns a rating between 0 and 100, with 100 representing distress-free roads. RIDOT's goal is to maintain an average PSHI of 80.0 percent for more than 10 years.

CENTRAL MANAGEMENT

The Central Management Program includes Legal Counsel, Human Resources, the Real Estate Section, External Affairs, the Safety Section, the Office on Highway Safety, the Office of Civil Rights, and the Director's Office.

Central Management	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Federal Funds	$6.2	$13.8	$13.9	*$0.1*	*0.7%*	$13.9	*$0.1*	*0.8%*
Other Funds (Gas Tax)	8.6	9.0	7.7	*(1.28)*	*-14.2%*	8.6	*(0.41)*	*-4.6%*
Other Funds (Not Gas Tax)	-	-	-	-	-	-	-	-
Total	**$14.8**	**$22.8**	**$21.6**	***($1.2)***	***-5.2%***	**$22.5**	***($0.3)***	***-1.3%***

$ in millions. Totals may vary due to rounding

- The Legal Counsel office works closely with the Office of the Attorney General in legal proceedings involving RIDOT and also provides support within RIDOT for program development, property management and acquisition, contracts, litigation, arbitration, and contracted outside legal services.
- Human Resources administers labor relations, human resource development and training, all equal opportunity programs, and payroll and fringe benefit programs.
- The Real Estate section deals with acquisition, appraisal, negotiation, and relocation for property purchases (including easements and larger parcels) and property sales.
- The External Affairs office handles all media inquiries, speaking engagements, legislative correspondence, and special events for the Departments, as well as managing the Department's website.
- The Safety Section is responsible for promoting public safety.
- The Office on Highway Safety develops and coordinates programs with local, state, and federal agencies to reduce highway deaths and injuries, and to promote public awareness of the correlation

between highway safety and alcohol and substance abuse through the development and distribution of educational information.

- The Civil Rights Office supports contractors, consultants, and sub-recipients to ensure full compliance with federal and state civil rights laws and equal employment requirements.
- The Director's Office provides leadership and policy development for the Department to ensure the State's public transportation services are safe, effective, and environmentally prudent.

Central Management	All Fund Changes
FY2026 Enacted	$22,782,190
Target and Other Adjustments	*9,626*
Personnel: Salary and Benefit Adjustment (other funds)	(908,060)
Contracted Professional Services Adjustment (other funds)	485,468
NHTSA Grants (federal funds)	113,903
FY2027 Enacted	**$22,483,127**

Personnel: Salary and Benefit Adjustment (other funds) ***($908,060)***

The Budget provides $2.5 million in gas tax receipts ($3.2 million all funds) to support the salary and benefits of personnel within the Central Management program, reflecting a decrease of $908,060 from the FY2026 Budget as Enacted. The adjustment reduces personnel expenditures by $1.0 million within the Property Management/Real Estate Division, offset by an increase of $169,883 to the Governor's Office of Highway Safety.

Contracted Professional Services Adjustment (other funds) ***$485,468***

The Budget provides $2.2 million in gas tax receipts to support contracted services within the Central Management program, reflecting an increase of $485,468 for the enacted level. The adjustment increases accounting services by $342,216 and special counsel legal services by $146,539. The Department indicates the increases are based on the FY2025 actual figures and that the legal increase does not relate to any specific litigation.

NHTSA Grants (federal funds) ***$113,903***

The Budget includes $13.9 million in federal funds from various National Highway Transportation Safety Administration (NHTSA) grants for the Central Management program, reflecting a net increase of $113,903 from the FY2026 Budget as Enacted. The most significant adjustments include a $617,809 increase in Map-21 405 funds, offset by a $472,709 decrease in funds from the State and Community Highway Safety program. The following table compares the NHTSA grants included in the FY2026 Enacted Budget, the FY2026 Final Budget, and the FY2027 Enacted Budget.

NHTSA Federal Grants	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Map-21 405 Funds	$5,996,993	$6,594,425	*$597,432*	$6,614,802	*$617,809*
State and Community Highway Safety Program	5,379,278	4,906,569	*(472,709)*	4,906,569	*(472,709)*
Min. Penalties for Repeat Offenders DWI or DUI	2,369,473	2,318,778	*(50,695)*	2,318,778	*(50,695)*
Fatality Analysis Reporting System	31,616	49,428	*17,812*	51,114	*19,498*
Total	**$13,777,360**	**$13,869,200**	***$91,840***	**$13,891,263**	***$113,903***

MANAGEMENT AND BUDGET

Management and Budget houses the Department's Financial Management Division responsible for the oversight and management of the Department's operations and capital budget expenditures. Management and Budget also oversees the Education Advancement section, the Office of Contracts and Specifications, and the Information Technology section.

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Management and Budget	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Other Funds (Gas Tax)	$6.4	$3.8	$5.5	*$1.6*	*42.6%*	$5.8	*$1.9*	*50.3%*
Other Funds (Not Gas Tax)	-	-	-	-	-	-	-	-
Total	**$6.4**	**$3.8**	**$5.5**	***$1.6***	***42.6%***	**$5.8**	***$1.9***	***50.3%***

$ in millions. Totals may vary due to rounding

- The Education Advancement section leads internal education and advancement initiatives and coordinates administrative and programming activities.
- The Office of Contracts and Specifications establishes business arrangements between the Department and the suppliers of goods and services in the private sector.
- The Information Technology section maintains and operates all computer software and hardware and purchases and upgrades all information technology platforms for the Department.

Management and Budget	All Fund Changes
FY2026 Enacted	$3,839,065
Target and Other Adjustments	*0*
Personnel: Salary and Benefit Adjustment (other funds)	1,929,787
FY2027 Enacted	**$5,768,852**

Personnel: Salary and Benefit Adjustments (other funds) ***$1.9 million***

The Budget includes $1.8 million in gas tax receipts to support the salary and benefits of personnel within the Management and Budget program, reflecting an increase of $1.9 million from the enacted level. The FY2026 Budget as Enacted provided the program with a negative balance of $151,762 in gas tax receipts to support personnel expenditures. The negative balance in FY026 reflects a technical correction and the Department's utilization of a cost allocation mechanism through offsetting gas tax credits.

INFRASTRUCTURE-ENGINEERING

The Infrastructure-Engineering program works to develop the State's roads and bridges into an advanced ground transportation system. The program consists of multiple divisions and sections, including the Project Management Division, which oversees design, planning, and construction.

Infrastructure-Engineering	FY2025 Actual	FY2026 Enacted	FY2026 Final	Change from Enacted		FY2027 Enacted	Change from Enacted	
Federal Funds	$501.7	$460.8	$596.2	*$135.4*	*29.4%*	$765.2	*$304.4*	*66.0%*
Other Funds (Gas Tax)	64.1	88.3	81.9	*(6.36)*	*-7.2%*	80.0	*(8.29)*	*-9.4%*
Other Funds (Not Gas Tax)	140.1	140.8	125.3	*(15.43)*	*-11.0%*	77.5	*(63.22)*	*-44.9%*
Restricted Receipts	2.3	6.1	1.9	*(4.17)*	*-68.7%*	4.5	*(1.61)*	*-26.5%*
Total	**$708.1**	**$695.9**	**$805.4**	***$109.5***	***15.7%***	**$927.1**	***$231.2***	***33.2%***

$ in millions. Totals may vary due to rounding

- The Project Management Division oversees all phases of a project from start to finish, including design, construction, and materials testing.
- The Construction Management section is responsible for the administration and inspection of highway, bridge, traffic signal, and destination signing and freight/commuter rail construction activities throughout the State.
- The Materials Unit conducts sampling and quality assurance testing. The Research and Technology section evaluates new technologies, provides research for national, regional, and local programs, and provides training in new technology.

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- The Office of Stormwater Management is responsible for the scope, plan, design, and maintenance of stormwater systems.
- The Occupational Safety, Health, and Work Zone Safety section administers the Department's safety and health programs.
- The Planning Division develops and monitors the Department's Ten-Year Plan to ensure successful implementation.
- The Office of Transit, New Starts, and Operations section develops and implements planning projects to build an integrated transportation system that provides convenient transitions between different modes of transportation.

Infrastructure-Engineering	All Fund Changes
FY2026 Enacted	$695,896,118
Target and Other Adjustments	*(13,929,483)*
Federal Highway Projects (federal funds)	241,785,206
INFRA Grants (federal funds)	86,750,000
RICAP Adjustment (other funds)	(75,370,188)
Federal Discretionary Grants For Capital Projects (federal funds)	(63,430,151)
MEGA Grant 2025 (federal funds)	50,000,000
Toll Revenue (other funds)	10,000,000
Motor Fuel Tax Adjustment (other funds)	(8,420,487)
Rhode Restore (other funds)	3,500,000
Bridge Inspection Oversight 2.0 FTE Positions (federal funds)	356,492
FY2027 Enacted	**$927,137,507**

Federal Highway Projects (federal funds) ***$241.8 million***

The Budget provides $505.2 million of Federal Highway Administration (FHWA) funds in FY2027 to support the Department's capital projects, representing an increase of $241.8 million from the FY2026 enacted level. The FY2026 Final Budget includes $265.6 million in FHWA funds, reflecting an increase of $2.1 million from the previous year's enacted level. Over the two fiscal years, the Budget includes $770.8 million in federal funds awarded by the FHWA.

The Department's STIP notes that funding programs managed by the FHWA, such as the National Highway Performance Program (NHPP), the National Highway Freight Program (NHFP), Surface Transportation Block Grants (STBG), and the Congestion Mitigation Air Quality program (CMAQ), are anticipated to provide Rhode Island with $1.4 billion through FFY2029.

INFRA Grants (federal funds) ***$86.8 million***

The Budget provides $86.8 million of federal funds awarded through the Nationally Significant Multimodal Freight and Highway Projects program (INFRA) in FY2027 and $92.1 million in FY2026 to support capital projects undertaken by the Department. INFRA grant funding was not included in the FY2026 Budget as Enacted. Across FY2026 and FY2027, the Budget contains $178.8 million in INFRA grant awards.

The Nationally Significant Multimodal Freight and Highway Projects (INFRA), which is also referred to as the Infrastructure for Rebuilding America, awards competitive grants for nationally and regionally significant freight and highway projects to improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas. The INFRA program is one of three grant programs within the Multimodal Project Discretionary Grant (MPDG) opportunity alongside the National Infrastructure Project Assistance program (MEGA) and the Rural Surface Transportation Grant program (RURAL). Current projects supported by INFRA grants include design-builds for the Washington Bridge, the I-95 RI-4/Missing Move project, and the reconstruction of Route 146.

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Federal Discretionary Grants for Capital Projects (federal funds) ***($63.4 million)***

The Budget provides $9.6 million in Federal Discretionary Grants for Capital Projects in FY2027, reflecting a $63.4 million reduction from the previous year's enacted level. Projects that utilize federal discretionary grant funding include the "Missing Move" and Quonset Connector Ramps, Right-Sizing Route 37, rehabilitation and redevelopment of the Washington Bridge, and the Pell Bridge Ramps. The Budget includes $39.8 million in FY2026, representing a $33.3 million decrease from the enacted level. Across FY2026 and FY2027, the Budget contains $49.4 million in funding classified as Federal Discretionary Grants for Capital Projects.

MEGA Grant (federal funds) ***$50.0 million***

The Budget provides $50.0 million in federal funds awarded through the National Infrastructure Project Assistance program (MEGA) in both FY2026 and FY2027 to support the Washington Bridge replacement project. In September 2024, the State was awarded $125.4 million in MEGA grants to help rebuild the Washington Bridge. The Department's STIP includes $50.0 million in both FY2026 and FY2027, with the remaining $25.0 million in FY2028.

The MEGA program is one of three grant programs in the Multimodal Project Discretionary Grant opportunity (MPDG), alongside the Nationally Significant Multimodal Freight and Highway Projects grants program (INFRA) and the Rural Surface Transportation Grant program (RURAL). MEGA grants are awarded competitively for surface transportation infrastructure investments with a significant national or regional impact.

Toll Revenue (other funds) ***$10.0 million***

The Budget includes $20.0 million in toll revenue for FY2027, reflecting a $10.0 million increase from the previous year's enacted level. The FY2026 Budget as Enacted reinstated the State's tolling program and included $10.0 million in receipts with the expectation of full implementation by Quarter 4 of FY2026. The FY2026 Final Budget eliminates the $10.0 million in collections due to delays in securing contracts for back-office billing and gantry maintenance. The Department anticipates resumption in Quarter 3 of FY2027, and the Budget assumes $10.0 million in collections per quarter.

The Department authorized a change order for the gantry maintenance contract with The Kapsch Group, increasing the cost by $19.0 million to a total contract cost of $101.0 million. Additionally, the Department selected the Canadian company Quarterhill for the back-office contract, which is valued at $944,400.

Motor Fuel Tax Adjustment (other funds) ***($8.4 million)***

The Budget assumes motor fuel tax receipts of $177.3 million in FY2027, reflecting an overall increase of $791,249 from the collections assumed by the FY2026 Budget as Enacted. RIDOT serves as a pass-through agency for funds transferred to RIPTA and RITBA, as well as for debt service incurred through motor fuel bonds. The Budget includes $66.8 million in such transfers, reflecting a net decrease of $8.4 million from the FY2026 enacted level. The reduction is primarily due to eliminating the $0.02/gallon used to service the debt on motor fuel bonds, following the retirement of the Series 2017 A Motor Fuel Tax Revenue Refunding Bonds in December 2025. The adjustment increases the gas tax to RIPTA by $229,560 and to RITBA by $68,379 from the previous year's enacted level, resulting in a net decrease of $8.4 million in transfers.

The Budget assumes motor fuel tax collections of $177.8 million in FY2026, reflecting an overall collection increase of $1.2 million from the previous year's enacted level. The Budget includes $70.7 million in transfers, reflecting a $4.5 million reduction from the FY2026 enacted level. The reduction is primarily due to the completion of debt service on the motor fuel bonds, representing a $5.0 million decrease. The following table compares the gas tax collections assumed in the FY2026 Budget as Enacted with the assumption included in the FY2026 Final Budget, and the FY2027 Budget as Enacted.

Motor Fuel Tax Transfers	FY2026 Enacted	FY2026 Final	*Change to Enacted*	FY2027 Enacted	*Change to Enacted*
Debt Service	$8,718,426	$3,731,967	*($4,986,459)*	$0	*($8,718,426)*
Rhode Island Public Transit Authority*	51,220,753	51,576,907	*356,154*	51,450,313	*229,560*
Rhode Island Turnpike and Bridge	15,257,246	15,363,334	*106,088*	15,325,625	*68,379*
Total	**$75,196,425**	**$70,672,208**	***($4,524,217)***	**$66,775,938**	***($8,420,487)***

* *RIPTA figures include both the $0.005 /gallon Environmental Protection Fee and $0.1125 /gallon statutory transfer*

Source: Office of Revenue Analysis, May 2026

Rhode Restore (other funds) ***$3.5 million***

The Budget includes $10.0 million in gas tax receipts for the Rhode Restore program in FY2027, reflecting a $3.5 million increase from the FY2026 enacted level. The additional $3.5 million is intended to be a one-time occurrence and reflects the recent defeasement of the motor fuel bonds. The FY2026 Final Budget includes the FY2026 enacted appropriation of $6.5 million in gas tax receipts, as well as $11.4 million in American Rescue Plan Act State Fiscal Recovery Funds (ARPA SFRF) reappropriated from the FY2025 Final Budget for the Municipal Roads Grant Program.

Originally funded in the FY2024 Budget as Enacted with $20.0 million of ARPA SFRF, the Municipal Roads Grant Program provides municipalities with funding to serve as a 33.0 percent match for road, bridge, and sidewalk projects on locally maintained municipal roads, and the municipalities provide the remaining 67.0 percent. The Department divided $5.0 million of ARPA SFRF equally among all municipalities and appropriated the remaining $15.0 million to municipalities based on the non-federal road miles they contain. The FY2025 Budget as Enacted provided a subsequent smaller tranche of $7.0 million in ARPA SFRF, distributed evenly across municipalities, for a total state investment of $27.0 million. The program requires all projects to be completed by the end of 2026. The program also includes accountability and transparency measures, such as a quarterly reporting requirement. Cities and towns using the program will report each project's progress and anticipated completion date, as well as the values of any contracts and their award date. In a separate but related initiative, the Department is to establish a Municipal Roadway Database. The Municipal Roadway Database will be funded through gas tax revenue and updated annually by municipalities with information concerning the name, condition, length, roadway infrastructure, and pedestrian features of each municipal roadway.

The FY2026 Budget as Enacted provided $6.5 million in gas tax revenue to fund the Rhode Restore initiative. Similar in function to the Municipal Roads Grant Program, Rhode Restore requires municipalities to contribute 67.0 percent of the total cost of a road, bridge, or sidewalk maintenance project, with the State matching the remaining 33.0 percent. While the Municipal Roads and Grant Program funding was SFRF, Rhode Restore is funded entirely with State revenue collected through the gas tax. Furthermore, the Budget requires that 25.0 percent ($1.6 million) of state-provided funding be distributed equally among cities and towns, while the remaining 75.0 percent ($4.9 million) be allocated proportionally based on each municipality's share of municipally maintained road miles. The following table illustrates the municipal distribution of the $6.5 million FY2026 appropriation and the $10.0 million FY2027 appropriation.

Municipality	FY2026	FY2027	Municipality	FY2026	FY2027
Barrington	$135,880	$209,048	Newport	$111,944	$172,223
Bristol	125,852	193,620	New Shoreham	83,126	127,887
Burrillville	149,796	230,456	North Kingstown	187,273	288,113
Central Falls	61,758	95,014	North	151,177	232,581
Charlestown	126,733	194,974	North Smithfield	115,602	177,850
Coventry	256,445	394,531	Pawtucket	212,836	327,441
Cranston	370,384	569,822	Portsmouth	181,522	279,266
Cumberland	209,988	323,060	Providence	376,704	579,546
East Greenwich	134,177	206,427	Richmond	133,509	205,400
East	219,653	337,929	Scituate	157,750	242,694
Exeter	133,363	205,175	Smithfield	147,352	226,697
Foster	133,458	205,322	South Kingstown	182,384	280,592
Glocester	145,196	223,380	Tiverton	159,358	245,168
Hopkinton	121,364	186,715	Warren	86,614	133,253
Jamestown	95,807	147,397	Warwick	462,280	711,201
Johnston	192,829	296,662	Westerly	210,099	323,231
Lincoln	140,989	216,908	West Greenwich	138,824	213,576
Little Compton	91,539	140,830	West Warwick	148,526	228,503
Middletown	107,904	166,007	Woonsocket	136,739	210,369
Narragansett	163,238	251,136			

Bridge Inspection Oversight 2.0 FTE Positions (federal funds) ***$356,492***

The Budget authorizes a 2.0 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 in the Infrastructure-Engineering program. The FTE positions are included in FY2027 and supported entirely by federal funds.

INFRASTRUCTURE-MAINTENANCE

The Infrastructure Maintenance program comprises of multiple divisions responsible for keeping all state roads and bridges well maintained and functional. In recent years, the Department has worked to bring tasks performed by the Infrastructure Maintenance program in-house rather than contracting services from outside vendors.

Infrastructure-Maintenance	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Federal Funds	$0.0	$0.0	$0.0	*$0.0*	-	$0.0	*$0.0*	-
Other Funds (Gas Tax)	35.2	41.8	55.1	*13.29*	*31.8%*	54.5	*12.72*	*30.4%*
Other Funds (Not Gas Tax)	96.08	118.50	312.47	*193.98*	*163.7%*	136.48	*17.98*	*15.2%*
Total	**$131.2**	**$160.3**	**$367.5**	***$207.3***	***129.3%***	**$191.0**	***$30.7***	***19.2%***

$ in millions. Totals may vary due to rounding

- The Highway and Bridge Maintenance Section includes Administration, Transportation Management Center, Automotive and Fleet Operations, Final Review, Engineering and Support, and Field Operations.
- The Automotive Section is responsible for the upkeep and repair of the program's fleet of heavy trucks and equipment.
- The Engineering and Support Office is a multi-faceted section responsible for resolving drainage problems, inspecting work permits, coordinating requests for pavement projects, maintaining guardrails, fences, and highway-related equipment along the state highway, as well as highway illumination, and state-wide beautification projects.

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- The Field Operations section, which is comprised of staff who operate from multiple field offices across the State, is responsible for sweeping, litter collection, and snow plowing, as well as bridge, pothole, and guardrail repairs.

Infrastructure-Maintenance	All Fund Changes
FY2026 Enacted	$160,278,218
Target and Other Adjustments	*930,262*
Rhode Island Highway Maintenance Account Adjustment (other funds)	15,087,637
Maintenance (other funds)	14,741,099
Vehicle Maintenance (other funds)	(4,243,943)
RICAP Adjustment (other funds)	2,890,244
Winter Maintenance (other funds)	1,293,229
RIPTA: RIde Anywhere Program Update	Informational
FY2027 Enacted	**$190,976,746**

Rhode Island Highway Maintenance Account Adjustment (other funds) *$15.1 million*

The Budget includes $129.1 million of Rhode Island Highway Maintenance Account (HMA) receipts in FY2027, representing a $15.1 million increase from the FY2026 enacted level. Pursuant to the revisions to the HMA disposition in Article 2, the Budget transfers $30.7 million to RIPTA, representing the Authority's 25.0 percent share and elimination of the $5.0 million fixed appropriation. The following table compares the HMA funds included in the FY2026 Budget as Enacted with the funds provided in the FY2026 Final Budget and FY2027 Budget as Enacted.

HMA Expenditures	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Highway Drainage	$5,521,606	$10,000,000	*$4,478,394*	$10,000,000	*$4,478,394*
RIPTA Transfer	10,270,623	16,579,237	*6,308,614*	30,667,188	*20,396,565*
Road And Bridge	78,704,687	264,536,605	*185,831,918*	75,165,353	*(3,539,334)*
State Match	12,800,000	12,800,000	-	12,800,000	-
EV	829,484	492,462	*(337,022)*	492,462	*(337,022)*
EV RIPTA Transfer	5,910,966	-	*(5,910,966)*	-	*(5,910,966)*
Total	**$114,037,366**	**$304,408,304**	***$190,370,938***	**$129,125,003**	***$15,087,637***

Maintenance (other funds) *$14.7 million*

The Budget provides $21.2 million of gas tax receipts in FY2027 to support the Maintenance section in the Infrastructure-Maintenance program, reflecting a $14.7 million increase from the enacted level. The increased funding reflects the $0.02/gallon of gas tax receipts directed to the Department in FY2027, which previously serviced bond-related debt. The adjustment primarily reflects $10.3 million in increases for capital purchases and $4.8 million for paving, offset by a $346,275 reduction in electricity. The FY2026 Final Budget provides $9.0 million in gas tax receipts for the Maintenance section, reflecting a $2.5 million increase from the FY2026 enacted level. The FY2026 Final appropriation increases paving equipment and expenses by $4.0 million and capital purchases by $1.3 million, offset by a $2.7 million reduction to personnel expenditures. The following table compares the gas tax receipts appropriated to the Maintenance section by the FY2026 Budget as Enacted with the gas tax receipts provided by the FY2026 Final Budget and the FY2027 Budget as Enacted.

Maintenance	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Capital Purchases and Equipment	$2,115,000	$3,382,256	*$1,267,256*	$12,414,959	*$10,299,959*
Operating Supplies and Expenses	(35,373,772)	(31,409,670)	*3,964,102*	(30,912,519)	*4,461,253*
Salary and Benefits	38,082,788	35,388,371	*(2,694,417)*	38,062,675	*(20,113)*
Assistance and Grants	794,300	794,300	-	794,300	-
Contract Professional Services	836,927	836,927	-	836,927	-
Total	**$6,455,243**	**$8,992,184**	***$2,536,941***	**$21,196,342**	***$14,741,099***

Analyst Note: The FY2026 Enacted Budget, FY2026 Final Budget, and FY2027 Budget as Enacted all include a $46.5 million transfer of RIDOT operational expenses to the FHWA, resulting in a negative balance for the "Operating Supplies and Expenses" category.

Vehicle Maintenance (other funds) ***($4.2 million)***

The Budget provides $11.3 million in gas tax receipts to fund vehicle maintenance in FY2027, representing a $4.2 million decrease from the FY2026 enacted level. The adjustment reduces motor vehicle capital purchases by $2.5 million and State Fleet charges by $2.0 million, offset by a $256,057 increase in personnel expenditures. The FY2026 Final Budget provides $19.5 million in gas tax receipts for vehicle maintenance, representing a $3.9 million increase from the FY2026 enacted level. The adjustment includes a $5.5 million increase for motor vehicle capital purchases offset by a $1.8 million reduction in state fleet charges. The following table compares the gas tax receipts appropriated for vehicle maintenance in the FY2026 Budget as Enacted with the receipts appropriated in the FY2026 Final Budget and FY2027 Budget as Enacted.

Vehicle Maintenance	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Capital Purchases and Equipment	$9,569,861	$15,036,282	*$5,466,421*	$7,069,861	*($2,500,000)*
Debt Service (Fixed Charges)	330,050	330,050	-	330,050	-
Operating Supplies and Expenses	4,650,000	2,900,000	*(1,750,000)*	2,650,000	*(2,000,000)*
Operating Transfers	-	-	-	-	-
Salary and Benefits	1,041,239	1,251,436	*210,197*	1,297,296	*256,057*
Total	**$15,591,150**	**$19,517,768**	***$3,926,618***	**$11,347,207**	***($4,243,943)***

Winter Maintenance (other funds) ***$1.3 million***

The Budget provides $17.8 million of gas tax receipts to fund winter maintenance in FY2027, representing a $1.3 million increase from the enacted level. The Budget increases snowplowing and sanding expenses by $619,197, state fleet overhead charges by $346,275, and personnel overtime by $500,000, which is offset by a $172,243 reduction in paving supplies. The FY2026 Final Budget provides $21.9 million in gas tax receipts, reflecting a $5.4 million increase from the FY2026 enacted level. The FY2026 appropriation increases state fleet overhead charges by $2.2 million, snowplowing and sanding expenses by $1.8 million, and personnel overtime by $1.5 million. The following table compares gas tax appropriated in the FY2026 Budget as Enacted for winter maintenance by category with the appropriations in the FY2026 Final Budget and FY2027 Budget as Enacted.

Winter Maintenance	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Operating Supplies and Expenses	$13,827,276	$17,714,273	*$3,886,997*	$14,620,505	*$793,229*
Salary and Benefits	2,678,871	4,178,871	*1,500,000*	3,178,871	*500,000*
Contract Professional Services	28,381	28,381	-	28,381	-
Total	**$16,534,528**	**$21,921,525**	***$5,386,997***	**$17,827,757**	***$1,293,229***

The historic "Blizzard of 2026" set the record for the highest single-day snow total in Rhode Island history with 35.5 inches of snow on February 23, 2026. The previous record was set by the "Blizzard of 1978", which dropped 28.6 inches of snow. The FY2026 Budget as Enacted provided $16.5 million to the Department for winter maintenance, which is $925,914 below the $17.5 million average of actual expenditures from FY2021-FY2025. The FY2026 Final Budget increases gas tax receipts by $5.4 million,

resulting in a $21.9 million FY2026 appropriation. A query on the State's accounting platform indicates that preliminary FY2026 winter maintenance expenditures and obligations are $48.2 million. On April 2, 2026, the Department testified to the Senate Finance Committee that while the winter maintenance shows a deficit, the maintenance budget in aggregate does not. The Department plans to reallocate funding from other maintenance subsections to cover the winter budget. The following table illustrates significant figures related to winter maintenance.

Winter Maintenance Figures

Average of FY2021-FY2025 Actuals	$17,460,442
FY2026 Enacted	16,534,528
FY2026 Final	21,921,525
FY2026 Expenditure Amount	48,162,757

Analyst Note: On July 2, 2026, the Federal Emergency Management Agency (FEMA) informed the State that it denied the reimbursement request. Documents provided by the Office of Management and Budget indicate that the Department of Transportation spent $8.7 million on the storm and anticipated receiving $3.7 million in reimbursement. The State is appealing the decision.

RIPTA RIde Anywhere Program Update ***Informational***

The FY2026 Budget as Enacted, the FY2026 Final Budget, and the FY2027 Budget as Enacted include language to preserve the RIde Anywhere paratransit program and ensure that statewide paratransit services continue to be offered. The Authority increased paratransit operators in the FY2026 Board Revised and FY2027 Board Approved Budgets to accommodate the program's elevated demand. At the April 2026 Senate Finance Committee Hearing, RIPTA indicated that since the program's inception, total trip volume has increased by 21.0 percent.

Background: To further expand upon the conclusions of the Authority's Paratransit Study, which was completed in January of 2023, the FY2024 Budget as Enacted directed RIPTA to operate a voucher pilot program. The pilot program, titled RIde Anywhere, soft launched on January 1, 2024, to study the feasibility and implementation of expanding the Authority's paratransit service to underserved communities throughout the State. Individuals enrolled in the RIde program could request trips beyond the current service area and pay the same fare as a standard paratransit trip. The Authority prioritized rides within the federally required ¾-mile service area. Individuals had to request rides 24 hours in advance, and the Authority would confirm whether it could accommodate them. After the pilot concluded, the Budget required the Authority to deliver an evaluation report to the Speaker of the House and the President of the Senate by June 1, 2025, which it completed and submitted on time.

CAPITAL FUNDS

Department of Transportation

The FY2026 Final Budget provides $122.0 million of Rhode Island Capital Plan (RICAP) funds to the Department of Transportation for capital projects, reflecting a $1.6 million increase from the FY2026 enacted level. The appropriation includes $113.6 million for the Highway Improvement Program, which implements the State Transportation Improvement Program (STIP), reflecting a $2.0 million reduction from the FY2026 enacted level. The reduction to the Highway Improvement Program is offset by increases of $1.9 million for maintenance on vehicles, such as heavy trucks, sweepers, and tractors, and $1.0 million for various asset management projects at train stations maintained by the Department in Woonsocket, Kingston, Wickford Junction, Westerly, and Pawtucket/Central Falls.

The FY2027 Budget as Enacted provides $54.0 million of RICAP funds for capital projects, reflecting a $66.5 million decrease from the enacted level. The adjustment includes a $69.4 million reduction to the Highway Improvement Program offset by a $3.3 million increase for train station maintenance. The following table compares the RICAP funds appropriated to the Department of Transportation in the FY2026

Budget as Enacted with the appropriations provided by the FY2026 Final Budget and the FY2027 Budget as Enacted.

RIDOT: RICAP Funded Projects	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Highway Improvement Program	$115,617,814	$113,570,000	*($2,047,814)*	$46,250,000	*($69,367,814)*
Train Station Maintenace and Repairs	500,000	1,524,237	*1,024,237*	3,750,000	*3,250,000*
Maintenance Facility Improvements	859,756	1,222,163	*362,407*	500,000	*(359,756)*
Maintenance: Capital Equipment	1,800,000	3,658,569	*1,858,569*	1,800,000	-
Salt Storage Facilities	1,150,000	1,113,662	*(36,338)*	1,150,000	-
Bike Path Maintenance	400,000	400,000	-	400,000	-
Welcome Center	150,000	547,183	*397,183*	150,000	-
Total	**$120,477,570**	**$122,035,814**	***$1,558,244***	**$54,000,000**	***($66,477,570)***

Rhode Island Public Transit Authority

The Department of Transportation's budget serves as a pass-through entity for funds appropriated to RIPTA, such as RICAP funds, RIHMA receipts, and motor fuel tax revenue. The Budget includes $5.9 million of RICAP funds in FY2026 and $5.5 million in FY2027 for capital projects undertaken by RIPTA. The following table compares the funding appropriated in the FY2026 Budget as Enacted with the funding provided by the FY2026 Final Budget and the FY2027 Budget as Enacted. For more information concerning RIPTA's funding and capital projects, please see the RIPTA section of this publication.

RIPTA: RICAP Funded Projects	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Land and Buildings	$6,905,927	$3,132,383	*($3,773,544)*	$1,590,125	*($5,315,802)*
Bus Shelter Renovation and Replacement		-	-	3,000,000	*3,000,000*
Pawtucket Bus Hub Passenger Facility	1,500,000	2,190,534	*690,534*	-	*(1,500,000)*
URI Mobility Hub	-	300,000	*300,000*	840,000	*840,000*
Providence High-Capacity Transit Corridor Study	90,000	193,368	*103,368*	-	*(90,000)*
Pawtucket Bus Hub	-	126,000	*126,000*	63,428	*63,428*
Total	**$8,495,927**	**$5,942,285**	***($2,553,642)***	***$5,493,553***	***($3,002,374)***

Rhode Island Public Transit Authority

Revenue	FY2024 Actual	FY2025 Actual	FY2026 Revised*	*Change from FY2025*		FY2027 Proposed*	*Change from FY2025*	
Passenger Revenue	$22.5	$21.2	$22.3	$1.1	5.4%	$23.6	$2.4	11.3%
Special Revenue[1]	-	-	1.9	1.9	0.0%	1.1	1.1	0.0%
Special Project - Local/Fed	0.9	-	1.4	1.4	0.0%	1.4	1.4	0.0%
Other Revenue	9.7	10.4	9.0	(1.4)	-13.6%	9.1	(1.3)	-12.8%
Federal Funds	29.2	34.9	55.4	20.4	58.5%	46.2	11.3	32.4%
Federal Emergency Relief (CARES)	24.1	13.4	-	(13.4)	-100.0%	-	(13.4)	-100.0%
RI Gasoline Tax[2]	43.9	36.3	51.0	14.6	40.3%	50.6	14.3	39.4%
RI Department of Human Services[3]	0.8	0.8	0.9	0.1	13.9%	0.9	0.1	11.2%
State Fiscal Recovery Funds[4]	-	15.0	-	(15.0)	-100.0%	-	(15.0)	-100.0%
RI Highway Maintenance Account	5.4	4.9	11.3	6.5	133.3%	12.2	7.3	151.1%
Contributed Capital[5]	43.8	27.7	-	(27.7)	-100.0%	-	(27.7)	-100.0%
Total Revenue	**$180.2**	**$164.6**	**$153.3**	**($11.3)**	**-6.9%**	**$145.1**	**($19.4)**	**-11.8%**
Expenses								
Salaries & Benefits[6]	$107.7	$108.9	$108.9	$0.0	0.0%	$115.7	$6.8	6.3%
Contract Services	6.8	9.5	18.3	8.8	92.3%	14.1	4.6	48.0%
Operating Expenses	21.3	18.5	19.9	1.4	7.4%	22.8	4.3	22.9%
Utilities	2.0	2.4	2.5	0.0	1.7%	2.6	0.2	6.8%
Special Project - Local/Fed	0.0	0.1	1.4	1.3	1000.9%	1.4	1.3	1000.9%
Capital Match	0.0	0.0	1.1	1.1	35114.3%	1.1	1.1	35994.7%
Debt Service[7]	0.3	0.3	1.1	0.8	286.5%	1.1	0.9	314.5%
Depreciation[8]	16.5	17.7	-	(17.7)	-100.0%	-	(17.7)	-100.0%
Total Expenses[9]	**$154.6**	**$157.5**	**$153.3**	**($4.2)**	**-2.7%**	**$158.9**	**$1.5**	**0.9%**
Net Income(Loss)	**$25.5**	**$7.1**	**-**			**($13.8)**		

*Budget approved at the December 2025 meeting and does not reflect recent revisions to the Authority's funding.

[1]RICAP used for Planning projects.

[2]Gas Tax amount estimated by Department of Revenue.

[3]Gas Tax funding provided through the Department of Human Services for the RIDE Program.

[4]One-time State budget relief funding

[5]Contributed Capital (state and federal funds received for capital expenditures) are not budgeted, but are reflected in FY2024 and FY2025 results

[6]The Authority only has the resources to pay retiree health claims as they arise and as a result there is no fund for unfunded liability of other post-employment benefits (OPEB). Retiree health costs in FY2025 were $1,257,389. The total unfunded OPEB liability as of June 30, 2025, is $69,686,208.

[7]In addition to interest expense, RIPTA budgets the repayment of bond principal. Actual results only reflect the interest

[8]Depreciation expense is not budgeted, only operating funds to be used for capital expenditures. Capital Expenditures were $14,710,493 in FY2024 and $32,240,512 in FY2025 and are not reflected in the table above.

[9]Actual results reflect changes in liabilities that are not budgeted and do not reflect cash outflows (legal, pension, and OPEB).

The Rhode Island Public Transit Authority (RIPTA) was established in 1964 and is currently governed by a nine (9) member Board of Directors. As defined under RIGL 39-18-3, RIPTA is responsible for:

- Providing public transit services to meet the mobility needs of the people of the State
- Increasing access to employment opportunities

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- Connecting different modes of public transportation, including rail, air, and water services
- Promoting community design that features public transit services
- Facilitating energy conservation and efficient energy use through public transit services
- Mitigating traffic congestion and enhancing air quality

RIPTA operates and maintains two facilities in Providence and one in Newport.

MAJOR ISSUES AND TRENDS

FY2026 Board Revised: The FY2026 Board Revised Budget for the Rhode Island Public Transit Authority (RIPTA) includes $153.3 million in revenues and expenditures, resulting in a balanced budget. The RIPTA Board of Directors approved the budget proposal 7-1 at the December 2025 meeting.

FY2026 Preliminary Budget to Actual: The Authority presented the FY2026 preliminary budget-to-actual figures at the August 2026 Board of Directors' meeting, indicating a year-end surplus of $15,264 with $140.4 million in both revenues and expenditures. RIPTA received $48.6 million in federal subsidies in FY2026, a $6.8 million reduction from the budget, primarily due to lower preventative maintenance expenses and updated timelines on large grant-funded projects. The $1.1 million difference between budgeted revenue and expenses reflects debt service. The following table compares the revenues and expenditures included in RIPTA's FY2026 budget with the Authority's preliminary revenues and expenses, subject to the final year-end audit.

Preliminary Budget to Actual through June 30, 2026

Revenues	Budget	Actual	*Variance*
Federal Subsidies	$55,360,963	$48,598,474	*($6,762,489)*
State Subsidies	65,154,302	63,554,977	*(1,599,325)*
Other Revenue	6,383,542	4,002,016	*(2,381,526)*
RIde Passenger Fares	2,629,354	2,349,227	*(280,127)*
Passenger Fares	11,544,630	10,167,883	*(1,376,747)*
Third Party Fares	10,744,639	11,746,286	*1,001,647*
Special Project Revenue	1,434,500	-	*(1,434,500)*
Total Revenues	**$153,251,929**	**$140,418,863**	***($12,833,066)***

Expenses	Budget	Actual	*Variance*
Salaries & Fringe Benefits	$108,939,168	$107,888,483	*$1,050,685*
Contract Services	18,324,143	10,036,578	*8,287,565*
Operating Expense	19,912,293	20,181,916	*(269,623)*
Utilities	2,471,895	2,296,622	*175,273*
Capital Match & Repayment	1,105,026	-	*1,105,026*
Special Projects	1,434,500	-	*1,434,500*
Total Expenses	**$152,187,024**	**$140,403,599**	***$11,783,425***
Operating Surplus /(Deficit)	**$1,064,905**	**$15,264**	***($1,049,641)***

Source: RIPTA Board Packet August 2026

Actual values are preliminary, pending year end audit

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FY2027 Board Approved: The FY2027 Board Approved Budget includes a deficit of $13.8 million, with all fund expenditures of $158.9 million and revenues of $145.1 million. The RIPTA Board of Directors approved the budget proposal 7-1 at the December 2025 board meeting.

FY2027 Budget as Enacted: The FY2027 Budget as Enacted revises the allocation of Rhode Island Highway Maintenance Account (HMA) receipts in Article 2 and resolves the $13.8 million deficit included in the FY2027 Board Approved Budget. In Article 3, the Budget amends the composition of the Board of Directors and prohibits the Director of the Department of Transportation from serving as the Authority's Chairperson.

- Article 2 increases the Authority's annual percentage share of Rhode Island Highway Maintenance Account (HMA) receipts from 10.0 percent to 25.0 percent and eliminates the Authority's fixed $5.0 million appropriation, resulting in a $14.5 million increase in HMA receipts compared to the FY2026 enacted level. Additionally, the article revises the allocation of Regional Greenhouse Gas Initiative (RGGI) auction proceeds to provide RIPTA with an annual appropriation to support zero-emission bus acquisition, starting in FY2027.
- Article 3 rescinds the requirement that the Director of the Department of Transportation serve as Chairperson of the RIPTA Board of Directors, authorizes the Board to elect its Chairperson, and prohibits the Board from electing the Director of the Department of Transportation as the Chairperson.

STATE FUNDING

The FY2027 Budget as Enacted provides RIPTA with $71.6 million in FY2026 and $85.6 million in FY2027 from RIPTA's two primary state funding sources, receipts collected through the Rhode Island Highway Maintenance Account (HMA) and receipts collected through taxes on the sale of motor fuel (gas tax). The $71.6 million appropriated in FY2026 is $777,748 above the FY2026 enacted level because of upward revisions to the gas tax and HMA yields. The $85.6 million appropriated in FY2027 is $14.7 million above the FY2026 enacted level and includes increases of $14.5 million in HMA receipts and $244,994 in gas tax receipts. The following table compares the HMA and gas tax receipts provided by the FY2026 Budget as Enacted with the funding appropriated in the FY2026 Final Budget and FY2027 Budget as Enacted.

Statutory Funding to RIPTA

HMA Receipts	FY2026 Enacted*	FY2026 Final†	*Change*	FY2027 Budget†	*Change*
Percentage Transfer	$11,181,588	$11,579,237	*$397,649*	30,667,188	*19,485,600*
Fixed Transfer	5,000,000	5,000,000	-	-	*(5,000,000)*
Subtotal	**$16,181,588**	**$16,579,237**	***$397,649***	**$30,667,188**	***$14,485,600***
Gas Tax Receipts					
Statutory Gas Tax	$49,041,146	$49,382,145	*$340,999*	$49,260,938	*$219,791*
Office of Healthy Aging‡	3,443,778	3,467,724	*23,946*	3,459,213	*15,434*
Environmental Protection Fee	2,179,607	2,194,762	*15,156*	2,189,375	*9,769*
Subtotal	**$54,664,531**	**$55,044,631**	***$380,100***	**$54,909,525**	***$244,994***
Total	**$70,846,119**	**$71,623,868**	***$777,748***	**$85,576,713**	***$14,730,594***

**Based off the FY2026 Budget as Enacted projections from ORA*

† Based off May 2026 projections from ORA

‡ Is not transferred directly to RIPTA

Rhode Island Highway Maintenance Account

Projected Revenue: The Budget provides $16.6 million in HMA receipts to the Authority in FY2026 and $30.7 million in FY2027, representing increases of $397,649 and $14.5 million, respectively, from the FY2026 enacted level. Pursuant to RIGL 39-18.1-5, the Authority receives two annual appropriations of RIHMA receipts, a fixed transfer of $5.0 million and 10.0 percent of the account's available proceeds. Article 2 of the FY2027 Budget as Enacted eliminates the fixed appropriation and increases the percentage transfer from 10.0 percent to 25.0 percent, which takes effect in FY2027.

In budgetary materials, the Authority classifies the 10.0 percent transfer as state subsidies and the fixed transfer as a mixture of third-party revenue and other funds, as the funding supports the reduced fare program and debt service. The following table illustrates the HMA's allocations, preliminary collection totals for FY2025, and revenue projections through FY2031.

Rhode Island Highway Maintenance Account Forecast

Fees and Surcharges	FY2025 Preliminary	FY2026 Projected	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected
Licenses Base	$7.3	$7.8	$7.8	$7.7	$7.7	$7.6	$7.6
Registrations Base	50.6	52.1	51.1	51.3	51.5	51.3	51.3
Licenses Surcharge	5.1	6.0	6.8	6.8	6.7	6.7	6.7
Registrations Surcharge	14.8	18.0	21.1	21.1	21.1	21.1	21.1
Rental Vehicle Surcharge	10.4	10.4	10.4	10.4	10.5	10.7	10.9
Emission Inspection Fees	13.9	13.9	13.8	13.9	13.9	13.9	13.9
Motor Vehicle Title Fees	11.1	10.3	10.2	10.5	10.7	10.8	10.9
Good Driving Fees	0.5	0.4	0.4	0.4	0.4	0.4	0.4
EV Fees	0.0	3.0	7.4	8.5	9.6	10.7	12.1
RIHMA Total	**$113.8**	**$121.9**	**$129.1**	**$130.6**	**$132.1**	**$133.3**	**$135.0**
5% Share to General Revenue	$5.3	$6.1	$6.5	$6.5	$6.6	$6.7	$6.7
Remaining RIHMA Funds	**$108.5**	**$115.8**	**$122.7**	**$124.1**	**$125.5**	**$126.6**	**$128.2**
Percentage Share to RIPTA	$5.4	$11.6	$30.7	$31.0	$31.4	$31.7	$32.1
Fixed Transfer to RIPTA	5.0	5.0	0.0	0.0	0.0	0.0	0.0
DOT Share	**$98.1**	**$99.2**	**$92.0**	**$93.0**	**$94.1**	**$95.0**	**$96.2**

Source: Office of Revenue Analysis, May 2026 Estimate

$ in millions. Totals may vary due to rounding.

Background: The FY2015 Budget as Enacted included a provision that RIPTA would receive 5.0 percent of available proceeds from revenue deposited into the Rhode Island Highway Maintenance Account (RIHMA) beginning in FY2016. Article 4 of the FY2018 Enacted Budget provided RIPTA with $5.0 million in both FY2018 and FY2019 to fund the free-fare program for low-income senior and disabled persons. The legislation required creating a Coordinating Council to develop recommendations for sustainable funding of the program while maximizing the use of federal funds available to support this population's transportation. Within a submitted report, the main recommendation for sustainable funding was to divert an additional penny of the gas tax to RIPTA for this program, but this was not provided. Article 8 of the FY2020 Budget as Enacted extended the $5.0 million in HMA funding to RIPTA indefinitely to fund the Reduced-Fare Program and debt service. Article 11 of the FY2026 Budget as Enacted increased RIPTA's percentage share from 5.0 percent to 10.0 percent, which went into effect at the start of FY2026.

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Motor Fuel Tax Revenue

Projected Revenue: The Budget provides $55.0 million in gas tax receipts to the Authority in FY2026 and $54.9 million in FY2027, reflecting respective increases of $380,100 and $244,994 from the FY2026 enacted level. The May 2026 forecast from the Office of Revenue Analysis (ORA) projects gas tax receipts will gradually decline through FY2031, when the Authority will receive $53.9 million. The following table illustrates RIPTA's motor fuel tax appropriation included in the FY2026 Budget as Enacted, the FY2026 Final Budget, and the FY2027 Budget as Enacted, as well as the ORA's projections through FY2031.

Motor Fuel Tax Receipts to RIPTA	FY2026 Enacted*	FY2026 Final†	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected	*Share $/gallon*
Statutory Gas Tax	$49.0	$49.4	$49.3	$49.3	$49.0	$48.7	$48.4	*$0.1125*
Office of Healthy Aging ‡	3.4	3.5	3.5	3.5	3.4	3.4	3.4	*$0.0079*
Environmental Protection Fee	2.2	2.2	2.2	2.2	2.2	2.2	2.1	*$0.0050*
Total	**$52.5**	**$52.8**	**$52.7**	**$52.7**	**$52.4**	**$52.1**	**$51.8**	***$0.1254***

$ in millions. Totals may vary due to rounding.

** Based off the FY2026 Budget as Enacted projections from ORA*

† Based off May 2026 projections from ORA

‡Is not transferred directly to RIPTA

Consumers in Rhode Island pay a state motor fuel tax of $0.405 /gallon, of which RIPTA receives $0.1254. RIPTA's share is comprised of a direct appropriation of $0.1125 /gallon, a $0.005 /gallon share of the Environmental Protection Fee, and a $0.0079 /gallon share of the Office of Healthy Aging's appropriation. The Office of Healthy Aging (OHA) receives $0.01 /gallon of gas tax and transfers 79.0 percent to RIPTA. $2.5 million of the transfer supports RIPTA's Reduced Fare program, which the Authority classifies as Third-Party Fares in budgetary documents. The following tables illustrate the currently enacted disposition and transfers of gas tax as well as the projections through FY2031, based on the May 2026 forecast by the Office of Revenue Analysis (ORA).

Motor Fuel Tax Revenue Disposition (In Cents)	FY2026 Enacted	FY2026 Final	FY2027 Enacted	FY2028 Projected*	FY2029 Projected	FY2030 Projected*	FY2031 Projected
Department of Transportation	22.25¢	22.25¢	22.25¢	24.25¢	24.25¢	26.25¢	26.25¢
Rhode Island Public Transit Authority†	11.75	11.75	11.75	11.75	11.75	11.75	11.75
Rhode Island Turnpike and Bridge Authority	3.50	3.50	3.50	3.50	3.50	3.50	3.50
GARVEE Motor Fuel Bond Debt Service	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Office of Healthy Aging	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	**40.5¢**	**40.5¢**	**40.5¢**	**42.5¢**	**42.5¢**	**44.5¢**	**44.5¢**
Motor Fuel Tax Revenue							
Department of Transportation	$97.0	$102.7	$106.2	$114.9	$114.2	$122.2	$121.4
Rhode Island Public Transit Authority†	51.2	51.6	51.5	51.4	51.1	50.8	50.5
Rhode Island Turnpike and Bridge Authority	15.3	15.4	15.3	15.3	15.2	15.1	15.0
GARVEE Motor Fuel Bond Debt Service‡	8.7	3.7	0.0	0.0	0.0	0.0	0.0
Office of Healthy Aging	4.4	4.4	4.4	4.4	4.4	4.3	4.3
Total	**$176.5**	**$177.8**	**$177.3**	**$186.1**	**$185.0**	**$192.5**	**$191.3**

$ in millions. Totals may vary due to rounding.

Source: Office of Revenue Analysis, May 2026

** Indicates year with a projected rate increase*

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

‡ Following the January 2026 defeasance of the motor fuel bonds, the $0.02 /gallon for debt service is provided to the DOT.

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Background: The Office of Revenue Analysis (ORA) is responsible for both estimating the gas tax yield and determining the impact of the CPI-U. Beginning in FY2016, the motor fuel tax rate is adjusted biennially on the percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U), rounded to the nearest 1.0 cent increment. In FY2020, ORA assumed inflation would change significantly enough to warrant a 1.0 cent increase, raising the gas tax rate from 33.5 cents to 34.5 cents per gallon. Furthermore, ORA determined a 3.0 cent increase to the gas tax was warranted at the start of FY2024, based upon inflation and the increasing CPI-U, which raised the tax from 34.5 cents to 37.5 cents. Pursuant to RIGL 31-36-20, the additional gas tax revenue was directed to the Department of Transportation (RIDOT).

The FY2026 Budget as Enacted revised the inflation formula to better account for inflation and increased the assessment rate by $0.03, from $0.375 to $0.405 /gallon. The revised formula applies the CPI-U change across the entire two-year period to the base rate and rounds the product to the nearest cent. Of the $0.03 /gallon increase, the Budget provided $0.02 to RIPTA and $0.01 to the Department of Transportation. The revision also requires the next adjustment to occur on July 1, 2027, using the CPI-U delta from September 2024 to September 2026. The ORA projects inflationary rate increases of $0.02 in both FY2028 and FY2030. All funds collected through the increase are appropriated to the Department of Transportation, under RIGL 31-36-20.

OPERATIONS

Fare Changes

At the March 2026 Board of Directors' Meeting, the Board received a memorandum from RIPTA CEO Chris Durand concerning strategic updates and fare changes. The memorandum notes that the Authority is conducting a deeper analysis of fare revenues and plans to reduce cash collections, which reflect 25.0 percent of fare revenue. The base fare is currently $2.00, and implementing small fare adjustments would substantially increase coins collected, which may delay service. The Authority is considering smaller incremental increases over time, rather than a large, sudden increase.

The Authority plans to eliminate the $5.00 fee charged for Wave bus pass cards to encourage riders to pay less in cash. The memorandum states, "RIPTA is prioritizing a reduction in cash payments, continuing to focus on developing new fare partnerships, and revising existing partnership agreements to align with the revenue targets for FY2026." RIPTA will present the fare study results to the Board of Directors upon completion. The table below illustrates current fares from FY2021-FY2026.

RIPTA Fares	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Cash Fare	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00
Wave Full Fare	2.00	2.00	2.00	2.00	2.00	2.00
Wave Day Pass	6.00	6.00	6.00	6.00	6.00	6.00
Wave Monthly Pass	70.00	70.00	70.00	70.00	70.00	70.00
Senior/Disabled Off-Peak*	1.00	1.00	1.00	1.00	1.00	1.00
RIde/Paratransit Trip	4.00	4.00	4.00	4.00	4.00	4.00

* $10 is the cost to renew pass, must be done biennially.

Background: In 2015, RIPTA conducted a comprehensive study of the fare products offered to customers and the rates charged. The fare study aimed to simplify fare products; improve the reliability of fare media; introduce needed products; make boarding a bus fast, convenient, and reliable; implement new fare technologies; and maximize revenue and ridership. RIPTA's Board adopted a new fare structure in December 2016 that eliminated the 15-ride pass and RIPTIKs (packages of 10 one-way tickets including free transfers that did not expire), created a 10-ride pass, increased the price of a 7-day pass and bus transfers, and recommended charging seniors and people with disabilities $0.50 per trip. The charge to

seniors and people with disabilities caused concern among advocacy groups and was never executed. The General Assembly has funded the reduced fare program since FY2017.

In September 2020, RIPTA launched the WAVE program, a smart fare collection system. The WAVE program operates on an earn-as-you-go model. The system tracks riders' trips, allowing them to pay for individual rides or days while never exceeding the price of a day pass or month pass. Once a user spends the equivalent of a day or month pass, they are not charged for any additional rides that day or month.

The WAVE program is fully implemented, allowing RIPTA to move away from paper products. As of January 2022, RIPTA no longer accepts paper fare products, and bus drivers will not make change for cash payments. Passengers must pay via the WAVE smart card or app, exact change, photo ID pass, or a U-Pass ID. The Authority stopped accepting the paper monthly passes as of June 2022.

September 2025 Service Cuts

On September 27, 2025, RIPTA implemented one of the largest service reductions in the Authority's history, which affected 45 of the Authority's routes. The routes impacted by the service change include Routes 3, 4, 6, 9x, 12x, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 28, 29, 30, 31, 32, 33, 34, 35, 51, 54, 55, 56, 57, 58, 59x, 60, 61x, 63, 65x, 66, 68, 69, 72, 75, 76, 78, 87, 92, 95x, and the R-Line. The Authority indicates that the reduction did not eliminate any routes and instead focused on targeted demand-driven reductions. The Authority originally proposed cuts that eliminated underperforming routes but scaled back following the August 2025 Board of Directors' Meeting and adoption of the framework recommended by the Governor and the Authority's administration. Before implementation, RIPTA held a series of meetings across the State to gather public input on the proposed service reductions.

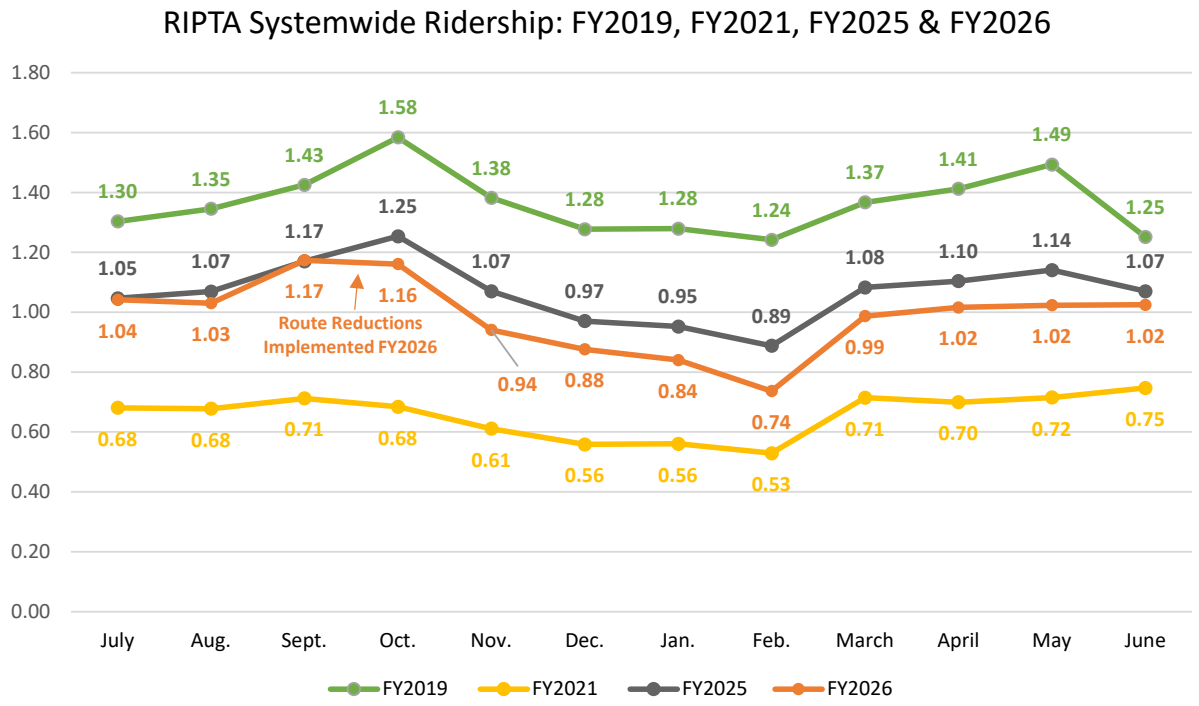
In January 2026, a local transit advocacy group, Save RIPTA, published a report detailing the impact of the service reduction. The report indicates that 645 riders and community members attended the 12 public meetings, spoke for 11.2 hours, and submitted 589 oral and written comments opposing the cuts. The report suggests that before implementation of the cuts, "81% of RIPTA routes were gaining ridership; after the cuts 75% were losing ridership. Not a single route with weekday service cuts saw an increase in ridership."

Ridership

Before FY2026, RIPTA's ridership had steadily increased in the years following the pandemic, which dropped to 7.9 million passenger trips in FY2021. RIPTA provided 9.6 million passenger trips in FY2022, 11.1 million trips in FY2023, 13.0 million in FY2024, and 12.8 million in FY2025 (excluding vanpool and taxi services). Preliminary figures indicate that the Authority provided 11.9 million trips in FY2026, which is 965,420 or 7.5 percent below FY2025's ridership and 1.2 million or 9.1 percent below FY2024's ridership.

RIPTA offers four types of transit services: fixed route, flex service, the RIde Program, and vanpool services. Fixed route service consists primarily of regular bus service on established routes. Flex service provides van transportation within a limited geographic area. The RIde program provides transportation to eligible senior citizens and individuals with disabilities. Vanpool services, which started in FY2018, allow groups of commuters to lease a shared vehicle through Enterprise and use it daily while commuting to work. Electric Boat in Quonset Business Park primarily used the program. As of June 2026, the Authority no longer subsidizes the Vanpool program. The following graph illustrates ridership data from FY2019, the fiscal year before the pandemic, as well as FY2021, FY2025, and FY2026.

Analyst Note: The Authority indicated that fixed-route ridership, which had a FY2025 cost per trip of $9.21, has decreased following the service reductions. Alternatively, paratransit ridership, which had a FY2025 cost per trip of $63.79, has increased following the enacted statewide requirement.



Source: RIPTA Board Meeting Packets.

Figures represent nonaudited fixed route, paratransit, and flex rides in millions.

Statewide Paratransit

RIde Anywhere: The FY2026 Budget as Enacted, the FY2026 Final Budget, and the FY2027 Budget as Enacted include language to preserve the RIde Anywhere paratransit program and ensure that services continue to be offered. The Authority increased paratransit operators in the FY2026 Board Revised and FY2027 Board Approved Budgets to accommodate the program's elevated demand. At the April 2026 Senate Finance Committee Hearing, RIPTA indicated that since the program's inception, total trip volume has increased by 21.0 percent.

Analyst Note: The Authority indicates that the RIde Anywhere program is being funded with operating funds as it is unfunded.

Paratransit Study: The Authority expended $75,000 of gas tax revenue to conduct a study of its current operations and paratransit bus services, which resulted in the design of a statewide program that addresses the transportation needs of seniors and individuals with disabilities. The Authority currently offers the RIde program, a paratransit service for individuals whose disabilities prevent independent use of the fixed route system or travel to and from bus stops. The study specifically focused on the needs of elderly and disabled individuals who use the fixed route system but do not live within three-quarters of a mile from a fixed route, as required by ADA paratransit services.

The study began in June 2022, and the Authority delivered the analysis to the General Assembly in January 2023. The analysis detailed two options for statewide paratransit service: base and extended service. It concluded that operating costs would range from $5.4 million for the base service to $6.4 million for the extended service. Additionally, the study estimated that startup and capital costs range from $3.9 million for the base service to $4.2 million for the extended service.

RIde Anywhere Paratransit Pilot: To further expand upon the paratransit study's conclusions, the FY2024 Budget as Enacted directed RIPTA to operate a voucher pilot program. The pilot program, titled RIde

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Anywhere, soft launched on January 1, 2024, and studied the feasibility and implementation of expanding the Authority's paratransit service to underserved communities throughout the State. RIPTA's resources limited the pilot's scope, as the Authority did not receive additional funds to offset the increased costs. Individuals enrolled in the RIde program could request trips beyond the current service area for the same $4 fare as a standard paratransit trip. The Authority prioritized rides within the federally required ¾-mile service area and required 24-hour notice for ride requests. After the pilot concluded, the Budget required the Authority to submit an evaluation report to the General Assembly, which it submitted in May 2025. The pilot program resulted in the establishment of a permanent RIde Anywhere program.

Reduced Fare Bus Pass Program

RIPTA provides free and reduced fare bus rides to qualifying low-income seniors and people with disabilities through the Reduced Fare Bus Pass Program. Passes issued through the program are good for two years and require a $10 processing fee to renew. To qualify as a low-income senior, applicants must be over age 65 and provide proof of income through either an SSI award letter, a Medicaid eligibility notice letter, or a Supplemental Income Verification Notice. The applicant's total household income may not be more than 200.0 percent of the Federal Poverty Level, or $43,280 for a family of two, as of 2026. To qualify as disabled, the applicant must provide either a Medicare card with a disability code, a Supplemental Security Income award letter, or a Certification of Disability completed by the Providence Center. The program does not currently provide rides for individuals who meet the income threshold but are neither seniors nor disabled; however, those individuals may qualify for the Low-Income program.

RIPTA also offers half-fare (currently $1) boarding to seniors and people with disabilities, regardless of income, during off-peak hours. Participants must enroll in the program and receive a valid identification card. Participants must pay full fare during peak service hours (7 am-9 am and 3 pm-6 pm on weekdays). As of August 2026, the program is active, and RIPTA's website indicates that individuals who meet the qualifications can apply in person or by mail.

Reduced Fare Bus Pass Program Background: The Reduced Fare program, also titled the Free Fare program, was originally scheduled to begin in July 2016. Previously, eligible low-income seniors and disabled individuals had their rides fully subsidized under RIPTA's Reduced Fare program; however, the program contributed significantly to RIPTA's operating deficits. The Reduced Fare model was expected to help alleviate the deficit. Due to outcry from local advocacy groups, transitioning from the Free Fare program to the Reduced Fare model was effectively delayed for seven months when the General Assembly appropriated $900,000 to RIPTA for the program in the FY2017 Budget as Enacted. Article 4 of the FY2018 Budget as Enacted provided the Rhode Island Public Transit Authority (RIPTA) with $5.0 million in Rhode Island Highway Maintenance Funds in both FY2018 and FY2019: $3.4 million to fund the free-fare program for low-income senior and disabled persons, and the remaining $1.6 million for debt service payments that were shifted back to the Authority. Article 8 of the FY2020 Budget extended the $5.0 million in HMA funding to RIPTA indefinitely. Article 2 of the FY2027 Budget as Enacted removes the $5.0 million direct appropriation of HMA funds and amends the Authority's share to 25.0 percent of available proceeds.

Low-Income Pilot Program

Program Status: As of August 2026, the program is active and contact information for interested organizations is available on the RIPTA website.

Program Background: At the October 2022 RIPTA Board of Directors Meeting, the Board authorized a pilot program that distributed 600 bus passes to organizations that assist unhoused and low-income communities, as well as to individuals directly. The pilot included individuals whose income qualifies for the current free-fare program, but who are not elderly or disabled. Distributing the bus passes allowed RIPTA to study the total number of trips taken and the most frequently used routes. RIPTA distributed bus passes to more than 12 community agencies, valid for six months. After the pilot concluded, RIPTA delivered a report to the Board of Directors. As of August 2023, the pilot program has expanded, and RIPTA

issued 775 bus passes, 175 more than originally allotted. Preliminary data from March 2023 through July 2023 indicates RIPTA provided 91,012 total trips and forgone $182,024 in fare revenue (calculated at $2.00 per trip). Additionally, RIPTA noted that the number of individuals who regularly use their pass has declined, but average use per pass increased.

At the October 2023 RIPTA Board of Directors Meeting, the Board received a report from RIPTA concerning the results of the low-income pilot program and a recommendation to create a second phase of the program. As of September 30, 2023, the pilot had provided 128,347 rides and forgone approximately $257,000 in total revenue, or $40,000 per month. Additionally, RIPTA recommended extending the pilot program for an additional six months while providing clear guidance to partner organizations and enrolled individuals.

During the first half of Phase Two (November 2023 – January 2024), RIPTA trained partner organizations to manage accounts on the Authority's Wave portal. During the second half of Phase 2 (February 2024 – April 2024), RIPTA continued to cover the cost of fare products, but the partner organizations managed participant passes directly. The Board approved the recommendation and authorized the Pilot's extension.

At the May 2024 RIPTA Board of Directors Meeting, the Board received a report from the RIPTA Administration concerning the results of the phase two low-income pilot program. Phase Two concluded on April 30, 2024, and provided free transportation to 174 individuals throughout seven different partner organizations. Mathewson Street Church partnered with 82 riders, representing the largest population and accounting for 85.0 percent of all pilot trips during April. Per the Authority's recommendation, the Board authorized a third phase of the low-income pilot program, building on RIPTA's prior research and serving a population dependent on public transportation to access necessities. Supported with $150,000 of previously allocated funds, the pilot provided select partner organizations with a 50.0 percent subsidy on fare products for individuals experiencing housing insecurity and/or homelessness. The third pilot began on July 1, 2024, and was scheduled to conclude on December 31, 2024, but was extended indefinitely.

At the RIPTA Board of Directors Meeting on December 19, 2024, the Board received a memorandum from CEO Christopher Durand indicating that the low-income pilot program is extended indefinitely. The memorandum notes, "In its current iteration, partner organizations are granted 50.0 percent discounts on fare products purchased on behalf of low-income individuals experiencing housing insecurity; this model has proven to be both sustainable and effective, based on RIPTA's direct experience as well as that of peer agencies. Furthermore, it has been determined that a Title VI SAFE analysis is not required as a precursor to permanent implementation of this fare benefit program."

Transportation Coordinating Council

Pursuant to Article 4 of the FY2018 Enacted Budget, RIPTA established a coordinating council to develop recommendations for the sustainable funding of the Free Fare Bus Pass Program while maximizing the use of federal funds available to support the transportation needs of the State's elderly and disabled populations. The Council was due to report its recommendations to the Governor, Speaker of the House, and Senate President by November 1, 2018; however, RIPTA did not present its findings until December 31, 2018.

The Council included members from multiple State agencies, including RIPTA; the Department of Human Services; the Executive Office of Human Services; the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals; the Office of Veterans' Affairs; and the Division of Elderly Affairs. The Council split into two working groups: the Communications Working Group and the Bus Pass Program Funding Working Group. Although the legislation was passed in June 2017, the Council did not begin meeting until January 2018. The entire Council met a total of six times from January through December 2018.

RIPTA estimated the total funding gap in the Free-Fare Program at about $4.4 million in FY2020. In the submitted report, the main recommendation for sustainable funding was to divert an additional penny of the gas tax, or an equal amount from another source, to RIPTA.

The No-Fare Bus Pass Coalition, an advocacy group that was also a member of the Council, made the following recommendations:

- A dedicated stream of state lottery or gambling revenues, such as a scratch ticket to promote public transit or earmarking a percentage of anticipated gaming revenues for RIPTA.
- Establishing a tax on ride-sharing companies, such as Uber and Lyft, with funds collected allocated to RIPTA.
- Establishing a tax on parking lots, or increasing the cost of parking, and allocating additional funds collected to RIPTA.

Although the Council was aware of these recommendations, it did not follow-up with related Departments such as the Lottery or the Department of Revenue. The Reduced Fare Program continues to be funded through the $5.0 million appropriation to RIPTA from the HMA.

Article 11 of the FY2026 Budget as Enacted eliminated the requirement for the coordinating council because the report was submitted. As of August 2026, the council continues to meet.

Efficiency Study

The FY2025 Budget as Enacted directed RIPTA to conduct an efficiency review of its transit operations and submit a report to the Governor, Speaker of the House of Representatives, and the President of the Senate. The FY2025 Governor's Recommended Budget proposed delivering the report by January 1, 2025, but the Authority requested an extension due to turnover of the CEO position. The General Assembly postponed the delivery date to March 1, 2025. The study commenced on April 1, 2025, and was delivered on August 1, 2025.

The study selected six transit agencies of similar size, area covered, and service offered to compare with RIPTA and concluded that "Across multiple measures RIPTA's operating costs are in line with or just above the average of peer agencies." The following table shows the selected agencies and service areas.

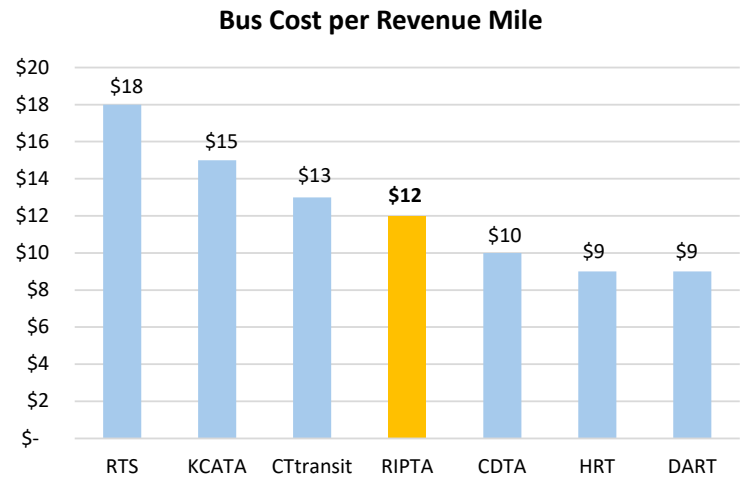
Agency	City/Metro Area	Abbreviation
Hampton Roads Transit	Norfolk, VA	HRT
Capital District Transportation Authority	Albany, NY	CDTA
Delaware Transit Corporation	Delaware	DART
Kansas City Area Transportation Authority	Kansas City, MO/KS	KCATA
Regional Transit Service	Rochester, NY	RTS
Connecticut Transit*	Hartford, CT	CTtransit

*CTtransit reflects Hartford division

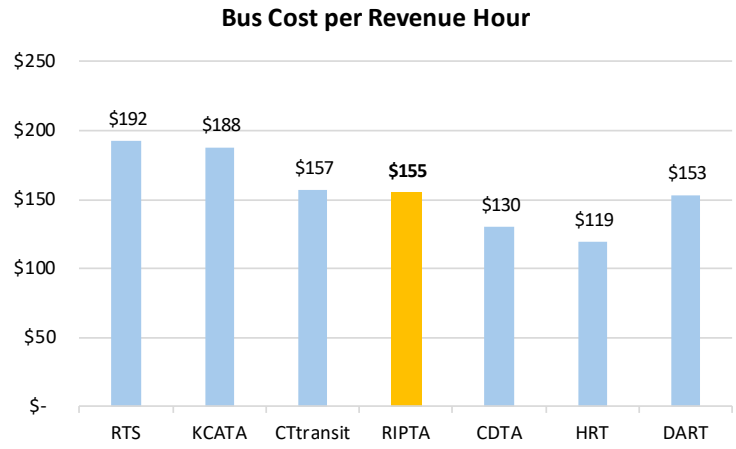
The study compared the "Bus Cost per Revenue Hour", "Bus Cost per Revenue Mile", and "Overall per Capita Spending on Transit" amongst the 6 transit agencies. The study found that:

- RIPTA's "Operating Cost per Revenue Hour" aligns with the average of its peer agencies.
- RIPTA's "Operating Cost per Revenue Mile" is below the average of its peer agencies.
- RIPTA's "Overall per Capita Spending on Transit" is 17.9 percent below the average of its peer agencies (excluding Delaware).

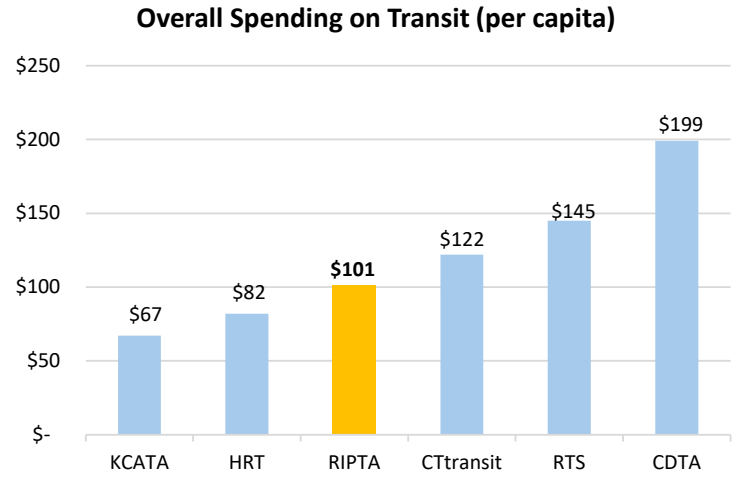
The study also addressed the current shortfall and recommends RIPTA take the following steps: (i) federalize positions linked to capital assets; (ii) increase use of federal funds to reimburse rural, low-income, and reverse commute services; (iii) evaluate the current flex service structure; and (iv) reduce service. Additionally, the study indicates RIPTA should prioritize investing in high-performing routes, expanding commuter resources, and continuing to implement the transit master plan. The following tables illustrate the rankings of each agency within the study.



Source: RIPTA Efficiency Study 2025



Source: RIPTA Efficiency Study 2025



Source: RIPTA Efficiency Study 2025

Analyst Note: Delaware is not included in the Overall Spending on Transit ranking because of its proximity to Philadelphia. The study indicates that a large metropolitan area may skew the data.

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FY2026 DEFICIT RESOLUTION

The FY2025 Budget as Enacted directed RIPTA to conduct an efficiency review of its transit operations due to the Authority's dependency on federal pandemic assistance and imminent fiscal concerns. Extenuating circumstances related to the search for a permanent CEO delayed the efficiency review, and the Authority adopted a FY2026 Budget that included a $32.6 million deficit. The FY2026 Governor's Recommended Budget did not provide any relief for the Authority as the efficiency study was still incomplete and included an equivalent shortfall. Article 11 of the FY2026 Budget as Enacted increased RIPTA's share of motor fuel tax receipts and percentage share of the Rhode Island Highway Maintenance Account (RIHMA) receipts, resulting in $14.8 million of additional revenue directed to the Authority.

At the August 2025 Board of Directors Meeting, the Board received a budget framework signed by the Governor and RIPTA CEO, Chris Durand. The framework included initiatives that were recommended by the efficiency study to preserve funding and reduce costs without eliminating routes. The Authority's administration indicated that additional state funding and adoption of the framework would resolve the FY2026 deficit. The Board voted to adopt the framework at the meeting.

Budget Framework

The Board approved the budget framework recommended by the Governor and RIPTA CEO at the August 2025 Board Meeting. The framework resolved the Authority's FY2026 deficit through the following:

Additional State Revenue: The framework's largest category was state revenue, estimated to reduce the deficit by $14.8 million, primarily through funding provided by Article 11 of the FY2026 Budget as Enacted. The Budget increased RIPTA's percentage share of RIHMA receipts from 5.0 percent to 10.0 percent, and increased the Authority's share of gas tax revenue, from $0.0975 /gallon to $0.1175 (Including the Authority's share of the $0.01 Environmental Protection Fee).

New Savings: The framework's second largest category was new savings, which reduced the deficit by $9.4 million. The savings included $4.4 million in targeted adjustments to fixed routes, which the framework notes: "The scaled-back service reductions generally focus on the highest-cost, lowest-performing routes and frequencies to achieve necessary savings while minimizing rider impact and avoiding layoffs." The framework also included a $3.0 million advance of federal Congestion Mitigation and Air Quality Improvement (CMAQ) program funds. The CMAQ funds have historically supported projects in the State Transportation Improvement Plan (STIP). The framework also realized savings by eliminating administrative and management positions and streamlining operations. Furthermore, the RIde Anywhere program will not be impacted, and the framework specifically included a $2.3 million increase to support the paratransit program. However, the framework eliminated all private taxi services, which had been utilized for the paratransit program.

New Revenue: The framework included $4.8 million categorized as "New Revenue," as identified in the efficiency study. New revenue includes $2.4 million of recurring federal funding reimbursements as well as a one-time federal reimbursement of $2.0 million. The framework also includes additional advertising revenue.

Efficiency Actions: The framework reduced expenditures by $3.6 million through efficiency actions, such as reducing legal and claims by $2.0 million.

Future Plans: In addition to resolving the FY2026 deficit, the framework outlined long-term plans and initiatives for the Authority, including adjusting fares, expanding partnerships, streamlining licensing and training, and building a new multimodal transit center. The framework indicates that a comprehensive, multi-year fare adjustment plan is needed, as fares have not kept pace with inflation and have not been increased in nine years. RIPTA plans to expand partnerships with businesses, universities, and organizations, and build on the recently established relationships with Omni Hotel, Miriam Hospital, Amazon, Electric Boat, and the Rhode Island Football Club. Furthermore, RIPTA has partnered with the

Rhode Island Institute for Labor Studies and Research to offer a compensated test training program for individuals pursuing a commercial driver's license (CDL).

TRANSIT MASTER PLAN

RIPTA released a Transit Master Plan (TMP) titled Transit Forward, which the State Planning Council adopted on December 10, 2020. The Transit Master Plan identifies five key initiatives to transform transit in RI:

- Improve Existing Services
- Expand Service to New Areas
- Develop High Capacity Transit
- Improve Access to Transit
- Make Service Easier to Use

Each initiative includes several projects designed to accomplish the goal, some of which are already included in the Authority's capital plan. The Authority indicates that full implementation of the Transit Master Plan will increase the Authority's operating cost to an annual average of $217.0 million in addition to increased annual capital costs of $104.0 million - $160.0 million. The Transit Master Plan includes the following transportation services: light rail, bus rapid transit (BRT), rapid bus, regional rapid bus, commuter rail, local routes, flex services, and paratransit.

CAPITAL PROJECTS

The FY2026 Final Budget provides $5.9 million of Rhode Island Capital Plan (RICAP) funds to the Authority, reflecting a net decrease of $2.6 million from the FY2026 enacted level. The adjustment reduces RICAP funding for the Land and Buildings project by $3.8 million, offset by increases of $690,534 for the Pawtucket Bus Hub Passenger Facility, $300,000 for the Kingston Station Mobility Hub, $103,368 for the Providence High-Capacity Transit Corridor Study, and $126,000 for the Pawtucket Bus Hub.

The FY2027 Budget as Enacted provides $5.5 million in RICAP funds for the Authority, a $3.0 million reduction from the FY2026 enacted level. The adjustment decreases RICAP funding to the Land and Buildings project by $5.3 million and to the Pawtucket Bus Hub Passenger Facility by $1.5 million, offset by a $3.0 million increase for the Bus Shelter Renovation and Replacement project and an $840,000 increase to the Kingston Station Mobility Hub project. The following table compares the Authority's RICAP funds included in the FY2026 Budget with the RICAP funds provided in the FY2026 Final Budget and the FY2027 Budget as Enacted.

RIPTA: RICAP Funded Projects	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted	*Change*
Land and Buildings	$6,905,927	$3,132,383	*($3,773,544)*	$1,590,125	*($5,315,802)*
Bus Shelter Renovation and Replacement		-	-	3,000,000	*3,000,000*
Pawtucket Bus Hub Passenger Facility	1,500,000	2,190,534	*690,534*	-	*(1,500,000)*
Kingston Station Mobility Hub	-	300,000	*300,000*	840,000	*840,000*
Providence High-Capacity Transit Corridor Study	90,000	193,368	*103,368*	-	*(90,000)*
Pawtucket Bus Hub	-	126,000	*126,000*	63,428	*63,428*
Total	**$8,495,927**	**$5,942,285**	***($2,553,642)***	***$5,493,553***	***($3,002,374)***

Land and Buildings: The Budget provides $3.1 million of RICAP funds in FY2026 and $1.6 million in FY2027 for the Land and Buildings Enhancement project, reflecting reductions of $3.8 million and $5.3 million from the FY2026 Budget as Enacted, respectively. The Land and Buildings Enhancement project allows the Authority to maintain and improve its assets as well as secure federal discretionary grants to support the Transit Master Plan. The project is supported by federal funds, primarily awarded through the FTA, State funds such as RICAP funds, in addition to the Authority's capital and operating funds. Planned

expenditures include security upgrades to comply with federal standards and repairs to RIPTA's administrative and maintenance facilities.

RIPTA was awarded a $5.0 million discretionary grant to develop a comprehensive safety action plan with thirty-one cities and towns statewide, titled Safe Streets for All. This discretionary award directly helps the Authority and participating municipalities create safer roadways for car passengers, bus passengers, bikers, and pedestrians in Rhode Island by identifying specific safety needs for each community. As of August 2026, nineteen municipalities have safety action plans available on RIPTA's website. The Authority requested funding for the state match as a separate "Safe Streets for All" project; however, the Budget provides the requested funds within the Land and Buildings Enhancement project.

Bus Shelter Renovation and Replacement: The Budget provides the Authority with $3.0 million of RICAP funds in FY2027 and annually through FY2031 to renovate and replace bus shelters statewide, for a total project cost of $15.0 million. The project includes sandblasting, repainting signage, and replacing defective parts on existing shelters, as well as constructing new shelters. Shelters will have enhanced passenger amenities, such as solar lighting to encourage ridership, improve safety, and make transit more attractive. The Authority's capital budget request notes that, "Currently 12.0 percent of passengers wait for the bus under a shelter. By replacing and expanding this program, RIPTA could potentially expand this benefit to 36.0 percent of the passengers currently riding the system." Additionally, the Authority indicates that improved shelters will enable the sale of more advertisements and estimate $77,000 per month or $924,000 annually in revenue.

Pawtucket Bus Hub Passenger Facility: The Budget provides $2.2 million of RICAP funds in FY2026 for the construction of the Pawtucket Bus Hub Passenger Facility located alongside the Massachusetts Bay Transportation Authority (MBTA) Pawtucket/Central Falls Train Station. In January of 2026, the Authority completed construction of the project and celebrated its opening. The passenger facility provides restrooms, a ticket kiosk, and a covered waiting area for approximately 1,200 daily passengers. The Budget does not provide funding in FY2027.

Kingston Station Mobility Hub: The Budget provides $300,000 of RICAP funds in FY2026 and $840,000 in FY2027 for the Kingston Station Mobility Hub project. The Authority will construct a comprehensive transit hub at Kingston Station, located on Railroad Avenue in West Kingston Village of the Town of South Kingstown. The transit hub will include improved bus facilities and passenger amenities, with connections to RIPTA and Amtrak, as well as to the William C. O'Neill Bike Path. Originally, the plan called for constructing the transit hub at the University of Rhode Island Kingston Campus, but the current plan shifts the hub to Kingston Station. Kingston Station was constructed in 1875 and added to the National Register of Historic Places in 1977.

Paratransit Vehicles: The Budget provides $40.5 million in all funds through FY2031, including $11.1 million in FY2026 and $6.4 million in FY2027 to finance and purchase paratransit vehicles. The Authority maintains a fleet of about 100 vehicles for the paratransit program, also known as RIde. Federal Transit Administration (FTA) guidelines recommend retiring paratransit vehicles at the end of their 5-year useful life. The Authority indicates that they ordered 50 new paratransit vans in FY2026.

Paratransit vehicles are funded via a fee charged for all trips provided through the paratransit program. The proceeds from this fee are put into the Paratransit Revolving Loan Fund, an internal RIPTA mechanism that funds the match for paratransit vehicles. Proceeds from this fee have fallen as the trip volume under the program has reduced. RIPTA continues to review this funding mechanism to determine the long-term impact on paratransit fleet replacement. The FTA pays 80.0 percent of each vehicle replacement cost, and RIPTA pays a 20.0 percent local match from its revolving loan fund. For FY2026, the $11.1 million total encompasses $8.9 million from the FTA and $2.2 million from the revolving fund. In FY2027, the $6.3 million recommendation includes $5.1 million from the FTA and $1.3 million from the revolving fund.

The Authority recently indicates that the above funding mechanism is no longer sustainable and plan to use operating funds for the state-match for paratransit vans, in hopes of securing a state match for all vehicle purchases.

Metro Connector Study: The Budget includes $193,368 of RICAP funds in FY2026 to conduct the Providence High-Capacity Transit Corridor Study, also titled the Metro Connector Study. In Spring 2024, the Authority launched the Metro Connector Study, which explored options for light rail and bus rapid transit to connect downtown Providence and other areas with high-activity areas with low-income neighborhoods across the state. The Authority indicates that "The purpose of the study is to consider options for providing fast, frequent, and reliable transit that connects regional activity centers, residential neighborhoods, business districts, and major transportation hubs across metropolitan Providence." RIPTA is directing the study and working closely with the Department of Transportation and the Department of Administration's Division of Statewide Planning, with leadership and input from the municipalities of Cumberland, Central Falls, Pawtucket, Providence, and Cranston. The project has an estimated total cost of $1.7 million.

IN the project's Summer 2026 update, the Authority notes that it is more than halfway complete and identified four potential corridor alignments, or alternatives. The alternatives selected focus on two general corridors and include options for both Light Rail Transit (LRT) and Bus Rapid Transit. The Authority is accepting public comments via a short survey until September 4, 2026. The following table briefly illustrates the four alternatives identified.

Alternative	Type
1: Central Falls to Cranston (East)	LRT
2: Central Falls to Cranston	LRT
3: Central Falls to CCRI - Warwick	BRT
4: Central Falls to TF Green	BRT

Pawtucket Bus Hub and Transit Corridor: The Budget provides $126,000 of RICAP funds in FY2026 and $63,428 in FY2027 for the Pawtucket Bus Hub and Transit Corridor project. The project relocates the Downtown Pawtucket hub to a site alongside the Pawtucket/Central Falls MBTA station, with improved berths for bus layovers and facilities for RIPTA support personnel. The Authority indicates that the project will "Realign bus service along the City's preferred corridor for multi-modal transportation, extending more service across downtown and better distributing bus passenger activity."

Zero-Emission Bus Purchases: The Budget does not provide RICAP funding for bus purchases in FY2026 or FY2027. However, language in Article 2 provides the Authority with an annual appropriation of Regional Greenhouse Gas Initiative (RGGI) auction proceeds to support the acquisition of zero-emission buses, effective at the start of FY2027. The article directs the Office of Energy Resources to coordinate with the Authority to determine funding needed to purchase zero-emission buses and to provide the Authority with RGGI funds equal to 50.0 percent of the agreed-upon amount. The article directs RIPTA to utilize internal funds for the remaining 50.0 percent of the purchase.

Providence Transit Center: The Budget does not appropriate RICAP funds in FY2026 nor FY2027 for the Providence Transit Center project. The May 2026 revision to the State Transportation Improvement Program (STIP) directs $46.4 million in all funds to the project, with $9.7 million in FFY2026 and $9.6 million in FFY2027. The STIP funding includes $17.2 million from the 2014 Transit Bond, indicating that $4.8 million of the $22.0 million original has been spent before the May 2026 approval of the STIP.

At the August 2026 Board of Directors' Meeting, the Authority indicated that approximately $77.0 million in all funds are committed to the project: $46.4 million in the STIP, a $25.0 million federal USDOT BUILD Grant, and $6.0 million in state match related to the BUILD grant. The table below illustrates the $46.4 million of funding for the project included in the current STIP.

Providence Transit Center

Funding in STIP	FFY2026	FFY2027	FFY2028	FFY029	Total
2014 Transit Bond*	$7.7	$9.6	$0.0	$0.0	$17.2
2024 IFACG	2.0	-	-	-	$2.0
PY 5307	-	-	10.9	10.9	$21.7
RIPTA RICAP Match	-	-	2.7	2.7	$5.4
Total	**$9.7**	**$9.6**	**$13.6**	**$13.6**	**$46.4**

$ in millions, totals may vary due to rounding.

Source: Division of Statewide Planning 2026-2035 STIP Revision 1- May 26, 2026

**The 2014 Transit Bond provided $22.0 million to the project, $4.8 million of which, has been spent prior to FFY2026.*

The Authority selected the vacant space within Station Park in Providence (West of the Providence Train Station) for construction of the bus hub. Alongside Jacobs Engineering and Amtrak, the Authority recently completed extensive inspections and determined the site is feasible. The State of Rhode Island and Amtrak currently own the selected parcels.

The Authority also indicates that it can descope the Transit-Oriented-Development portion of the project from Next Wave's scope and realign the overall contract to focus on designing and constructing a facility, which may free up approximately $10.0 million in bond proceeds. The Board of Directors voted at the August 2026 Board Meeting to reengage Next Wave Partners to work on the project's next steps, which include design, engineering, public engagement, and permitting for the new transit center, which will ultimately result in a final design and project proposal to be brought before the Board of Directors.

- **Background:** The Dorrance Street Transit Center, the project's original title, was initially planned to be located on the blocks bounded by Dorrance Street, Friendship Street, Clifford Street, and Dyer Street, to provide a single location for bus service. RIPTA has since abandoned this site. Additionally, the Transit Center is expected to be a mixed-use development area, with the expansion of nearby retail and housing. RIPTA issued an RFP on January 17, 2023, for the Public Private Partnership (P3).

  At the August 23, 2023, Board of Directors Meeting, RIPTA reported receiving one response to the RFP, and the Authority's Evaluation Team scored the proposal from Next Wave Partners a 95 out of 100. Next Wave Partners is a consortium comprised of Gilbane Development Company, Plenary Americas, Marsella Development, Gilbane Building Company, CUBE 3, and Jacobs. The Board accepted the bid at the August 2023 Board of Directors Meeting.

  At the Special Board of Directors Meeting on January 30, 2024, RIPTA approved the Preliminary Services Agreement for the Joint Business Development Project, funded by the $21.4 million balance of the 2014 Transit Bond. The preliminary services include: site assessment and acquisition, public engagement, progressive design, construction, financing, operation, and maintenance of the Transit Center Joint Development. The contract identifies six tasks that Next Wave Partners will complete in 651 days, or approximately one year and nine months, for a projected cost of $16.9 million. The contract also includes fees for additional services, if necessary. The Authority entered the contract on February 16, 2024, expecting the preliminary services to be complete by November 28, 2025. The following table illustrates the projected costs and completion dates for each task as well as the project overall.

Task	Duration of Task (days)	Projected Cost	Projected Completion Date
Task 1: Kick-Off/ Visioning	72	$1,415,433	4/28/2024
Task 2: Due Dilligence & Conceptual Options Package	105	2,028,476	8/11/2024
Task 3: Basis of Design Report (BODR) Submittal	104	2,155,837	11/23/2024
Task 4: 30% Design Package Submittal	126	3,418,748	3/29/2025
Task 5: 60% Design Package Submittal	116	4,276,291	7/23/2025
Task 6: Definitive Submittal	128	3,579,589	11/28/2025
Total	**651**	**$16,874,374**	**11/28/2025**

At the July 25, 2024, Board of Directors Meeting, RIPTA indicated that the project is on schedule and is currently completing Task 2. Workshop meetings for Communications, Site Analysis, Design/Build, Commercial & Financial, and Operations & Management working groups are continuing, as are biweekly project meetings with Next Wave managers. Additionally, RIPTA is conducting a second round of stakeholder meetings to address concerns raised by stakeholders at the initial meetings.

As of March 6, 2025, the Authority indicates that it is currently working on Task 2, which was expected to be complete on August 11, 2024. The Authority notes that it is performing additional diligence on proposed locations, which has involved discussions with the Board during Executive Sessions.

At the March 27, 2025, Board of Directors Meeting, the Board received Task 2, Part 1, of the project, which includes site evaluations and commercial feasibility. The report indicates that sites closest to the Providence Train Station received the most favorable public responses and therefore recommends two parcels of land for the location. Additionally, the report indicates that the project is "Highly subject to political factors that may be outside of the Project's control, namely the successful negotiation of a property tax deal with the City of Providence; obtaining committed financing under the USDOT's RRIF program, which up to this point has not yet been authorized to finance a residential project."

The Authority's website posted a project update on December 17, 2025, indicating it will begin site investigations on parcels adjacent to the Providence Train Station on Francis Street, which was the preferred location identified through planning and public feedback. The Authority also notes it has identified federal funding for the project, allowing responsible planning without additional state appropriations.

SPECIAL REPORTS

TOC

TOC

Personnel

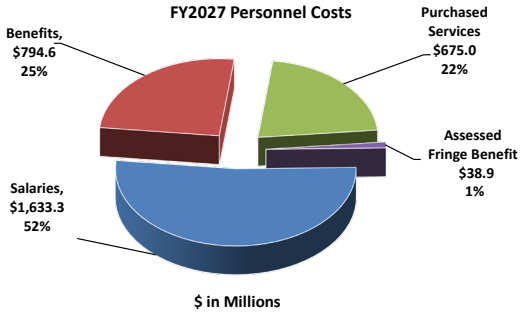
The FY2027 Budget as Enacted includes a total of $3,141.9 million for personnel expenditures, an increase of $252.5 million compared to the FY2026 Budget as Enacted, and $66.6 million more than the FY2026 Final Budget. Salaries and benefits total $2,427.9 million and comprise 77.3 percent of FY2027 personnel expenditures (56.7 percent of the salaries and benefits costs are supported by general revenue). Purchased services increase by $145.8 million.

The FY2026 Final Budget includes $2,929.3 million for personnel expenditures, an increase of $39.9 million compared to the FY2026 Budget as Enacted. Salaries and benefits total $2,323.5 million and comprise 79.3 percent of FY2026 Final personnel expenditures (56.4 percent of the salaries and benefits costs are supported by general revenue). Purchased services increase by $40.5 million.

PERSONNEL EXPENDITURE TRENDS

Expenditures for salaries in FY2027 total $1,633.3 million, comprising 52.0 percent of total personnel costs, an increase of $81.1 million (5.2 percent) from the FY2026 Budget as Enacted. Total benefit costs, excluding assessed fringe benefits costs, amount to $794.6 million and comprise 25.3 percent of total personnel costs. Benefits increase by $23.0 million or 3.0 percent, from the FY2026 Budget as Enacted.

Purchased services costs are $675.0 million, 21.5 percent, of the total personnel costs. Purchased services increase by $145.8 million, 27.6 percent, from the FY2026 Budget as Enacted.



Expenses by Description	FY2024 Actual	% of Total	FY2025 Actual	% of Total	FY2026 Enacted	% of Total	FY2026 Final	% of Total	FY2027 Enacted	% of Total
Salaries	$1,344.7	52.3%	$1,466.5	52.6%	$1,552.2	53.7%	$1,566.8	53.5%	$1,633.3	52.0%
Benefits	633.9	24.6%	706.8	25.4%	771.7	26.7%	756.8	25.8%	794.6	25.3%
Purchased Services	559.5	21.8%	580.0	20.8%	529.2	18.3%	569.7	19.4%	675.0	21.5%
Assessed Fringe Benefits	34.3	1.3%	32.9	1.2%	36.4	1.3%	36.0	1.2%	38.9	1.2%
Total	**$2,572.3**	**100.0%**	**$2,786.2**	**100.0%**	**$2,889.4**	**100.0%**	**$2,929.3**	**100.0%**	**$3,141.9**	**100.0%**

$ in millions. Totals may vary due to rounding.

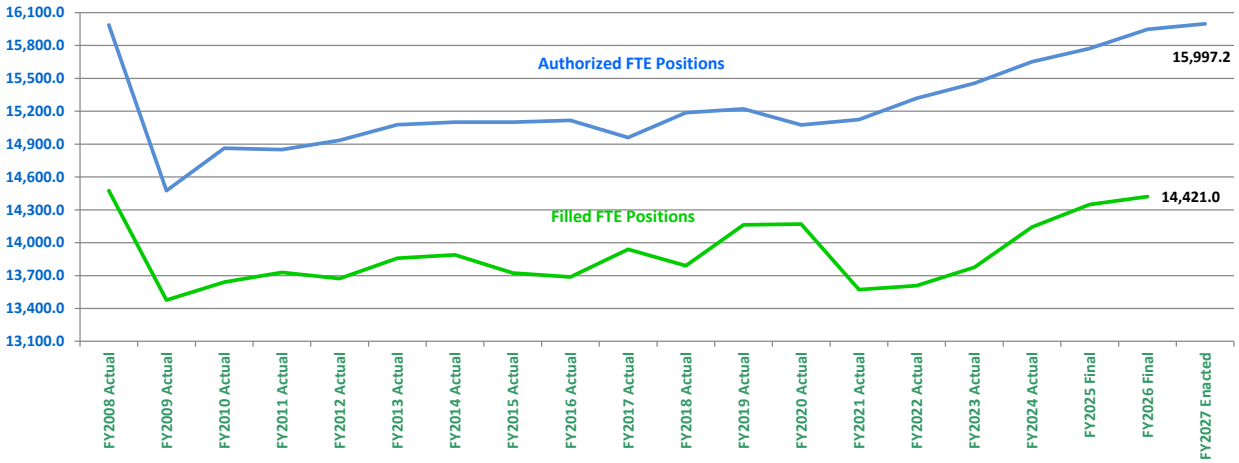
Expenses by Function	FY2024 Actual	FY2025 Actual	FY2026 Enacted	FY2026 Final	FY2027 Enacted	% of Pers. Budget	FY2027 General Revenue	General Revenue % of FY2027 Budget
General Government	$305.4	$342.9	$373.4	$372.4	$388.3	12.4%	$214.2	55.2%
Human Services	729.0	749.1	762.2	798.7	933.7	29.7%	446.8	47.9%
Education	783.5	834.3	854.2	866.2	899.1	28.6%	271.7	30.2%
Natural Resources	75.9	90.2	91.0	95.7	95.7	3.0%	49.4	51.6%
Public Safety	527.9	584.5	618.3	617.0	638.5	20.3%	573.9	89.9%
Transportation	150.5	185.2	190.3	179.3	186.6	5.9%	-	-
Total	**$2,572.3**	**$2,786.2**	**$2,889.4**	**$2,929.3**	**$3,141.9**	**100.0%**	**$1,555.9**	

$ in millions. Totals may vary due to rounding.

FTE POSITIONS

The FY2026 Budget as Enacted authorized 15,921.8 FTE positions. At the start of the fiscal year, 14,333.8 FTE positions (90.0 percent of the enacted authorized amount) were filled, leaving 1,588.0 FTE positions vacant, a rate of 9.9 percent. As of June 15, 2026, the State has a net increase of 87.2 filled FTE positions. Over the past decade, the vacancy rate has averaged 9.0 percent, or 1,369.1 FTE positions.

The FY2027 Budget as Enacted authorizes 15,997.2 FTE positions in FY2027, 75.4 FTE positions more than the previous fiscal year.



The following table illustrates the number of FTE positions by government function.

Government Function	FY2026 Enacted	FY2026 Final	*Change to Enacted*	FY2027 Enacted	% of Total	*Change to Enacted*
General Government	2,595.3	2,596.3	*1.0*	2,565.3	16.0%	*(30.0)*
Human Services	3,859.5	3,882.5	*23.0*	3,930.5	24.6%	*71.0*
Education	4,348.8	4,348.8	-	4,457.2	27.9%	*108.4*
Public Safety	3,347.4	3,348.4	*1.0*	3,305.4	20.7%	*(42.0)*
Natural Resources	471.0	471.0	-	472.0	3.0%	*1.0*
Transportation	755.0	755.0	-	722.0	4.5%	*(33.0)*
Subtotal	**15,377.0**	**15,402.0**	***25.0***	**15,452.4**	**96.6%**	***75.4***
Sponsored Research	544.8	544.8	-	544.8	3.4%	-
Total FTE Positions	**15,921.8**	**15,946.8**	***25.0***	**15,997.2**	**100.0%**	***75.4***

FY2026: The FY2026 Final Budget includes 15,946.8 FTE positions, a net increase of 25.0 FTE positions.

- **An increase of 10.0 FTE positions in the Department of Human Services:** The Budget includes an increase of 10.0 FTE positions to support activities related to implementation and eligibility changes from HRR-1.
- **An increase of 6.0 FTE positions in the Department of Children, Youth, and Families:** The Budget includes an increase of 6.0 FTE positions to support implementation activities related to the consent decree.
- **An increase of 5.0 FTE positions in the Executive Office of Health and Human Services:** The Budget adds 5.0 new FTE positions in FY2026 that are carried into FY2027 to support the new federal Rural Health Transformation Program (RHTP) grant. The positions include the following:
  - Interdepartmental Project Managers/Implementation Coordinators (2.0 FTE positions) – to manage projects, coordinate with stakeholders, monitor progress, ensure compliance with grant terms, and support data collection.

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- Chief Health Program Evaluator (1.0 FTE position) – to oversee data collection, analysis, and reporting to conduct a comprehensive evaluation of RHTP initiatives.
- Chief Public Affairs Officer (1.0 FTE position) – to manage all internal and external communications related to RHTP and ensure transparency and familiarity of RHTP initiates across the state.
- Chief Implementation Aide (1.0 FTE position) – to function as a procurement contracts specialist to manage the purchasing functions under RHTP.

- **An increase of 2.0 FTE positions in the Department of Business Regulation:** The Budget includes an increase of 2.0 FTE positions within the Department of Business Regulation. The new positions include a 1.0 FTE Enforcement Aide and 1.0 Administrative Officer to implement the new Residential and Commercial Structural Remodeling Licensing program, which was enacted in 2025.
- **An increase of 2.0 FTE positions in the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals:** The Budget includes 2.0 FTE positions at the Department related to the Rural Health Transformation Program (RHTP) federal funding award. The RHTP within BHDDH is intended to support recovery centers, crisis and stabilization services, and Westerly Hospital's geriatric psychiatry unit.
- **A decrease of 1.0 FTE position in the Department of Administration:** The Budget transfers a 1.0 Technical Support Specialist III (UNIX/Networks) position who was transferred from Division of Enterprise Technology Strategy and Services (ETSS) within Information Technology to Department of Public Safety (DPS). The position had already been working full-time on DPS issues, and the Department transferred the the position to DPS rather than having it continue to technically be an DOA/ETSS position that was fully billed to DPS.
- **An increase of 1.0 FTE position in the Department of Public Safety:** The Budget increases 1.0 FTE position from the authorized level reflecting the transfer of a 1.0 Technical Support Specialist III (UNIX/Networks) position who was transferred from Division of Enterprise Technology Strategy and Services (ETSS) within Information Technology to Department of Public Safety (DPS).

FY2027: The FY2027 Budget as Enacted includes 15,997.2 FTE positions, a net increase of 75.4 FTE positions from the FY2026 Budget as Enacted and an increase of 50.4 FTE positions from the FY2026 Final Budget. The following are changes in the FY2027 Budget as Enacted:

- **An increase of 110.0 positions in Public Higher Education**: The Budget includes a net increase of 110.0 FTE positions within the State's public higher education system, reflecting a 90.0 FTE position decrease at Rhode Island College and at the Community College of Rhode Island and a 200.0 FTE position increase at the University of Rhode Island. In 2026, the University indicated that it was at risk of exceeding its general FTE cap and implemented a hiring freeze, as the previous authorization failed to keep up with enrollment and growth. To address the fact that the University exceeded its FTE cap, the General Assembly added an additional 200.0 FTE positions. The following table illustrates the three categories of FTE positions within the higher education institutions.

High Education FTEs	Article 1 Total	Regular FTEs	Sponsored Research	Auxiliary	Reg FTEs & Auxiliary
OPC	48.0	47.0	1.0	0.0	
URI	2,871.0	2,042.2	378.8	450.0	
RIC	899.2	823.2	76.0	0.0	
CCRI	809.1	720.1	89.0	0.0	
Total	**4,627.3**	**3,632.5**	**544.8**	**450.0**	**4,082.5**

Over the past 6 years, the Department averaged 50.0 FTE vacancies.

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- **A decrease of 50.0 FTE positions in the Department of Corrections:** The Budget includes a total statewide reduction of 220.0 full-time equivalent (FTE) positions to reflect long-standing unfunded vacancies in several agencies. This reduction lowers the authorization FTE position limit to more closely align with the historical experience on filled and funded positions while maintaining flexibility for immediate needs. This includes a reduction of 50.0 FTE positions within the Department of Corrections. Over the past 6 years, the Department averaged 94.0 FTE vacancies.
- **A net increase of 49.0 FTE positions in the Department of Human Services:** The Budget includes a net increase of 49.0 FTE positions to support activities related to the reopening of the Foxtrot neighborhood in the RI Veterans Home and implementation activities for HR-1.
- **A decrease of 27.0 FTE positions in the Department of Administration:** The Budget includes a total statewide reduction of 220.0 full-time equivalent (FTE) positions to reflect long-standing unfunded vacancies in several agencies. This reduction lowers the authorization FTE position limit to more closely align with the historical experience on filled and funded positions while maintaining flexibility for immediate needs. This includes a reduction of 25.0 FTE positions in the internal service fund program allocation within the Department of Administration. Over the past 6 years, the Department averaged 50.0 FTE vacancies.

  In addition, the Budget includes the transfer a 1.0 Technical Support Specialist III (UNIX/Networks) position who was transferred from Division of Enterprise Technology Strategy and Services (ETSS) within Information Technology to Department of Public Safety (DPS). The position had already been working full-time on DPS issues, and the Department transferred the position to DPS rather than having it continue to technically be a DOA/ETSS position that was fully billed to DPS. Also, the Budget transfers a 1.0 Programming Service Officer position from the Water Resources Board (WRB) within the Planning program to the Department of Environmental Management (DEM).
- **A decrease of 20.0 FTE positions in the Department of Labor and Training:** The Budget includes a total statewide reduction of 220.0 full-time equivalent (FTE) positions to reflect long-standing unfunded vacancies in several agencies. This reduction lowers the authorization FTE position limit to more closely align with the historical experience on filled and funded positions while maintaining flexibility for immediate needs. This includes a reduction of 20.0 FTE positions within the Department of Labor and Training. Over the past 6 years, the Department averaged 43.3 FTE vacancies.
- **An increase of 14.0 FTE positions in the Executive Office of Health and Human Services:** The Budget adds 14.0 new FTE positions in FY2027. This includes 8.0 new FTE positions to support the State's compliance with the provisions of the federal HR-1 bill, including the following:
  - 1.0 new Interdepartmental Project manager FTE position: The Budget includes $183,796 in salary and benefits for an Interdepartmental Project Manager to coordinate HR 1 compliance efforts across EOHHS, DHS, and HealthSource RI (HSRI).
  - 7.0 FTE positions: The Budget includes $1.0 million in salaries and benefits to support 7.0 new FTE positions to support the state Medicaid program in implementing and complying with new the HR-1 requirements.

  The Budget transfers the Olmstead 1.0 FTE position from the DOH to EOHHS to align programmatic direction with where the funding is located but does not include any additional funding although the Executive Office requested an additional $148,065 in general revenue and $49,355 in federal funds to support the position. Olmstead is a 1999 Supreme Court decision that found the segregation of people with disabilities to be discriminatory under the Americans with Disabilities Act (ADA) requiring people with disabilities to have access to the least restrictive setting.

  Lastly, the Budget adds 5.0 new FTE positions in FY2026 that are carried into FY2027 to support the new federal Rural Health Transformation Program (RHTP) grant. The positions include the following:

- Interdepartmental Project Managers/Implementation Coordinators (2.0 FTE positions) – to manage projects, coordinate with stakeholders, monitor progress, ensure compliance with grant terms, and support data collection.
- Chief Health Program Evaluator (1.0 FTE position) – to oversee data collection, analysis, and reporting to conduct a comprehensive evaluation of RHTP initiatives.
- Chief Public Affairs Officer (1.0 FTE position) – to manage all internal and external communications related to RHTP and ensure transparency and familiarity of RHTP initiates across the state.
- Chief Implementation Aide (1.0 FTE position) – to function as a procurement contracts specialist to manage the purchasing functions under RHTP.

- **An increase of 12.0 FTE positions in the Office of Inspector General:** The Budget creates the Office of the Inspector General and provides 12.0 FTE positions within the new Office of Inspector General reflecting the assembling of the Office's initial staff.
- **A decrease of 7.0 FTE positions in the Department of Housing:** The Budget includes a targeted reduction of 7.0 full-time equivalent (FTE) positions to reflect long-standing unfunded vacancies in the Department of Housing. This reduction lowers the authorization FTE position limit to more closely align with the historical experience on filled and funded positions while maintaining flexibility for immediate needs.
- **An increase of 6.0 FTE positions in the Department of Business Regulation:** The Budget includes the two new positions added in the FY2026 Final Budget; a 1.0 FTE Enforcement Aide and 1.0 Administrative Officer to implement the new Residential and Commercial Structural Remodeling Licensing program, which was enacted in 2025. In addition, the Budget adds 2.0 Principal Policy Associates to implement the Pharmacy Benefit Management program (PBM) certification applications, draft regulations, and manage PBM reporting requirements.

  Also, the Budget adds 2.0 FTE positions for the federal Rural Health Transformation Program. This includes:

  - Principal Policy Analyst (Hospitals): Under the general supervision of the Director of Policy, the Principal Policy Analyst will perform work related to hospital payment and delivery system transformation. They will serve as the subject matter expert on alternative hospital payment models and lead initiatives to support adoption of State-approved, quality-linked advanced alternative payment models (APMs), including global budgets, with a focus on rural hospital sustainability and access to care.
  - Principal Policy Analyst (Primary Care): Under the general supervision of the Director of Policy, the Principal Policy Analyst will perform work related to primary care payment and delivery system transformation. They will serve as the subject matter expert on value-based primary care payment models and lead initiatives to support adoption of State-approved, quality-linked advanced alternative payment models (APMs), with a particular focus on primary care capitation and rural provider sustainability.
- **An increase of 6.0 FTE positions in the Department of Children, Youth, and Families:** The Budget includes 5.0 FTE social service analysts and 1.0 FTE caseload worker supervisor to implement necessary changes for the ongoing consent decree.
- **An increase of 4.0 FTE positions in the Office of Energy Resources:** The Budget 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.

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- **An increase of 4.0 FTE positions in the Department of Public Safety:** The Budget adds 4.0 new FTE positions for the Department of Public Safety including 3.0 positions within the E-911 program and 1.0 new position within the State Police program. The recommendation for the E-911 program includes $504,646 in restricted receipts to support 2.0 FTE E-911 Telecommunicator positions and 1.0 FTE E-911 Shift Supervisor position. The Department indicates that the personnel increase will address the deficiencies in the E-911 metrics, reduce burnout and turnover amongst personnel, as well as minimize the number and wait times of calls in the queue.

  The Budget recommends 1.0 FTE Data Processing Systems Manager position to be supported with $227,190 in general revenue for a net increase of $4,309. The position is currently stationed at the Rhode Island State Police Headquarters and exclusively supports the Department of Public Safety but is considered an employee of the Department of Administration's Division of Enterprise Technology and Strategy Services (ETSS). The Department of Public Safety is billed $222,881 internally by the ETSS for the position, which the transfer eliminated.

- **An increase of 3.0 FTE positions in the Judiciary:** The Budget adds 3.0 new FTE positions to support a new Domestic Violence Calendar within the Superior Court. The calendar is projected to increase efficiency and reduce the backlog felony domestic violence cases. The Judiciary reports a current backlog of more than 1,200 felony domestic violence cases. By consolidating and expediting dispositions, the Calendar will improve efficiency, victim safety, and enforcement of bail conditions, no-contact orders, and protective orders.

- **An increase of 2.0 FTE positions in the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals:** The Budget includes 2.0 FTE positions at the Department related to the Rural Health Transformation Program (RHTP) federal funding award. The RHTP within BHDDH is intended to support recovery centers, crisis and stabilization services, and Westerly Hospital's geriatric psychiatry unit.

- **A decrease of 1.6 FTE positions with the Historical Preservation and Heritage Commission:** The Budget includes a targeted reduction of 1.6 full-time equivalent (FTE) positions to reflect long-standing unfunded vacancies in the Historic Preservation and Heritage Commission.

- **An increase of 1.0 FTE position in the Office of the Secretary of State:** The Budget includes an increase of 1.0 FTE position within the Office of the Secretary of State for an Address Confidentiality Program Manager within the Elections Division. The full-time staff person would enable the Department to expand its outreach to partners in law enforcement, healthcare, schools, community-based organizations, and the Courts, and to provide more comprehensive services to program participants. The Address Confidentiality Program (ACP), established in 2022, is one of the lesser-known programs managed by the Department of State. The ACP enables victims of domestic violence, abuse, stalking, sexual assault, or human trafficking to keep their personal information safe from their abuser.

- **An increase of 1.0 FTE position in the Office of the General Treasurer:** The Budget includes an increase of 1.0 FTE position within the Office of the General Treasurer for an additional 1.0 Retirement Aide position to support the customer service operations in the State Retirement System. 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.

- **An increase of 1.0 FTE position in the Office of the Public Defender:** The Budget adds 1.0 new Assistant Public Defender FTE position for the Office of the Public Defender to assist in reducing the Office's well-documented caseload crisis. The recommendation includes $178,668 for the position's salary and benefits.

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- **An increase of 1.0 FTE position in the Department of Environmental Management:** The Budget reflects the transfer of 1.0 Programming Service Officer position from the Water Resources Board (WRB) within the Planning program in the Department of Administration to the Department of Environmental Management (DEM).

STATE EMPLOYEE CONTRACT AGREEMENT

The current state employee collective bargaining agreements (CBAs) between the State and the state employee bargaining units included a 3-year contract. Based on recently negotiated contract bargaining agreements between the State and the state employee bargaining units for a proposed contract, the Budget includes the following cost-of-living adjustments (COLAs): 5.0 percent effective July 1, 2024, 4.0 percent effective July 1, 2025, and 3.0 percent effective on July 1, 2026. The COLAs were extended to non-union employees as well. The Budget includes statewide personnel COLA adjustments in the FY2027 Budget (3.0 percent COLA).

In the State Budget report dated October 24, 2024, the Budget Office provided a cost estimate on the impact of the COLA over the next three years:

State Employee COLA Cost Estimates

COLA Percentage	5.0%	4.0%	3.0%
General Revenue	$45.9	$84.5	$114.6
All fund	$72.1	$131.8	$180.0

$ in millions

Effective Date	Percentage Increase
30-Jun-02	4.5%
27-Jun-04	1.5%
25-Jun-05	2.5%*
26-Jun-05	4.0%
25-Jun-06	3.0%
24-Jun-07	3.0%
21-Jun-09	2.5%
2-Jan-11	3.0%
19-Jun-11	3.0%
6-Apr-14	2.0%
5-Oct-14	2.0%
4-Oct-15	2.0%
1-Jan-18	2.0%**
1-Jan-19	2.5%
1-Jul-19	2.0%
1-Jan-20	1.0%
1-Jul-20	2.5%***
2-Jul-21	2.5%***
1-Jul-22	2.5%
1-Jul-23	2.5%
1-Jul-24	5.0%
1-Jul-25	*4.0%*
1-Jul-26	*3.0%*

**Not compounded on 1.5%*

*** Retroactive payment to January 1, 2018*

**** Retroactive payments paid April 1 and April 29, 2022*

Other adjustments to personnel expenses include turnover reductions and employee health benefit rate changes, as well as other benefit increases in Federal Insurance Contributions Act (FICA) assessed fringe benefits, Medicare, and retirement, that reflect wage changes.

TURNOVER

"Turnover" refers to the cost savings realized in personnel expenditures when authorized state employee positions remain vacant due to retirements, resignations, or hiring delays. The FY2027 Budget lists turnover as a spend/revenue account under the personnel category. This practice started with the Governor's recommendation for the FY2020 Budget. As illustrated in the table, the FY2026 Budget as Enacted contained $79.8 million in turnover savings, of which $63.2 million or 79.2 percent consisted of general revenue funds. The FY2026 Final Budget increases total turnover to $85.5 million, reflecting increased savings of $5.8 million in the final budget. For FY2027, the Budget includes turnover savings of $89.5 million, of which $71.5 million, or 79.9 percent, reflects general revenue.

Turnover by Funding Source

Funding Source	FY2026 Enacted	FY2026 Final	*Change from Enacted*	FY2027 Enacted	*Change from Enacted*
Federal Funds	($9,345,871)	($9,903,975)	*($558,104)*	($9,472,470)	*($126,599)*
General Revenue	(63,173,204)	(65,135,609)	*(1,962,405)*	(71,519,295)	*(8,346,091)*
Other Funds	(6,199,388)	(9,256,764)	*(3,057,376)*	(7,698,633)	*(1,499,245)*
Restricted Receipts	(1,036,866)	(1,232,699)	*(195,833)*	(783,102)	*253,764*
Total	**($79,755,329)**	**($85,529,047)**	***($5,773,718)***	**($89,473,500)**	***($9,718,171)***

In FY2027, turnover is stated in 34 agency budgets. The following table illustrates the top agencies with all fund turnover savings exceeding $1.0 million.

Turnover by Agency	FY2026 Final FTEs	FY2026 Enacted	FY2026 Final	*Change*	FY2027 Enacted FTEs	FY2027 Enacted	*Change*
BHDDH	1,225.4	($20,162,039)	($20,188,366)	*($26,327)*	1,225.4	($21,275,728)	*($1,113,689)*
Department of Corrections	1,461.0	(14,115,122)	(14,747,708)	*(632,586)*	1,411.0	(14,103,540)	*11,582*
Department of Human Services	1,089.0	(8,271,096)	(7,355,890)	*915,206*	1,128.0	(8,032,307)	*238,789*
Community College of Rhode Island	849.1	(6,870,702)	(7,366,506)	*(495,804)*	809.1	(7,619,254)	*(748,552)*
Department of Revenue	605.5	(5,379,507)	(4,981,615)	*397,892*	605.5	(5,693,437)	*(313,930)*
Department of Children, Youth, and Families	719.5	(3,317,857)	(3,558,679)	*(240,822)*	719.5	(4,407,664)	*(1,089,807)*
Rhode Island College	949.2	-	(3,954,940)	*(3,954,940)*	899.2	(4,290,583)	*(4,290,583)*
Judiciary	749.3	(1,976,468)	(3,241,160)	*(1,264,692)*	752.3	(4,169,075)	*(2,192,607)*
Department of Labor and Training	461.7	(3,109,224)	(3,697,677)	*(588,453)*	441.7	(3,458,710)	*(349,486)*
Office of Attorney General	268.1	(1,668,513)	(1,718,881)	*(50,368)*	268.1	(2,167,351)	*(498,838)*
Executive Office of Health and Human Services	248.0	(3,126,927)	(1,680,273)	*1,446,654*	257.0	(1,754,201)	*1,372,726*
Department of Transportation	755.0	(1,882,370)	(4,538,880)	*(2,656,510)*	722.0	(1,711,774)	*170,596*
Department of Public Safety	635.0	(1,262,650)	(1,327,654)	*(65,004)*	638.0	(1,650,494)	*(387,844)*
Department of Health	572.6	(2,112,188)	(1,033,127)	*1,079,061*	572.6	(1,621,169)	*491,019*
Elementary and Secondary Education	342.1	(1,441,964)	(1,249,229)	*192,735*	342.1	(1,526,054)	*(84,090)*
Department of Administration	683.6	(606,711)	(773,735)	*(167,024)*	657.6	(1,264,331)	*(657,620)*
All Other Agencies	4,332.7	(4,451,991)	(4,114,727)	*337,264*	4,548.1	(4,727,828)	*(275,837)*
Total	**15,946.8**	**($79,755,329)**	**($85,529,047)**	***($5,773,718)***	**15,997.2**	**($89,473,500)**	***($9,718,171)***

FTE total includes third-party sponsored research employees in Higher Education

PURCHASED SERVICES

Purchased services expenditures provide for contractors (non-state employees) who deliver special expertise to the State for where the work is temporary or project-specific. There are 10 categories of purchased services: six of the 10 categories: Information Technology, Management and Consultant Services, Training and Educational Services, Design and Engineering, Clerical and Temporary Services, and University and College Services, comprise 90.0 percent of the total FY2027 purchased service expenditures in the Budget as Enacted.

Purchased Services	FY2026 Enacted	FY2026 Final	*Change from Enacted*	FY2027 Enacted	*Change from Enacted*
Information Technology	$103,039,558	$121,636,286	*$18,596,728*	$222,866,179	*$119,826,621*
Management & Consultant Services	137,261,398	129,293,056	*(7,968,342)*	126,564,843	*(10,696,555)*
Training and Educational Services	91,625,344	102,271,865	*10,646,521*	108,056,166	*16,430,822*
Design and Engineering Services	79,431,474	75,560,434	*(3,871,040)*	72,804,483	*(6,626,991)*
Clerical and Temporary Services	22,893,175	41,430,883	*18,537,708*	47,002,077	*24,108,902*
University and College Services	25,999,859	31,368,292	*5,368,433*	30,564,332	*4,564,473*
Medical Services	29,627,848	26,992,134	*(2,635,714)*	26,784,238	*(2,843,610)*
Other Contracts	13,894,315	18,751,880	*4,857,565*	18,289,545	*4,395,230*
Buildings and Ground Maintenance	14,384,423	11,000,253	*(3,384,170)*	11,142,731	*(3,241,692)*
Legal Services	11,047,351	11,383,772	*336,421*	10,962,395	*(84,956)*
Total	**$529,204,745**	**$569,688,855**	***$40,484,110***	**$675,036,989**	***$145,832,244***

The FY2027 Budget as Enacted includes $675.0 million for purchased service expenses, of which $358.4 million is federal funds (53.0 percent), $156.9 million (23.2 percent) is general revenue, $115.3 million is restricted receipts (17.0 percent), and $46.1 million (6.8 percent) is other funds. The FY2027 Budget as Enacted reflects an increase of $145.8 million from the FY2026 Budget as Enacted and an increase of $105.3 million from the FY2026 Final Budget. Twelve state departments account for $610.9 million (90.5 percent) of the appropriation for purchased services, of which two departments have significant changes; Executive Office of Health and Human Services with an increase of $124.0 million; and Elementary and Secondary Education with an increase of $11.8 million.

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Purchased Services	FY2026 Enacted	FY2026 Final	FY2027 Enacted	*Change from Enacted*
Executive Office of Health and Human Services	$153,765,788	$163,821,380	$277,795,377	*$124,029,589*
Elementary and Secondary Education	72,214,507	85,534,545	84,068,523	*11,854,016*
Department of Transportation	71,919,782	67,984,435	67,675,541	*(4,244,241)*
Department of Human Services	28,543,205	36,703,010	34,340,979	*5,797,774*
University of Rhode Island	32,499,064	28,342,385	28,196,285	*(4,302,779)*
Department of Health	24,039,920	31,146,929	25,809,854	*1,769,934*
Department of Corrections	19,461,382	19,821,582	19,632,019	*170,637*
Department of Environmental Management	16,892,605	17,532,245	17,038,323	*145,718*
Department of Revenue	13,500,375	14,453,375	14,706,375	*1,206,000*
BHDDH	12,968,326	14,892,664	14,181,060	*1,212,734*
Department of Labor and Training	8,866,661	7,971,556	13,987,833	*5,121,172*
Department of Administration	13,984,322	15,240,882	13,486,775	*(497,547)*
Department of Children, Youth, and Families	8,980,012	9,605,226	7,618,636	*(1,361,376)*
Rhode Island College	4,909,589	7,020,719	6,891,635	*1,982,046*
Office of the General Treasurer	6,592,300	6,607,300	6,447,300	*(145,000)*
All Other Agencies	40,066,907	43,010,622	43,160,474	*3,093,567*
Total	**$529,204,745**	**$569,688,855**	**$675,036,989**	***$145,832,244***

OVERTIME

Rhode Island state government employees generally earn overtime at one-and-one-half times their regular rate of pay for hours worked beyond 40 in a single work week. The overtime costs in the FY2027 Budget as Enacted totals $108.3 million, $1.5 million more than the FY2026 Budget as Enacted and $5.0 million less than in the FY2026 Final Budget.

General revenue supports 74.1 percent of overtime expenses in FY2027 and supports 76.0 percent of the expenses in the FY2026 Final Budget. 38.3 percent of the total FY2027 projected overtime expenditures for the State occur with the Department of Corrections. As shown in the following chart, actual overtime expenses often exceed budgeted amounts.

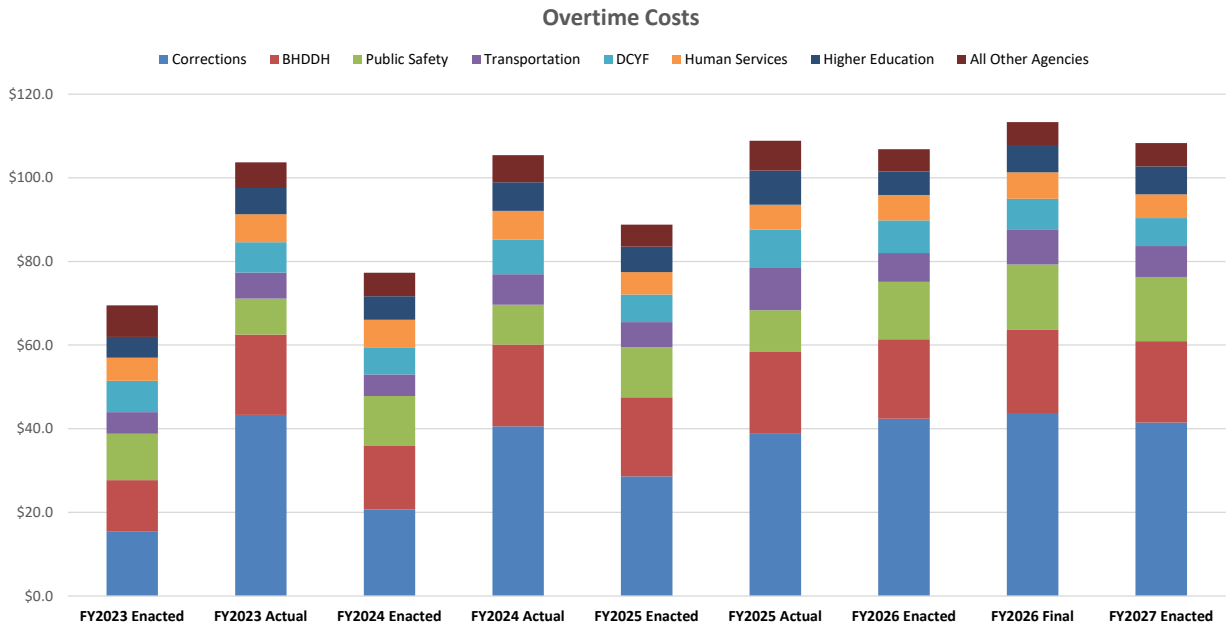
- **Corrections:** The FY2027 Budget as Enacted provides $43.7 million of general revenue ($43.8 million in all funds) to support overtime expenditures in FY2026 and $41.5 million in FY2027. The FY2026 appropriation represents a net general revenue increase of $1.3 million compared to the FY2026 enacted level, primarily due to increases of $1.6 million for the restoration of efficiency savings rendered unachievable by the Department and $1.2 million for expenditures related to the "Blizzard of 2026". The increases are offset by $1.5 million in various reductions, primarily in the Minimum-Security Facility and the Intake Services Center. The FY2027 appropriation of $41.5 million represents a $931,121 decrease from the FY2026 enacted level. The Custody and Security program shows the largest variance, decreasing by $1.2 million from the enacted level, which is slightly offset by increases in the Department's 6 other programs. Retention and recruitment challenges for the Department have led to an increase in vacancies, which in turn have increased overtime costs. To address the vacancies and increase personnel, the Department holds annual training classes and hired 28 correctional officers in FY2024, and 87 in FY2025. In FY2026, the Department hired 48 new correctional officers and lost 26, for a net gain of 22.
- **BHDDH:** The FY2027 Budget as Enacted includes $19.4 million in all funds ($19.3 million of general revenue), reflecting an increase of $433,566. This is a direct reflection of the Agency request and represents their estimate for what overtime will be, driven primarily by hiring challenges at Eleanor Slater Hospital leading to a higher need for overtime by current staff to cover vacancies. Although the value is quite high, the agency cut expenses elsewhere in the budget to fund the high level so the value was considered acceptable.
- **Public Safety:** The FY2027 Budget as Enacted provides $8.1 million in general revenue ($15.7 million in all funds) to support overtime expenditures in FY2026 and $8.2 million ($15.4 million in all funds) in FY2027, reflecting increases of $725,024 and $798,168, respectively, from the FY2026 enacted level. The State Police program shows the largest variance, with general revenue funded overtime

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increasing by $719,242 in FY2026 and $738,824 in FY2027 over the FY2026 enacted level. The Department anticipates increased overtime for security at public events and demonstrations, as well as during the World Cup.

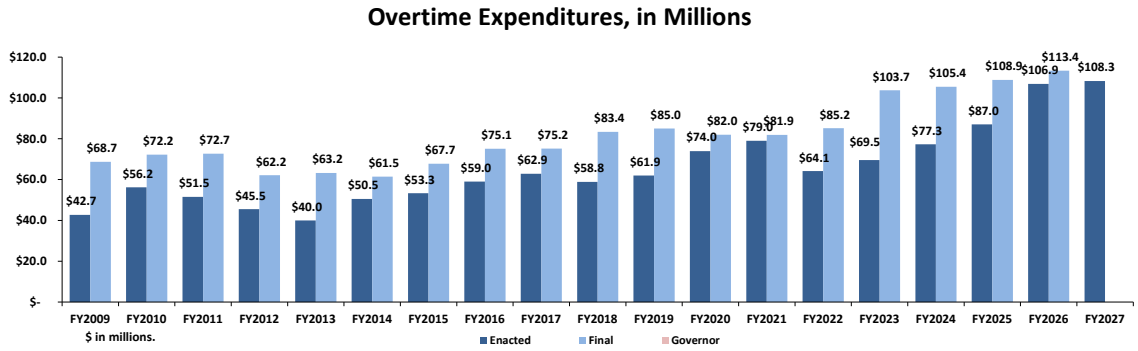
- **Transportation:** The Budget provides $8.4 million for overtime expenditures in FY2026 and $7.4 million in FY2027, representing respective all fund increases of $1.5 million and $500,000 from the FY2026 enacted level. The increase is funded entirely by gas tax receipts and occurs within the winter maintenance account, which, due to the "Blizzard of 2026," has experienced elevated levels of use. At the April 2, 2026, Senate Finance Committee Hearing, the Department indicated that the FY2026 winter operations budget had a projected deficit of $10.0 million to $15.0 million, which will be addressed by reallocating surplus funds from other subsections of the maintenance budget.
- **DCYF:** The Budget provides $5.3 million in general revenue, and $6.7 million in all funds to support overtime expenditures. This is a $910,042 decrease in general revenue and $1.1 million in all funds. The Department reduces personnel overtime charged to the Council on Accreditation, which can be significantly reduced now that accreditation has been obtained and reflects compliance with the existing overtime policy.
- **Human Services:** The Budget provides $1.2 million in general revenue, and $5.7 million in all funds to support overtime expenditures. This is a decrease of $620,690 in general revenue and $409,440 in all funds. This reflects the shift of the weatherization assistance program to the Office of Energy Resources and the reopening of the Foxtrot neighborhood in the VETS home. The VETS home expects to hire additional FTE direct care staff positions, resulting in decreased overtime expenditures.
- **Higher Education:** The Budget provides $1.4 million in general revenue, $6.7 million in all funds, to support overtime expenditures within the three state institutions. This is an increase of $248,706 in general revenue and $1.1 million in all funds. Most of these expenditures are located within the University of Rhode Island, which has continuously asserted that the staffing restraints imposed by the State have failed to keep up with enrollment and research growth. Since the University met the FY2026 FTE cap in June 2025, URI is anticipating similar trends and increased their overtime expenditures in FY2027.

The following chart illustrates the variances between the enacted and actual expenditures on overtime costs. From FY2023 to FY2026 the State has annually spent on average $22.2 million more than budgeted on overtime expenses.



Overtime costs often result from staffing shortages, due either to high turnover rates or insufficient FTE authorizations in the enacted budget. Where there are state or federally mandated minimum staffing levels (such as at Eleanor Slater Hospital in BHDDH), or caseload-driven personnel requirements (such as inmate population levels at the Department of Corrections) agencies must use overtime or contract personnel to provide adequate coverage.

The following chart illustrates the variances between the enacted and actual expenditures on overtime costs. The average variance is $18.1 million over the FY2016 to FY2026 term of the chart.



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Revenue

The Budget increases net general revenue collections by an estimated $341.3 million over November 2025's FY2027 revenue estimate. New revenue initiatives include a new high-earner surtax for taxpayers with annual income of over one million dollars, the expansion of the social security income tax modification, a new refundable child tax credit, decoupling from certain federal tax policies, and new health and human services intitiatives, including the reauthorization of the hospital license fee.

Budget Initiative	Impact
Health and Human Services Initiatives	$210.6
May REC	78.8
Decoupling from Federal Tax Policy	27.7
Tax Amnesty	26.3
New High Earner Surtax	24.9
Refundable Child Tax Credit	(23.1)
Expansion of Social Security Modification	(3.0)
Ratepayer Initiatives	(0.8)
Total	**$341.3**

$ in millions

Totals may vary due to rounding.

Health and Human Services Initiatives ***$210.6 million***

The Budget includes a net $210.6 million increase related to revenue changes associated with certain health and human services 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 of these proposals are elaborated on in the agency expenditure and article sections of this report.

HHS Initiative	Fiscal Impact
Hospital License Fee	$232,549,633
Primary Care Assessment	(22,500,000)
Medicaid Initiatives	686,394
Child Support Pass Through	(167,389)
Total	**$210,568,638**

Hospital License Fee: The Budget includes technical amendments to remove outdated language and continues the hospital license 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 May 2026 Revenue Estimating Conference. The federal government allows states to assess taxes on health care provided that the taxes are broad-based, uniformly imposed throughout a jurisdiction, and do not violate the hold harmless provisions specified in federal regulation. These taxes include revenue from patient care activity but exclude non-patient enterprises such as research, academic activity, or investment earnings. Rhode Island assesses a number of provider taxes, including a hospital licensing fee (HLF) authorized by RIGL 23-17-38.1. The HLF must be authorized annually.

Primary Care Assessment: The Budget sunsets the recently enacted Primary Care Assessment (PCA) on October 1, 2026. The FY2026 Enacted Budget established an assessment on health insurers, estimated at the time to generate approximately $30.0 million annually, to support the advancement of primary care and other critical health care programs. The assessments are currently based on a per-member-per-month fee applied to all insured individuals, including those who are self-insured. The fee is estimated to be about $4.00 per person per month. Subsequent to the PCA, Congress enacted the federal legislation HR-1, which

prohibits increasing or adding new taxes on healthcare providers. These new restrictions render the PCA illegal after October 1, 2026. The loss of the assessment for three quarters of FY2027 is estimated to reduce revenue by $22.5 million.

Medicaid Initiatives: The Budget funds several Medicaid initiatives that result in a net $686,394 increase in revenue in FY2027. These initiatives include funding for the biennial rate adjustments recommended by the Office of Health Insurance Commissioner's for home and community-based services, the dropping of Medicaid coverage for non-diabetic prescription of GLP-1 weight-loss drug, and freezing the rates on substance abuse beds within residential facilities. The following table shows the fiscal impact of each of these initiatives:

Medicaid Initiative	Impact
OHIC Rate Increase	$1,098,841
GLP-1 Coverage Removal	(403,920)
Substance Abuse Residential Services Rate Freeze	(8,527)
Total	**$686,394**

Child Support Pass Through: The Budget increases the child support pass through to $100 for TANF families with one child and $200 for families with more than one child, an increase from $50 per family. The federal Temporary Assistance to Needy Families program (TANF) provides cash assistance, childcare assistance, and workforce training to low-income families. To offset the costs of this federal/state partnership program, states have historically been required to recoup funds from relevant program participants through the collection of child support payments from the non-custodial parents. Since 2005 however; the federal government has eased this requirement, acknowledging the need for reliable child support as a source of income support. The Budget aligns with this shift in federal policy and increases the amount eligible families are allowed to receive. This fiscal impact of this policy change results in an estimated $167,389 reduction in departmental receipt collections and a $228,611 increase in expenditures in DHS in FY2027

May 2026 REC ***$78.8 million***

The Budget assumes $78.8 million in additional revenue as compared to the November 2025 Revenue Estimating Conference (REC) estimates based on adjustments made at the May 2026 REC. The latter increased its business taxes revenue estimate from November by $28.6 million and its personal income tax estimate by $35.0 million. Other taxes and revenues (sales taxes, lottery, departmental receipts, etc.) accounted for another $15.2 million more. The adjustments are summarized below.

FY2027	Nov 2025 REC FY2027 Adopted	May 2026 REC FY2027 Adopted	*Change*	*% Change*
Personal Income Tax	$2,130.8	$2,165.8	*$35.0*	*1.6%*
General Business Taxes	705.6	734.2	*28.6*	*4.1%*
Sales and Excise Taxes	1,905.3	1,909.4	*4.1*	*0.2%*
Other Taxes	126.2	127.5	*1.3*	*1.0%*
Other Revenues	838.7	848.5	*9.8*	*1.2%*
Total	**$5,706.6**	**$5,785.4**	***$78.8***	***1.4%***

$ in millions. Totals may vary due to rounding.

Decoupling from Federal Tax Policy ***$27.7 million***

The Budget assumes an additional $27.7 million in additional revenue resulting from the decoupling the state's tax code from certain portions of the federal tax code that were amended with the passage of HR-1 by Congress in 2025. The following table summarizes the fiscal impact of this initiative:

Background: Rhode Island's tax code conforms to the federal tax code. A key component of conformity relates to what constitutes taxable income. Rhode Island tax filings start with a taxpayer's federal "adjusted gross income" (AGI) as the basis for an individual's state tax liability and with "adjustable taxable income" (FTI) for businesses. Federal policy changes that impact AGI or ATI will generally flow through and impact state revenue.

Budget Changes: Sections 2 and 6 of Article 6 amend the state's tax statutes in a manner that formally decouples the state tax code from three of the new provisions in the federal tax code:

R&D Expensing: Businesses are required to amortize expenditures related to research and development (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 6 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.

Business Interest Limitation: Federal law limits the deduction of interest expenses of a business to 30.0 percent of ATI for a tax year. Prior to HR-1, ATI was defined as earnings before interest and taxes (EBIT). Starting in 2025, ATI was redefined as earnings before interest, taxes, depreciation and amortization (EBITDA). This expanded definition means the allowable deduction becomes greater (decreasing tax liability). By decoupling from this provision of federal, state revenue is estimated to increase by $3.2 million in FY2027.

Small Business Stock Gains: To encourage investment in qualified small businesses, HR-1 allows investors to exclude some or all the gain from stock in those businesses. Historically, stock held for five years has been eligible for a 100 percent exclusion of any gains on its sale. HR-1 expanded the exclusion by making it available prior to five years. Under HR-1 there are three tiers of capital gain exclusion: 50.0 percent for stock held for three years, 75.0 percent for stock held for four years, and 100 percent for stock held for five years or more. Excluding these gains lowers AGI and therefore state tax liability. Decoupling from this provision results in an increase in state revenue beginning in FY2029.

Fiscal Impact: The Office of Revenue Analysis (ORA) based its fiscal impact estimate on the October 2025 DOR report and that the sections take effect upon passage. According to ORA the report utilized the revenue loss estimates for the various policy changes as calculated by Congress' Joint Committee on Taxation. These were proportionately reduced based on size of Rhode Island's corporate tax base and adjusted for federal and state fiscal years. The original revenue losses were included in the November 2025 revenue estimates. The ORA assumes that by reverting to pre-HR-1 treatment of the policies, the estimate would simply add back the original forecasted losses. The following shows the impact through FY2031.

Initiative	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
R&D Expensing	$22.6	$22.6	$10.9	$8.0	$2.8	$2.0
Business Interest Limitation	-	3.2	4.7	4.6	4.5	4.7
Small Business Stock Gains	-	1.9	3.5	3.8	4.7	6.7
Total	**$22.6**	**$27.7**	**$19.1**	**$16.5**	**$12.0**	**$13.4**

$ in millions

Tax Amnesty ***$26.3 million***

The Budget includes a tax amnesty program for a 75-day period ending February 15, 2027. The program is estimated to generate $26.3 million in FY2027. A tax amnesty program is an initiative that state and local jurisdictions may periodically use to incentivize voluntary compliance with tax laws. Amnesty programs are typically for a defined period during which individuals with outstanding tax liabilities are permitted to

settle the debt without facing criminal or civil penalties. In addition, the rate of interest on back taxes is typically reduced and payment plans may be offered. The amnesty may apply to some or all tax types. Amnesty programs are typically beyond the scope of a tax administrator's authority and therefore are usually initiated through legislation.

Rhode Island has implemented tax amnesty programs five times, with the most recent being in 2017. That amnesty ran for 75 days (ending on February 15, 2018) and was open to non-filers and to those who had a record of a tax debt with the Division of Taxation. All major tax types were included. The initiative was authorized by the FY2018 Budget as Enacted and was estimated at the time to generate $12.5 million. It ultimately collected $22.0 million (with $11.0 million coming from personal income tax receipts).

Section 1 of Article 6 authorizes the 75-day tax amnesty period ending February 15, 2027, and includes the statutory language to effectuate the amnesty, including the waiving of penalties and interest reductions.

Fiscal Impact: The tax amnesty program is estimated to generate $26.3 million in general revenue. The Office of Revenue Analysis (ORA) used collections data from the 2007, 2013, and the 2018 amnesty periods to develop the FY2027 fiscal impact. These programs reported data on how much known tax liability and interest revenue was collected by each tax type. They also reported data on how much new revenue (not in the known tax liability receivable amount) was collected by tax type. ORA assumed that the difference between new revenues from total revenues represents the revenue collected against the current receivable for each tax type. The following table summarizes ORA's estimated collections by tax type and by debts collected against the receivable and new revenue:

Revenue Category	Existing Debts	New Revenue	Total
Personal Income Tax	$6,972,864	$1,824,616	$8,797,480
Sales and Use Tax	2,034,759	2,327,362	4,362,121
Business Corporations Tax	1,403,749	1,084,599	2,488,348
Other Tax Types	1,670,930	1,026,415	2,697,345
Interest Payments	5,372,987	2,629,712	8,002,699
Total	**$17,455,289**	**$8,892,704**	**$26,347,993**

New High Earner Surtax ***$24.9 million***

The Budget assumes an increase in revenue of $24.9 million in FY2027 based on the imposition of a new high earner surtax. This grows to $73.3 million in FY2028.

The following tables illustrate how the new surtax impacts taxpayer income tax liability.

- **For Tax Year beginning January 1, 2027:**

Article 6 Tax Rate Schedule (personal income)*

Taxable Income Over	But not over	Pay	Plus percent on excess	of the amount over
$0	$82,050	$0	3.75%	$0
82,050	186,450	3,077	4.75%	82,050
186,450	1,000,000	8,036	5.99%	186,450
1,000,000	-	56,768	5.99% + 1.00% = 6.99%	1,000,000

- **For Tax Year beginning January 1, 2028:**

Article 6 Tax Rate Schedule (personal income)*

Taxable Income

Over	But not over	Pay	Plus percent on excess	of the amount over
$0	$82,050	$0	3.75%	$0
82,050	186,450	3,077	4.75%	82,050
186,450	1,000,000	8,036	5.99%	186,450
1,000,000	-	56,768	6.99% + 1.00% = 7.99%	1,000,000

- **For Tax Years beginning January 1, 2029, and after:**

Article 6 Tax Rate Schedule (personal income)*

Taxable Income

Over	But not over	Pay	Plus percent on excess	of the amount over
$0	$82,050	$0	3.75%	$0
82,050	186,450	3,077	4.75%	82,050
186,450	1,000,000	8,036	5.99%	186,450
1,000,000	-	56,768	7.99% + 1.00% = 8.99%	1,000,000

** Tables are for illustrative purposes only and is based on the existing TY2026 adjusted thresholds. The new bracket does not go into effect until TY2027, at which time the threshold amounts for the first three brackets will have been adjusted for inflation.*

Pass-through Entity Changes: Section 2 of the article amends RIGL 44-11-3(a)(2) by modifying the rate, beginning in tax year 2027, that a pass-through entity (PTE) is subject to when members elect to pay their tax liability at the entity level as opposed to their personal income tax. The rate remains 5.99 percent on income up to $1.0 million, above which it is then subject to the phased-in value of the surtax.

Fiscal Impact: ORA estimates the fiscal impact of a new high earner tax bracket to be $22.7 million in FY2027 (one-half year impact). The following table summarizes the out-year revenue growth from the new tax rate.

Fiscal Year	Fiscal Impact
FY2027	$24,888,370
FY2028	73,335,818
FY2029	119,756,494
FY2030	144,661,202
FY2031	149,035,075

Refundable Child Tax Credit ***($23.1 million)***

The Budget establishes a new $330 per child refundable tax credit (CTC) for certain eligible taxpayers to be used to offset personal income taxes or, in certain circumstances, increase personal income. The credit is for Rhode Island resident taxpayers with dependents 18 years old or younger with a federal adjusted income (AGI) of less than $100,000 if filing individually, married but filing separately, as head of household, or as a qualifying widow or widower; or with an AGI of less than $125,000 if married and filing jointly. The credit phases out starting at AGI income of $88,500 and $110,640 respectively for the two categories of filers described above. The new credit and the income limits would be adjusted annually for inflation.

Fiscal Impact: ORA estimates the revenue loss associated with the child tax credit in FY2027 to be $23.1 million in FY2027 and $46.6 million in FY2028. The out-year impact is summarized in the following table:

Fiscal Year	Fiscal Impact
FY2027	($23,121,798)
FY2028	(46,644,998)
FY2029	(47,701,744)
FY2030	(49,049,841)
FY2031	(50,532,877)

When evaluating the fiscal impact of the child tax credit, ORA used a personal income tax simulation model that uses the latest full set of tax return data (TY2023).

Expansion of Social Security Modification ***($3.0 million)***

The Budget assumes a reduction of $3.0 million in revenue based on the elimination of the age requirement to be eligible for the state's personal income tax social security modification. Section 5 of Article 6 expands the state's social security modification, beginning tax year 2027, by amending the eligibility rules by eliminating the requirement for the taxpayer to have reached full Social Security retirement age. The following table shows the current income thresholds to be eligible for the modification. These thresholds are adjusted annually for inflation every November.

Social Security Modification - Income Limit	
Single	$107,000
Married Filing Jointly	133,750
Head of Household	107,000
Married Filing Separately	107,000

Fiscal Impact: The expansion of the social security modification is estimated to result in a $3.0 million revenue loss in FY2027, based upon a January 1, 2027, start date.

Fiscal Year	Fiscal Impact
FY2027	($3,025,896)
FY2028	(6,104,323)
FY2029	(6,242,617)
FY2030	(6,419,039)
FY2031	(6,613,121)

The Office of Revenue Analysis based its estimates on several assumptions and variables. Using data from the most complete tax return data (TY2023), ORA determined that there will be an estimated 10,600 total taxpayers who will experience relief from the expansion of the social security modification.

Taxpayer	TY2027
resident	9,200
non-resident	1,400
Total	**10,600**

Source: ORA, based on data from TY2023 tax returns

The TY2023 data was used by ORA to produce a simulation for the expanded eligible taxpayers. Estimated threshold amounts similarly were derived from TY2023 levels and adjusted for inflation and policy changes. ORA takes the tax simulation results and then converts them from tax years to fiscal years. For the out-year impacts ORA incorporates data from the May 2026 revenue estimating conference as well as the Budget Office's out-year projections.

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Ratepayer Initiatives ***($841,830)***

The Budget includes several energy affordability initiatives in FY2027 resulting in a net $841,830 loss in public utilities gross earnings tax revenue from electricity charges. Details on these initiatives can be found in the Article 11 section of this report.

FY2026 FINAL CHANGES

The Budget includes a $22.6 million increase in revenues above November 2025's FY2026 revenue estimate related to the decoupling of state tax policy from federal research and development expensing rules.

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

The Budget 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 6 of the 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.

FY2026 Final and FY2027 Enacted Revenues

	FY2026 Final	FY2027 Enacted
Personal Income Tax	$2,145.9	2,175.2
General Business Taxes		
Business Corporations	364.0	383.3
Public Utilities Gross Earnings	118.6	123.2
Financial Institutions	22.5	16.8
Insurance Companies	180.7	181.3
Bank Deposits	5.5	5.7
Health Care Provider Assessment	53.6	53.7
Sales and Use Taxes		
Sales and Use	1,724.0	1,780.4
Cigarettes	116.5	113.0
Alcohol	20.4	20.6
		-
Other Taxes		-
Inheritance and Gift	96.2	94.3
Racing and Athletics	0.7	0.7
Realty Transfer	28.8	33.3
		-
Total Taxes	4,877.4	4,981.5
Departmental Receipts	575.0	561.9
Taxes and Departmentals	5,452.4	5,543.4
Other Sources		
Other Miscellaneous	29.7	19.0
Lottery	446.3	447.9
Unclaimed Property	44.6	37.6
Other Sources	520.6	504.5
Total General Revenues	**5,973.0**	**6,047.9**

$ in millions

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Municipal Aid

The Budget includes $424.1 million in state aid to municipalities in FY2027. This is $9.7 million more than the FY2026 enacted level. The net increase is primarily related to increased estimated hotel tax revenue (including new receipts from the whole house short-term rental tax) and the 2.0 percent sales inflation adjustment for the motor vehicle excise tax aid program.

Funding for the Distressed Community Relief program is $940,571 more than the enacted level reflecting the addition of East Providence to the program. The Payment in Lieu of Taxes program is reduced by $2.3 million for a total of $49.0 million (full 27.0 percent cap).

Meal and Beverage Tax revenue is projected to increase by a total of $3.1 million for FY2027 and the Hotel Tax is projected to increase by $5.4 million over the FY2026 enacted level. Tables showing impacts by community are included at the end of this analysis.

Program	FY2026 Enacted	FY2026 Final	*Change from Enacted*		FY2027 Enacted	*Change from Enacted*	
Payment in Lieu of Taxes	$51.3	$51.3	-	-	$49.0	*(2.3)*	*-4.5%*
Distressed Communities	14.9	14.9	-	-	15.8	*0.9*	*6.0%*
Motor Vehicle Excise Tax	239.6	239.6	-	-	244.3	*4.7*	*2.0%*
Tangible Tax Reimbursement	25.9	25.9	-	-	25.9	-	*0.0%*
State Aid to Libraries							
Grant-in-Aid	12.1	12.1	-	-	12.5	*0.4*	*0.0*
Library Construction	2.1	2.1	-	-	2.1	-	-
Total Direct Aid	**$345.9**	**$345.9**	**-**	**-**	**$349.6**	***$3.7***	***1.1%***
Public Service Corporations Tax	$15.7	$15.7	-	-	$13.2	*(2.5)*	*(0.2)*
Meals & Beverage Tax	42.0	43.2	*1.2*	*2.9%*	45.1	*3.1*	*7.4%*
Hotel Tax	9.9	10.5	*0.6*	*6.1%*	15.3	*5.4*	*54.5%*
Airport Impact Aid	1.0	1.0	-	*0.0%*	1.0	-	*0.0%*
Total Indirect Aid*	**$68.6**	**$70.4**	***$1.8***	***2.6%***	**$74.6**	***$6.0***	***8.7%***
Total Aid	**$414.5**	**$416.3**	***$1.8***	***0.4%***	**$424.2**	***$9.7***	***2.3%***

$ in millions.Totals may vary due to rounding.

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

DIRECT AID TO LOCAL GOVERNMENT

Payment in Lieu of Taxes (PILOT)

The Payment in Lieu of Taxes (PILOT) program was established in 1986 to reimburse cities and towns for property taxes that would have been due on real property owned by entities that are statutorily exempt from paying taxes. These entities include private nonprofit institutions of higher education, nonprofit hospitals, or any state-owned property such as hospitals, veterans' residential facilities, or correctional facilities. The objective is to offset the costs to the community for providing public safety or other municipal services to these properties. In determining the amount of each municipality's share of the aid appropriation, the Division of Municipal Finance uses actual assessment data and foregone tax

PILOT Funding Trends

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

$ in millions.

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revenue as of December 31 of the calendar year preceding the annual data submission deadline. The following table lists the properties that are counted towards the PILOT program:

PILOT Properties by Municipality

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

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

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

Distressed Community Relief

The Distressed Community Relief aid program was established in 1990 to provide State assistance to communities with the highest property tax burdens relative to the wealth of taxpayers. The Budget includes $15.8 million in general revenue for the Distressed Community Relief Fund in FY2027, $940,571 above the FY2026 enacted level.

Qualification for distressed community relief funds is based upon four inputs – percent of tax levy to full value of property, per capita income, percent of personal income to full value of property, and per capita full value of property. This data is updated annually from the census data and certified by the Division of Municipal Finance. Distribution of funds is based on the ratio of an eligible municipality's tax levy to the total tax levy of all eligible municipalities. The program allows for transitional funding for when a community is either newly eligible or determined to no longer be eligible for the program. This funding is 50.0 percent of its proportional share.

- **FY2026:** The Town of Coventry qualified as a distressed community in FY2026 and received a 50.0 percent appropriation of $804,459. The remaining 50.0 percent of Coventry's appropriation is divided

among the remaining six qualified distressed communities. In FY2027 Coventry is appropriated the full formula amount of $1.6 million.

- **FY2027:** At the time the Governor submitted the Budget to the General Assembly at the beginning of January 2026, the data needed to determine which communities are eligible for Distressed Community had not been released by the U.S. Census. The delay required the Division of Municipal Finance to use 2024 Census data to calculate a distribution estimate (as shown in the table above). The data has subsequently been updated by the U.S. Census for 2025. The new information indicates that East Providence is now eligible for the program in FY2027. Like Coventry in FY2026, East Providence will receive 50.0 percent of its proportional share in FY2027 and its full formula share in FY2028. The following table shows the revised distribution:

Municipality	FY2026 Enacted	FY2027 Enacted	*Change*
Central Falls	$305,400	$283,906	*($21,494)*
Coventry	804,459	$1,581,885	*777,426*
East Providence	-	940,553	940,553
North Providence	1,275,820	1,165,299	*(110,521)*
Pawtucket	2,021,793	1,930,435	*(91,358)*
Providence	8,185,589	7,781,883	*(403,706)*
West Warwick	1,295,536	1,198,229	*(97,307)*
Woonsocket	995,860	942,839	*(53,021)*
Total	**$14,884,458**	**$15,825,029**	***$940,571***

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

Motor Vehicle Excise Tax

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

Current law (RIGL 44-34.1-2 (c)) also provides that beginning in FY2026, the car tax reimbursement provided to municipalities will include an annual adjustment indexed to growth in the state sales tax and subject to a cap of 2.0 percentage point increase from the previous year. This adjustment was originally enacted to mitigate potential foregone revenue loss subsequent to the elimination of the car tax due to changes in the economy. As sales tax revenue grows (or decreases), the State reimbursement to municipalities grows (or decreases), proportionately. The estimated final annual aid distribution in FY2026, inclusive of the sales tax adjustment totals $239.6 million and $244.3 million in FY2027.

Article 5 of the Governor's FY2027 budget recommendation made statutory changes that permit the sales tax adjustment to take place and be distributed through FY2026 only and then locked in the reimbursement to the FY2026 amount. The annual sales tax growth adjustment first has a fiscal impact in FY2026. The FY2027 Budget as Enacted does not include changes and preserves the adjustment.

Tangible Tax Changes

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

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

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

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

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

State Aid to Libraries

Grant-in-Aid: State aid to libraries is distributed based on the city or town's expenditure level as a percentage of the total expenditures by all communities statewide. In order to be eligible for these funds, cities and towns must maintain their level of support for public library services at 100.0 percent of the previous year's funding from the local tax base. The Budget provides cities and towns with $14.6 million in total direct library aid in FY2027 equal to the FY2026 enacted level. This includes $1.2 million in funding for the Statewide Reference Library Resource Grant that supports interlibrary services for all municipal libraries. Distribution of direct library aid is based on qualifying data from the statutory reference year. Current law requires reimbursement of 25.0 percent of second prior year expenses but allows for a ratable reduction if the appropriation is less than this amount. The FY2027 appropriation is funded at 25.0 percent.

	Library Aid			
Fiscal Year	Grant in Aid*	Construction	Total Aid	% Change
2022	$9.6	$2.1	$11.7	*-4.9%*
2023	11.0	1.9	12.9	*9.8%*
2024	11.5	2.1	13.6	*5.8%*
2025	11.9	2.2	14.1	*3.7%*
2026	12.1	2.1	14.2	*0.7%*
2027	12.5	2.1	14.6	*2.8%*

$ in millions

**Inclusive of the Statewide Reference Library Resources Grant*

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

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

INDIRECT AID TO LOCAL GOVERNMENT

Public Service Corporation Tax

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

Public Service Corporation Tax

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

$ in millions

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

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

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

Meals and Beverage Tax

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

Meals & Beverage Tax

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

$ in millions

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

Hotel Tax

The State levies a 5.0 percent gross receipts tax on charges for occupancy of any space furnished in buildings or structures with a minimum of three rooms that are kept, used, maintained, advertised, or held out to the public to be a space where living quarters are supplied for pay for transient use (30 days or less). This tax is collected by the hotel and remitted to the Division of Taxation on a monthly basis. This tax is in addition to all other taxes and fees currently imposed. The Division of Taxation collects the tax and is responsible for distribution, except for the City of Newport, which is

authorized to collect and disburse taxes from all hotels physically located in the city. 25.0 percent of the revenue from the 5.0 percent hotel tax is distributed to the city or town where the hotel which generated the tax is physically located.

The FY2016 Budget as Enacted expanded the hotel tax to include vacation home rentals, small bed and breakfasts, hotel room resellers, and partial-home room rentals from unlicensed lodging. The FY2026 Budget as Enacted Article 5 of the Budget increased the 1.0 percent local occupancy tax to 2.0 percent and added a new 5.0 percent whole house short-term rental tax.

The Budget includes $10.5 million in estimated hotel tax distribution in FY2026 and $15.3 million in FY2027 and reflects the additional whole house short-term rental tax.

Hotel Tax Distribution

Fiscal Year	Total Distribution	*Change*
2023	6.5	-
2024	6.7	*3.1%*
2025	7.0	*4.5%*
2026	10.5	*50.0%*
2027	15.3	*45.7%*

$ in millions

OTHER AID TO LOCAL GOVERNMENT

Warwick Rental Car Tax Revenue

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

Airport Impact Aid

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

The following table shows the estimated distribution of Airport Impact Aid for FY2026 and FY2027:

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

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

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

Property Revaluation Reimbursement

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

Property Revaluation Program

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

$ in millions

				FY2027 Direct Aid				
Municipality	FY2026 Enacted	Payment in Lieu of Taxes	Distressed Communities Relief Fund	Library Aid	Motor Vehicle Excise Tax	Tangible Property	FY2027 Budget	*Change from FY2026*
Barrington	$6,478,976	$19,206		$391,531	$6,133,578	$83,638	$6,627,953	*$148,977*
Bristol	4,734,981	1,272,090		261,547	3,030,134	147,284	4,711,055	*(23,926)*
Burrillville	5,513,841	45,450		244,996	5,253,862	72,656	5,616,963	*103,122*
Central Falls	2,826,938	-	283,906	37,674	2,174,855	351,907	2,848,341	*21,403*
Charlestown	1,118,678	-		72,348	1,050,775	18,324	1,141,447	*22,769*
Coventry	7,430,108	-	1,581,883	287,078	6,109,142	365,715	8,343,817	*913,709*
Cranston	28,893,537	3,594,530		868,975	23,239,176	1,738,596	29,441,277	*547,740*
Cumberland	7,089,656	-		380,105	6,329,071	505,178	7,214,354	*124,698*
East Greenwich	4,126,790	961,042		159,711	2,516,966	546,636	4,184,355	*57,565*
East Providence	14,378,249	308,356	940,553	580,023	11,900,608	1,883,783	15,613,323	*1,235,074*
Exeter	2,398,565	-		71,746	2,321,474	53,418	2,446,638	*48,073*
Foster	1,822,668	-		46,500	1,710,560	100,687	1,857,747	*35,079*
Glocester	2,723,047	-		102,486	2,468,093	203,566	2,774,145	*51,098*
Hopkinton	1,888,497	-		48,019	1,686,123	189,737	1,923,879	*35,382*
Jamestown	792,228	-		126,271	659,787	23,473	809,531	*17,303*
Johnston	12,118,006	-		148,469	10,800,963	1,391,119	12,340,551	*222,545*
Lincoln	6,553,420	-		272,137	5,913,649	483,036	6,668,822	*115,402*
Little Compton	467,654	-		48,353	390,985	35,997	475,335	*7,681*
Middletown	2,493,347	-		185,911	2,052,672	300,020	2,538,603	*45,256*
Narragansett	2,159,665	-		241,179	1,906,052	77,223	2,224,454	*64,789*
Newport	4,579,511	1,526,284		516,294	2,321,474	304,205	4,668,257	*88,746*
New Shoreham	294,751	-		118,268	171,056	14,181	303,505	*8,754*
North Kingstown	6,182,144	55		379,508	5,595,974	329,980	6,305,517	*123,373*
North Providence	12,252,416	-	1,165,299	267,977	10,018,993	907,238	12,359,507	*107,091*
North Smithfield	5,027,719	-		103,383	4,569,638	449,370	5,122,391	*94,672*
Pawtucket	20,769,987	2,793	1,930,435	534,108	17,178,907	1,377,212	21,023,455	*253,468*
Portsmouth	2,780,837	-		146,003	2,516,966	168,858	2,831,828	*50,991*
Providence	90,430,003	37,144,858	7,781,883	2,722,742	35,530,769	6,101,330	89,281,583	*(1,148,420)*
Richmond	1,620,422	-		32,067	1,515,067	104,948	1,652,082	*31,660*
Scituate	2,305,263	-		151,782	2,052,672	146,895	2,351,349	*46,086*
Smithfield	10,247,065	1,802,349		388,647	7,379,843	1,331,050	10,901,889	*654,824*
South Kingstown	4,681,482	169,364		285,938	4,080,907	211,379	4,747,588	*66,106*
Tiverton	2,079,600	-		161,500	1,808,306	153,001	2,122,807	*43,207*
Warren	2,391,924	-		79,380	2,174,855	179,960	2,434,195	*42,271*
Warwick	31,533,887	1,756,150		946,468	26,293,747	3,080,934	32,077,299	*543,412*
Westerly	6,998,244	125,925		474,336	6,011,396	485,171	7,096,828	*98,584*
West Greenwich	1,603,466	-		78,603	1,392,884	163,578	1,635,065	*31,599*
West Warwick	8,155,008	-	1,198,229	240,910	5,913,649	829,938	8,182,726	*27,718*
Woonsocket	11,944,597	320,690	942,839	261,386	9,701,317	834,588	12,060,820	*116,223*
SRL[1]	1,169,541	-		-	-	-	-	*(1,169,541)*
ILG[2]	81,264	-		81,550	-	-	81,550	*286*
LCA[3]	2,115,628	-		2,097,515	-	-	2,097,515	*(18,113)*
Fire Districts	617,851	-		-	464,295	162,660	626,955	*9,104*
Total	**$345,871,460**	**$49,049,142**	**$15,825,026**	**$14,643,424**	**$244,341,241**	**$25,908,469**	**$349,767,302**	***$3,895,840***

[1]SRL: Statewide Reference Library Resources Grant (included in Providence's allocation)

[2] ILG: Grant-in-Aid to Institutional Libraries

[3]LCA: Library Construction Aid

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FY2027 Indirect Aid

Municipality	FY2026 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees[1]	FY2027 Budget	*Change from FY2026 Enacted*
Barrington	$430,383	$206,352	$4,229	$281,110	-	$491,691	$61,308
Bristol	1,201,108	269,103	97,507	801,378	-	1,167,988	(33,120)
Burrillville	514,262	195,861	318	294,898	-	491,077	(23,185)
Central Falls	617,116	271,080	720	320,579	-	592,380	(24,736)
Charlestown	526,481	96,671	165,083	259,064	-	520,818	(5,663)
Coventry	1,285,556	431,165	115,551	665,528	-	1,212,244	(73,312)
Cranston	4,184,768	996,394	36,556	3,203,509	-	4,236,458	51,690
Cumberland	1,279,526	438,798	1,018	779,299	-	1,219,115	(60,411)
East Greenwich	1,383,160	173,723	4,137	1,250,385	-	1,428,245	45,085
East Providence	2,270,623	566,374	76,908	1,679,317	-	2,322,599	51,976
Exeter	274,139	85,613	831	177,634	-	264,078	(10,061)
Foster	90,892	54,033	1,857	19,366	-	75,256	(15,636)
Glocester	282,293	121,390	3,083	152,845	-	277,318	(4,975)
Hopkinton	188,489	101,542	2,722	62,622	-	166,886	(21,603)
Jamestown	307,389	66,863	86,532	173,551	-	326,945	19,556
Johnston	1,568,353	356,428	16,459	1,201,332	-	1,574,219	5,866
Lincoln	1,729,578	272,166	236,375	1,110,953	25,034	1,644,527	(85,051)
Little Compton	168,025	43,422	58,143	56,254	-	157,819	(10,206)
Middletown	3,430,337	204,025	1,568,474	1,299,284	33,482	3,105,264	(325,073)
Narragansett	1,817,611	175,326	544,395	1,104,390	-	1,824,111	6,500
Newport	9,214,191	301,805	4,281,367	3,995,573	-	8,578,745	(635,446)
New Shoreham	1,947,477	9,996	1,086,805	623,945	44,684	1,765,430	(182,047)
North Kingstown	1,612,691	334,446	157,562	1,014,938	56,332	1,563,278	(49,413)
North Providence	1,228,862	409,255	3,448	840,835	-	1,253,538	24,676
North Smithfield	676,771	151,728	5,940	521,728	-	679,397	2,626
Pawtucket	2,589,203	907,742	106,595	1,476,912	-	2,491,249	(97,954)
Portsmouth	784,614	213,913	39,567	509,946	-	763,426	(21,188)
Providence	15,097,309	2,293,639	2,698,487	9,274,083	-	14,266,209	(831,100)
Richmond	400,790	97,756	61,862	267,594	-	427,212	26,422
Scituate	272,914	125,610	10,289	118,763	-	254,662	(18,252)
Smithfield	1,915,720	266,185	238,251	1,377,553	25,034	1,907,023	(8,697)
South Kingstown	2,224,279	385,923	394,347	1,354,785	-	2,135,055	(89,224)
Tiverton	718,649	196,066	9,455	502,337	-	707,858	(10,791)
Warren	752,157	134,304	3,740	638,133	-	776,177	24,020
Warwick	7,977,295	999,275	1,362,183	4,495,213	769,903	7,626,574	(350,721)
Westerly	3,412,062	281,173	1,418,920	1,528,633	55,567	3,284,293	(127,769)
West Greenwich	454,390	79,560	137,418	187,099	-	404,077	(50,313)
West Warwick	1,243,790	374,106	169,665	627,595	-	1,171,365	(72,425)
Woonsocket	1,531,942	519,395	63,923	894,003	-	1,477,321	(54,621)
Total	**$77,605,195**	**$13,208,207**	**$15,270,722**	**$45,142,968**	**$1,010,036**	**$74,631,933**	***($2,973,262)***

[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.

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

[1]SRL: Statewide Reference Library Resources Grant

[2] ILG: Grant-in-Aid to Institutional Libraries

[3]LCA: Library Construction Aid

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FY2026 Indirect Aid

Municipality	FY2026 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees[1]	FY2026 Revised	*Change from FY2026 Enacted*
Barrington	$430,383	$244,996	$3,086	$269,263	-	$517,345	$86,962
Bristol	1,201,108	319,498	66,974	767,603	-	1,154,075	(47,033)
Burrillville	514,262	232,541	233	282,469	-	515,243	981
Central Falls	617,116	321,846	526	307,068	-	629,440	12,324
Charlestown	526,481	114,774	116,113	248,146	-	479,033	(47,448)
Coventry	1,285,556	511,910	78,626	637,479	-	1,228,015	(57,541)
Cranston	4,184,768	1,182,989	25,214	3,068,495	-	4,276,699	91,931
Cumberland	1,279,526	520,972	739	746,455	-	1,268,167	(11,359)
East Greenwich	1,383,160	206,256	2,996	1,197,687	-	1,406,939	23,779
East Providence	2,270,623	672,439	52,536	1,608,541	-	2,333,517	62,894
Exeter	274,139	101,646	607	170,147	-	272,400	(1,739)
Foster	90,892	64,152	1,266	18,550	-	83,968	(6,924)
Glocester	282,293	144,123	2,108	146,403	-	292,634	10,341
Hopkinton	188,489	120,558	1,939	59,983	-	182,480	(6,009)
Jamestown	307,389	79,384	61,086	166,236	-	306,706	(683)
Johnston	1,568,353	423,177	11,226	1,150,701	-	1,585,104	16,751
Lincoln	1,729,578	323,135	160,649	1,064,131	25,034	1,572,948	(156,630)
Little Compton	168,025	51,553	40,710	53,884	-	146,147	(21,878)
Middletown	3,430,337	242,233	1,071,645	1,244,525	33,482	2,591,884	(838,453)
Narragansett	1,817,611	208,160	380,362	1,057,845	-	1,646,366	(171,245)
Newport	9,214,191	358,324	2,924,191	3,827,178	-	7,109,693	(2,104,498)
New Shoreham	1,947,477	11,868	750,212	597,648	44,684	1,404,413	(543,064)
North Kingstown	1,612,691	397,079	108,963	972,163	56,332	1,534,536	(78,155)
North Providence	1,228,862	485,897	2,534	805,398	-	1,293,829	64,967
North Smithfield	676,771	180,143	4,048	499,740	-	683,931	7,160
Pawtucket	2,589,203	1,077,736	72,670	1,414,667	-	2,565,073	(24,130)
Portsmouth	784,614	253,972	28,093	488,454	-	770,520	(14,094)
Providence	15,097,309	2,723,172	1,840,194	8,883,221	-	13,446,588	(1,650,721)
Richmond	400,790	116,063	42,784	256,317	-	415,163	14,373
Scituate	272,914	149,134	7,000	113,758	-	269,891	(3,023)
Smithfield	1,915,720	316,034	162,018	1,319,495	25,034	1,822,581	(93,139)
South Kingstown	2,224,279	458,195	271,160	1,297,687	-	2,027,042	(197,237)
Tiverton	718,649	232,784	6,892	481,166	-	720,842	2,193
Warren	752,157	159,456	2,742	611,238	-	773,436	21,279
Warwick	7,977,295	1,186,411	927,150	4,305,759	769,903	7,189,223	(788,072)
Westerly	3,412,062	333,829	969,181	1,464,208	55,567	2,822,785	(589,277)
West Greenwich	454,390	94,459	93,392	179,213	-	367,065	(87,325)
West Warwick	1,243,790	444,165	115,431	601,144	-	1,160,740	(83,050)
Woonsocket	1,531,942	616,663	43,514	856,325	-	1,516,502	(15,440)
Total	**$77,605,195**	**$15,681,726**	**$10,450,810**	**$43,240,390**	**$1,010,036**	**$70,382,962**	***($7,222,233)***

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

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

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Education Aid

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

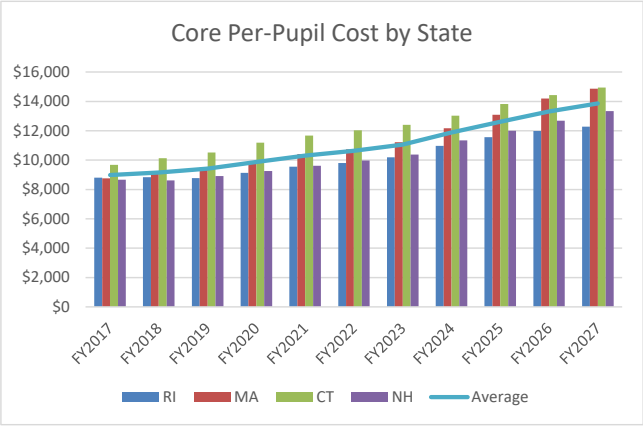
Beginning in FY2012, the formula established a per-pupil spending amount and allocated this funding based on student enrollment, adjusting for poverty (as measured by the number of families whose income is below 185.0 percent of the federal poverty guidelines). Beginning in FY2025, the formula was amended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

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

In FY2027, the formula aid to the districts, charter schools, and state schools increases by $35.2 million to fully fund the formula and Enrollment Transition funding increases by $4.3 million, partially offset by a decrease of $1.1 million in the Poverty Loss Stabilization Fund. An additional increase of $8.7 million is provided through categorical aid, including $2.5 million for transportation, $2.5 million for High-Cost Special Education and $3.7 million in stabilization funding for Central Falls, Davies, and the Met. An additional $1.0 million was added to support career and technical education, bringing the total funding for this categorical to $5.5 million.

HOW THE FORMULA WORKS

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



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

Step 3 - High Need Student Weight (40.0 percent): The Act includes a single factor to adjust the core instruction amount to address the effects of poverty and other factors influencing educational need. The Budget increases the student success factor, also referred to as the high need student weight, from

40.0 percent to 43.0 percent. The weight provides an additional $5,959 ($13,859 x 0.43 = $5,959) for each student whose family income is at or below one hundred eighty-five percent (185%) of federal poverty guidelines

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

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

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

> Total Foundation Budget = ($13,859 x RADM) + (0.43 x $13,859 x students in poverty) + (0.2 x $13,859 x MLL students)

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

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

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

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

By squaring each factor, the formula amplifies the greater of the two variables. Consequently, school districts with less capacity to raise revenue than the State as a whole and a higher concentration of child poverty look relatively poorer, while districts with a higher capacity to raise revenue and lower concentrations of poverty look relatively wealthier. Those poorer districts with the higher SSR will receive a greater portion of the calculated education costs as state aid than the wealthier districts.

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

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

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

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

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

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

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

TABLE

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

FY2027 Education Aid Calculator - Enacted

Districts	PK-12 RADM	Direct Cert	Direct Cert x Factor (1.6) RADM	MLL (prof 1-3) (March 2026)	Core Instruction Funding (C = $13,859)	Student Success Factor Funding (F = 0.43*$13,859 = $5,959)	MLL Funding (Y = 0.2*$13,3859 = $2,772)	Total Foundation	% Direct Cert (1.6 factor) PK6	EWAV	State Share Ratio	State Share Adjusted RIGL 16-7.2-4(a) I, unless P>0.5 and W<I then W = Z	State Share of Foundation Budget	FY2026 Enacted (excludes group home and categoricals)	*Change in State Funding*
	A		B	X	A*C=D	B*F=G	X*Y=Z	D+G+Z=H	P	W	I		H*Z=J	K	*J-K=L*
Barrington	3,206	108	173	54	$44,431,954	$1,029,779	$149,677	$45,611,410	7.2%	35.7%	25.8%	25.8%	$11,745,846	$9,906,027	*$1,839,818*
Burrillville	1,930	280	448	18	26,747,870	2,669,798	49,892	29,467,560	29.4%	57.0%	45.4%	45.4%	13,363,725	13,506,736	*(143,011)*
Charlestown	637	90	144	2	8,828,183	858,149	5,544	9,691,876	20.4%	-	14.4%	14.4%	1,398,051	1,437,860	*(39,809)*
Coventry	3,915	596	954	24	54,257,985	5,682,855	66,523	60,007,363	30.4%	62.1%	48.9%	48.9%	29,337,925	28,316,948	*1,020,977*
Cranston	9,622	1,939	3,102	913	133,351,298	18,488,349	2,530,653	154,370,301	38.9%	64.1%	53.0%	53.0%	81,845,526	79,947,152	*1,898,374*
Cumberland	4,801	455	728	214	66,537,059	4,338,421	593,165	71,468,646	18.1%	57.2%	42.4%	42.4%	30,319,262	28,228,353	*2,090,909*
East Greenwich	2,398	119	190	35	33,233,882	1,134,664	97,013	34,465,559	8.5%	19.2%	14.8%	14.8%	5,117,236	4,506,248	*610,988*
East Providence	4,895	1,128	1,805	221	67,839,805	10,755,471	612,568	79,207,844	40.7%	60.0%	51.3%	51.3%	40,607,020	39,321,148	*1,285,872*
Foster	216	21	34	1	2,993,544	200,235	2,772	3,196,551	17.7%	55.6%	41.3%	41.3%	1,318,873	1,215,818	*103,055*
Glocester	543	44	70	5	7,525,437	419,540	13,859	7,958,836	11.9%	51.9%	37.7%	37.7%	2,996,594	2,961,445	*35,149*
Hopkinton	1,077	140	224	4	14,926,143	1,334,899	11,087	16,272,129	24.7%	67.1%	50.6%	50.6%	8,227,086	7,176,966	*1,050,120*
Jamestown	527	19	30	-	7,303,693	181,165	0	7,484,858	6.7%	-	4.7%	4.7%	354,604	372,348	*(17,745)*
Johnston	3,267	636	1,018	293	45,277,353	6,064,255	812,137	52,153,745	37.1%	58.6%	49.0%	49.0%	25,577,597	24,128,236	*1,449,361*
Lincoln	3,166	447	715	83	43,877,594	4,262,141	230,059	48,369,795	24.6%	51.8%	40.5%	40.5%	19,613,340	20,891,647	*(1,278,306)*
Little Compton	251	23	37	3	3,478,609	219,305	8,315	3,706,229	15.9%	-	11.2%	11.2%	416,691	302,814	*113,877*
Middletown	1,802	263	421	154	24,973,918	2,507,703	426,857	27,908,478	26.6%	7.3%	19.5%	19.5%	5,443,405	6,152,386	*(708,981)*
Narragansett	883	89	142	4	12,237,497	848,614	11,087	13,097,198	20.2%	-	14.3%	14.3%	1,870,746	1,728,633	*142,113*
Newport	1,668	677	1,083	295	23,116,812	6,455,190	817,681	30,389,683	68.9%	-	48.7%	48.7%	14,805,749	14,239,269	*566,480*
New Shoreham	118	9	14	13	1,635,362	85,815	36,033	1,757,210	15.9%	-	11.2%	11.2%	197,563	96,190	*101,373*
North Kingstown	3,491	489	782	59	48,381,769	4,662,611	163,536	53,207,916	25.1%	25.0%	25.1%	25.1%	13,328,610	12,506,815	*821,795*
North Providence	3,395	760	1,216	339	47,051,305	7,246,594	939,640	55,237,539	42.0%	69.6%	57.5%	57.5%	31,751,160	30,424,725	*1,326,435*
North Smithfield	1,607	134	214	47	22,271,413	1,277,689	130,275	23,679,377	18.2%	46.1%	35.0%	35.0%	8,298,684	9,237,556	*(938,872)*
Pawtucket	7,397	2,953	4,725	1,686	102,515,023	28,156,831	4,673,255	135,345,109	63.9%	84.0%	74.6%	84.0%	113,689,892	110,615,318	*3,074,573*
Portsmouth	1,973	140	224	21	27,343,807	1,334,899	58,208	28,736,914	14.6%	-	10.3%	10.3%	2,966,730	2,806,429	*160,301*
Providence	18,880	8,472	13,555	7,148	261,657,920	80,780,452	19,812,826	362,251,199	81.5%	83.7%	82.6%	83.7%	303,204,253	297,521,286	*5,682,967*
Richmond	1,023	119	190	2	14,177,757	1,134,664	5,544	15,317,965	18.5%	49.2%	37.2%	37.2%	5,693,350	6,207,775	*(514,425)*
Scituate	1,133	85	136	2	15,702,247	810,474	5,544	16,518,265	12.8%	28.1%	21.8%	21.8%	3,606,603	4,299,021	*(692,418)*
Smithfield	2,302	219	350	21	31,903,418	2,088,163	58,208	34,049,789	15.3%	45.9%	34.2%	34.2%	11,649,059	10,587,119	*1,061,940*
South Kingstown	2,281	278	445	31	31,612,379	2,650,728	85,926	34,349,033	20.5%	-	14.5%	14.5%	4,979,129	5,062,521	*(83,392)*
Tiverton	1,518	198	317	7	21,037,962	1,887,928	19,403	22,945,293	23.4%	20.7%	22.1%	22.1%	5,068,911	5,310,972	*(242,061)*
Warwick	7,782	1,411	2,258	233	107,850,738	13,453,874	645,829	121,950,441	35.2%	47.8%	42.0%	42.0%	51,189,270	48,586,276	*2,602,994*
Westerly	2,051	392	627	53	28,424,809	3,737,717	146,905	32,309,431	34.9%	-	24.7%	24.7%	7,973,330	8,148,033	*(174,703)*
West Warwick	3,370	1,022	1,635	157	46,704,830	9,744,762	435,173	56,884,764	56.1%	76.4%	67.0%	76.4%	43,459,960	42,094,167	*1,365,793*
Woonsocket	5,179	2,497	3,995	1,031	71,775,761	23,808,875	2,857,726	98,442,362	84.5%	89.8%	87.2%	89.8%	88,401,241	88,120,161	*281,080*
Bristol-Warren[2]	2,648	354	566	48	36,698,632	3,375,387	133,046	40,207,066	-	-	-	-	10,470,480	10,652,150	*(181,671)*
Exeter-West Greenwich[2]	1,512	117	187	15	20,954,808	1,115,594	41,577	22,111,979	-	-	-		6,497,330	7,123,365	*(626,035)*
Chariho	-		-		-	-	-	-	-	-	-	-	-	-	-
Foster-Glocester[2]	1,015	76	122	5	14,066,885	724,659	13,859	14,805,403	-	-	-	-	5,736,773	5,299,561	*437,211*
Central Falls	2,317	888	1,421	1,107	32,111,303	8,467,073	3,068,383	43,646,758	66.2%	96.4%	82.7%	96.4%	42,075,475	43,351,250	*(1,275,774)*
District Total	**115,796**	**27,687**	**44,299**	**14,348**	**$1,604,816,764**	**$263,995,324**	**$39,769,786**	**$1,908,581,874**					**$1,054,597,079**	**$1,032,390,727**	***$22,206,352***
Charter School Total	14,436	5,248	8,397	3,006	200,068,524	50,039,638	8,332,031	258,440,193	-	-	-		208,499,708	195,233,633	*13,266,074*
Davies	883	172	275	29	12,237,497	1,640,019	80,382	13,957,898	-	-	-		10,736,285	10,600,553	*135,732*
Met School	891	342	547	105	12,348,369	3,260,967	291,039	15,900,375	-	-	-		11,419,323	9,793,682	*1,625,640*
Nowell Academy	159	87	139	57	2,203,581	829,544	157,993	3,191,118					2,528,057	2,664,112	*(136,055)*
Urban Collaborative	0	0	0	0	0	0	0	0	-	-	-			2,296,446	*(2,296,446)*
Youth Build Academy	135	82	131	19	1,870,965	781,869	52,664	2,705,499					2,264,502	1,818,245	*446,257*
Total	**132,300**	**33,618**	**53,789**	**17,564**	**1,833,545,700**	**320,547,361**	**48,683,895**	**2,202,776,956**					**$1,290,044,953**	**$1,254,797,399**	***$35,247,553***

[1] *Based on March 2026 enrollment updated for projected 2026-2027 charter school growth.*

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

Source: Rhode Island Department of Education

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Distric Demographic Changes - FY2027 Budget relative to the FY2026 Budget as Enacted

Districts	*PK-12 RADM*	*Direct Cert*	*Direct Cert x Factor (1.6) RADM*	*Percentage of RADM eligible for Student Success Factor*	*MLL (prof 1-3) (March 2026)*	*% Direct Cert (1.6 factor) PK6*	*EWAV*	*State Share Adjusted RIGL 16-7.2-4(a)*
Barrington	*(60)*	*(18)*	*(29)*	*-0.8%*	*(3)*	*0.1%*	*5.2%*	*3.6%*
Burrillville	*(62)*	*(22)*	*(35)*	*-1.0%*	*3*	*0.9%*	*-2.0%*	*-1.0%*
Charlestown	*(18)*	*15*	*24*	*4.3%*	*-*	*-1.3%*	*-*	*-0.9%*
Coventry	*(126)*	*(35)*	*(56)*	*-0.6%*	*(3)*	*1.6%*	*1.0%*	*1.1%*
Cranston	*(72)*	*(133)*	*(213)*	*-2.0%*	*(67)*	*-0.5%*	*-0.5%*	*-0.5%*
Cumberland	*37*	*(21)*	*(34)*	*-0.8%*	*(22)*	*0.6%*	*1.3%*	*1.0%*
East Greenwich	*(72)*	*(10)*	*(16)*	*-0.4%*	*(3)*	*1.2%*	*2.0%*	*1.6%*
East Providence	*(71)*	*(61)*	*(98)*	*-1.4%*	*(31)*	*0.3%*	*0.1%*	*0.2%*
Foster	*(15)*	*(6)*	*(10)*	*-3.1%*	*-*	*-4.2%*	*8.5%*	*4.5%*
Glocester	*(17)*	*2*	*3*	*1.0%*	*(1)*	*-0.5%*	*-0.1%*	*-0.1%*
Hopkinton	*(10)*	*2*	*3*	*0.5%*	*-*	*-1.6%*	*7.9%*	*4.8%*
Jamestown	*(18)*	*1*	*2*	*0.5%*	*(1)*	*-0.4%*	*-*	*-0.3%*
Johnston	*(24)*	*(60)*	*(96)*	*-2.7%*	*20*	*-0.7%*	*2.6%*	*1.3%*
Lincoln	*(59)*	*(31)*	*(50)*	*-1.1%*	*-*	*-0.4%*	*-5.5%*	*-3.7%*
Little Compton	*(2)*	*1*	*2*	*0.7%*	*(1)*	*3.9%*	*-*	*2.8%*
Middletown	*(58)*	*(12)*	*(19)*	*-0.3%*	*1*	*-4.0%*	*-0.6%*	*-2.8%*
Narragansett	*(36)*	*(24)*	*(38)*	*-3.5%*	*1*	*1.7%*	*-*	*1.2%*
Newport	*(53)*	*(15)*	*(24)*	*0.6%*	*(33)*	*1.1%*	*-*	*0.8%*
New Shoreham	*(3)*	*3*	*5*	*4.3%*	*(1)*	*7.9%*	*-*	*5.6%*
North Kingstown	*(26)*	*(29)*	*(46)*	*-1.2%*	*(5)*	*0.0%*	*1.5%*	*0.7%*
North Providence	*(23)*	*(19)*	*(30)*	*-0.6%*	*(13)*	*1.4%*	*-0.5%*	*0.2%*
North Smithfield	*5*	*(14)*	*(22)*	*-1.4%*	*2*	*-0.1%*	*-8.4%*	*-5.6%*
Pawtucket	*(262)*	*(86)*	*(138)*	*0.4%*	*(14)*	*-2.4%*	*0.5%*	*0.5%*
Portsmouth	*(34)*	*(40)*	*(64)*	*-3.0%*	*(8)*	*0.6%*	*-*	*0.4%*
Providence	*(329)*	*(480)*	*(768)*	*-2.8%*	*(309)*	*-2.5%*	*-0.8%*	*-0.8%*
Richmond	*(12)*	*(4)*	*(6)*	*-0.4%*	*(4)*	*-3.4%*	*-5.7%*	*-4.6%*
Scituate	*(32)*	*1*	*2*	*0.5%*	*(3)*	*0.4%*	*-7.2%*	*-4.6%*
Smithfield	*(53)*	*13*	*21*	*1.2%*	*(4)*	*0.2%*	*3.4%*	*2.3%*
South Kingstown	*(51)*	*(8)*	*(13)*	*-0.1%*	*(8)*	*-0.8%*	*(0.00)*	*-0.6%*
Tiverton	*(62)*	*(9)*	*(14)*	*-0.1%*	*(3)*	*0.5%*	*-2.9%*	*-1.2%*
Warwick	*(144)*	*(111)*	*(178)*	*-1.7%*	*(6)*	*1.0%*	*1.4%*	*1.2%*
Westerly	*(118)*	*(11)*	*(18)*	*0.9%*	*5*	*-0.6%*	*-*	*-0.4%*
West Warwick	*(94)*	*(39)*	*(62)*	*-0.5%*	*2*	*-0.3%*	*0.7%*	*0.7%*
Woonsocket	*(273)*	*(211)*	*(338)*	*-2.3%*	*(38)*	*-1.1%*	*0.4%*	*0.4%*
Bristol-Warren	*(62)*	*(57)*	*(91)*	*0.0%*	*(6)*	*-*	*-*	*-*
Bristol	*(23)*	*(29)*	*(46)*	*-18.9%*	*(3)*	*1.1%*	*-4.4%*	*-0.8%*
Warren	*(39)*	*(28)*	*(45)*	*-33.1%*	*(3)*	*0.5%*	*-1.1%*	*-0.3%*
Exeter-West Greenwich	*(4)*	*(16)*	*(26)*	*0.0%*	*1*	*-*	*-*	*-*
Exeter	*2*	*(6)*	*(10)*	*-15.1%*	*(1)*	*1.7%*	*-3.5%*	*-1.7%*
West Greenwich	*(6)*	*(10)*	*(16)*	*-13.0%*	*2*	*3.3%*	*-10.6%*	*-6.1%*
Chariho	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Foster-Glocester	*3*	*-*	*-*	*0.0%*	*(1)*	*-*	*-*	*-*
Foster	*(14)*	*6*	*10*	*-13.7%*	*(2)*	*-4.2%*	*8.5%*	*4.5%*
Glocester	*17*	*(6)*	*(10)*	*-11.3%*	*1*	*-0.5%*	*-0.1%*	*-0.1%*
Central Falls	*(170)*	*(91)*	*(146)*	*-1.7%*	*(151)*	*-6.1%*	*-0.3%*	*-0.3%*
District Total	***(2,480)***	***(1,635)***	***(2,616)***		***(704)***			
Charter School Total	*282*	*(173)*	*(277)*		*197*			
Davies	*(10)*	*(27)*	*(43)*		*(6)*			
Met School	*82*	*36*	*58*		*18*			
Nowell Academy	*(19)*	*(4)*	*(6)*		*(10)*			
Urban Collaborative	*(144)*	*(85)*	*(136)*		*(28)*			
Youth Build Academy	*21*	*14*	*22*		*(1)*			
Total	***(2,268)***	***(1,874)***	***(2,998)***		***(534)***			

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CHARTER AND STATE SCHOOLS

The education funding formula calculation for charter and state schools funds students as if they were still in the sending district, with the same core instruction amount, high-need student weight, and state share ratio. The aid, however, is distributed directly to the charter or state school. In FY2027, the Budget provides $208.6 million in funding formula aid to charter schools, an increase of $13.4 million or 6.8 percent, relative to the FY2026 Budget as Enacted. In FY2027, charter school enrollment increases by 282 students or 2.0 percent.

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

Tuition = (local appropriation to education – debt service – capital projects /District RADM) – local tuition reduction

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

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

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

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

Analyst Note: Article 7 of the FY2027 Budget as Enacted removes the cap in FY2027 only for mayoral academies serving students from less than four school districts that have been approved by the Department as sending.

There is a two-year lag in the data such that FY2027 tuition rates are based on FY2025 contributions and expenditures. The FY2027 local tuition rate reductions pursuant to RIGL 16-7.2-5(c) are available here.

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

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NON-FORMULA PROVISIONS

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

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

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

Group Home Aid[1]

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

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

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

Categorical Programs: When the education funding formula was passed in 2010, five categorical funds were identified that would not be distributed according to the formula but pursuant to other methodologies intended to address the priorities and funding needs of the districts. These categories include Transportation, High-Cost Special Education, Career & Technical Education, Early Childhood, and the Regionalization Bonus. Article 11 of the FY2017 Budget as Enacted added two new aid categories: English Learners and the Density Fund. In the FY2024 Budget, the Density Aid Fund was replaced with the Enrollment

Transition fund, which is included in the funding formula distribution. The FY2025 Budget moved English Learners into the formula distribution. The FY2019 Budget as Enacted included a temporary aid category to support new Resource Officers at public middle and high schools, which expired after FY2021. (The Central Falls, Davies and Met School Stabilization Funds are addressed in the Department of Elementary and Secondary Education section of this analysis.)

FY2027 Education Aid

Categorical	*Change from Enacted*	Total Funding
Transportation	*$2.5*	*$15.0*
Early Childhood	-	28.9
High-Cost Special Education	2.5	20.0
Career & Tech. Schools	1.0	5.5
Regionalization Bonus	-	-
Group Home Aid	*0.0*	3.6
Total	***$6.0***	**$72.9**

$ in millions

The FY2027 Budget includes funding for all of the active categories, except the Regionalization Bonus. The total increase in categorical aid is $6.0 million for all school districts, charter schools, Davies Career & Technical School (Davies), and the Metropolitan Career and Technical School (Met).

- **Transportation:** This fund provides funding to districts that use the statewide transportation contract for transporting students to out-of-district, non-public schools within the resident district's transportation region as defined by RIGL 16-21.1-2, and for 50.0 percent of the local costs associated with transporting students within regional school districts. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. In FY2027, the categorical is fully funded at $15.0 million, an increase of $2.5 million over the FY2026 Budget as Enacted.
- **Early Childhood Education**: This fund is designed to increase access to voluntary, free, high-quality pre-kindergarten programs. The funds are distributed through a request for proposals (RFP) process targeting communities in three tiers, with the first tier having the highest concentration of children at risk for poor educational outcomes. These funds are paid to providers through the RFP process and, consequently, are not included in the distribution tables. Provisory language in Article 1 of the budget requires the Department to prioritize funding to four-year olds whose family income is at or below 185.0 percent of federal poverty guidelines and who reside in communities with higher concentrations of low-performing schools. The Budget funds this category at $28.9 million in FY2027, consistent with the FY2026 Budget as Enacted.

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

FY2026 Pre-K Enrollment

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

Source: Rhode Island Department of Education

- **High-Cost Special Education:** This fund reimburses districts for instructional and related services provided to a student pursuant to an Individual Education Plan (IEP). The State reimburses costs that exceed four times the combined core instruction and student success factor funding (currently $79,273 for FY2027). The FY2024 Budget as Enacted lowered this threshold from five times. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at $20.0 million in FY2027, an increase of $2.5 million over the FY2026 Budget as Enacted and $5.4 million less than eligible reimbursements.
- **Career and Technical Schools:** This fund contributes toward the initial investment needed to transform existing programs or create new programs and the costs associated with facilities, equipment maintenance and repair, and supplies associated with higher-cost programs at career and technical schools. The Budget funds this category at $5.5 million in FY2027, an increase of $1.0 million over FY2026.

TOC

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

FY2025 CTE Aid Investment in High-Growth High-Wage Jobs of the Future

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

Source: Rhode Island Department of Education

- **Regionalization Bonus:** This fund provides a bonus to regionalized districts and those that may regionalize in the future. In the first year, the bonus is 2.0 percent of the State's share of the total foundation aid. In the second year, the bonus is 1.0 percent of the State's share and in the third year the bonus phases out. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. This category has not been funded since FY2014, as no new regional districts have been formed.

- **English Learners/Multilingual Learners**: The FY2025 Budget as Enacted shifted the English Learners (EL) categorical aid into the funding formula, changed the name to Multilingual Learners (MLL), and increased the weight from 15.0 to 20.0 percent of the per-pupil core instruction amount for each qualified EL student multiplied by the state share ratio.

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

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

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

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

  While no longer distributed on a reimbursement basis, districts are required to report annually to the Department of Elementary and Secondary Education on the planned and prior year use of MLL funds

to provide services in accordance with the requirements set forth by the Commission of Elementary and Secondary Education. The Department is responsible for reviewing the use of funds to ensure consistency with established best practices.

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

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

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

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

The following table shows the difference in education aid relative to the FY2026 Budget as Enacted.

FY2027 Budget as Enacted Education Aid[1]

District	FY2026 Enacted (excludes group home and categoricals)	FY2027 Formula Change	Enrollment Transition Fund	Poverty Loss Stabilization Fund	Transportation	High-cost Special Education (>$79,273)	Group Home Aid[2]	Stabilization Funding	FY2027 Aid
Barrington	$9,906,027	$1,839,818	$107,644	($0)	$259,132	$907,140	$0	$0	$13,019,762
Burrillville	13,506,736	(143,011)	231,050	144,546	87,989	444,201	-	-	14,271,511
Charlestown	1,437,860	(39,809)	33,364	44,545	-	-	-	-	1,475,960
Coventry	28,316,948	1,020,977	579,147	-	238,807	862,375	$136,000	-	31,154,253
Cranston	79,947,152	1,898,374	447,029	-	1,089,226	1,523,537	-	-	84,905,317
Cumberland	28,228,353	2,090,909	10,369	-	109,414	240,792	-	-	30,679,838
East Greenwich	4,506,248	610,988	77,878	-	84,964	781,846	-	-	6,061,924
East Providence	39,321,148	1,285,872	342,489	-	347,691	1,151,116	289,000	-	42,737,316
Foster	1,215,818	103,055	36,635	-	16,774	32,876	-	-	1,405,158
Glocester	2,961,445	35,149	37,526	-	42,049	126,365	-	-	3,202,534
Hopkinton	7,176,966	1,050,120	37,158	-	-	-	-	-	8,264,244
Jamestown	372,348	(17,745)	9,286	10,585	54,702	128,805	-	-	557,981
Johnston	24,128,236	1,449,361	75,159	(0)	285,823	1,223,688	-	-	27,162,267
Lincoln	20,891,647	(1,278,306)	222,319	884,436	279,538	234,751	136,000	-	21,370,384
Little Compton	302,814	113,877	9,706	-	-	-	-	-	426,398
Middletown	6,152,386	(708,981)	156,083	396,641	-	520,512	-	-	6,516,641
Narragansett	1,728,633	142,113	62,015	-	-	226,694	-	-	2,159,454
Newport	14,239,269	566,480	347,450	-	-	407,301	119,000	-	15,679,500
New Shoreham	96,190	101,373	2,804	-	-	-	-	-	200,367
North Kingstown	12,506,815	821,795	39,707	-	325,147	98,413	-	-	13,791,876
North Providence	30,424,725	1,326,435	252,941	-	261,800	843,496	136,000	-	33,245,398
North Smithfield	9,237,556	(938,872)	49,013	663,706	37,910	152,832	68,000	-	9,270,145
Pawtucket	110,615,318	3,074,573	2,087,351	-	309,233	1,700,758	340,000	-	118,127,233
Portsmouth	2,806,429	160,301	29,539	-	-	326,321	510,000	-	3,832,589
Providence	297,521,286	5,682,967	2,125,053	-	934,158	1,998,965	1,020,000	-	309,282,429
Richmond	6,207,775	(514,425)	61,201	354,386	-	-	-	-	6,108,937
Scituate	4,299,021	(692,418)	40,745	381,742	73,923	75,234	-	-	4,178,248
Smithfield	10,587,119	1,061,940	165,723	-	92,046	124,941	85,000	-	12,116,770
South Kingstown	5,062,521	(83,392)	94,461	97,410	169,152	233,026	-	-	5,573,179
Tiverton	5,310,972	(242,061)	89,535	133,237	-	740,142	-	-	6,031,825
Warwick	48,586,276	2,602,994	446,317	-	66,227	1,077,628	408,000	-	53,187,442
Westerly	8,148,033	(174,703)	265,197	-	-	435,241	-	-	8,673,768
West Warwick	42,094,167	1,365,793	770,464	-	139,470	461,599	-	-	44,831,493
Woonsocket	88,120,161	281,080	1,863,954	-	-	432,063	-	-	90,697,258
Bristol-Warren[3]	10,652,150	(181,671)	216,939	103,608	2,980,018	1,042,237	170,000	-	14,983,281
Exeter-West Greenwich[3]	7,123,365	(626,035)	31,109	437,915	2,050,241	709,429	153,000	-	9,879,025
Chariho	-	-		-	3,552,733	275,231	-	-	3,827,964
Foster-Glocester[3]	5,299,561	437,211	103,906	(0)	1,004,207	202,921	-	-	7,047,806
Central Falls	43,351,250	(1,275,774)	1,478,879	-	62,532	120,206	-	11,691,949	55,429,042
District Total	**$1,032,390,727**	**$22,206,352**	**$13,037,146**	**$3,652,757**	**$14,954,906**	**$19,862,682**	**$3,570,000**	**$11,691,949**	**$1,121,366,519**
Charter School Total	195,233,633	13,266,074	-	-	-	137,318	-	-	208,637,026
Davies	10,600,553	135,732	-	-	-	-	-	10,357,620	21,093,905
Met School	9,793,682	1,625,640	-	-	-	-	-	3,579,241	14,998,564
Nowell Academy	2,664,112	(136,055)	-	-	-	-	-	-	2,528,057
Urban Collaborative	2,296,446	(2,296,446)	-	-	-	-	-	-	0
Youth Build Academy	1,818,245	446,257	-	-	-	-	-	-	2,264,502
Total	**$1,254,797,399**	**$35,247,553**	**$13,037,146**	**$3,652,757**	**$14,954,906**	**$20,000,000**	**$3,570,000**	**$25,628,810**	**$1,370,888,572**

[1] Based on March 2026 enrollment updated for projected PSOC.

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

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

FY2027 Education Aid - Change to FY2026 Budget as Enacted[2]

Districts	FY2026 Enacted (includes group home and categoricals)	FY2027 Formula Change	Enrollment Transition Fund	Poverty Loss Stabilization Fund	Transportation	High-cost Special Education REVISED (>$79,273)	Group Home[1]	Stabilization Funding	*Total Change*	FY2027 Education Aid
Barrington	$11,652,398	$1,839,818	$658	($1,039,957)	$10,153	$556,691	$0	$0	*$1,367,364*	$13,019,762
Burrillville	14,088,567	(143,011)	87,034	144,546	(13,809)	108,183	-	-	*182,944*	14,271,511
Charlestown	1,516,739	(39,809)	(5,759)	4,789	-	-	-	-	*(40,778)*	1,475,960
Coventry	29,493,104	1,020,977	140,131	-	228,138	271,904	-	-	*1,661,150*	31,154,254
Cranston	83,029,655	1,898,374	(169,563)	-	84,502	62,349	-	-	*1,875,662*	84,905,317
Cumberland	28,462,994	2,090,909	(6,222)	-	67,277	64,879	-	-	*2,216,844*	30,679,838
East Greenwich	6,299,984	610,988	28,561	(1,012,068)	(33,788)	168,246	-	-	*(238,061)*	6,061,923
East Providence	40,628,084	1,285,872	85,710	-	337,645	400,005	-	-	*2,109,232*	42,737,315
Foster	1,271,209	103,055	36,635	(34,469)	510	28,217	-	-	*133,949*	1,405,158
Glocester	3,181,190	35,149	4,599	(78,860)	1,143	59,313	-	-	*21,344*	3,202,534
Hopkinton	7,205,980	1,050,120	8,144	-	-	-	-	-	*1,058,264*	8,264,244
Jamestown	581,057	(17,745)	225	10,585	54,702	(70,844)	-	-	*(23,076)*	557,981
Johnston	25,447,965	1,449,361	75,159	(405,942)	30,657	565,067	-	-	*1,714,303*	27,162,267
Lincoln	21,424,959	(1,278,306)	100,532	884,436	279,538	(40,774)	-	-	*(54,575)*	21,370,384
Little Compton	321,589	113,877	(3,699)	(5,047)	-	(323)	-	-	*104,808*	426,398
Middletown	6,762,203	(708,981)	(7,189)	134,791	-	335,817	-	-	*(245,562)*	6,516,641
Narragansett	1,922,447	142,113	(10,676)	-	-	105,572	-	-	*237,008*	2,159,455
Newport	15,333,020	566,480	(5,225)	(441,039)	-	226,265	-	-	*346,480*	15,679,500
New Shoreham	98,506	101,373	488	-	-	-	-	-	*101,861*	200,367
North Kingstown	13,387,762	821,795	(10,885)	(737,038)	325,147	5,096	-	-	*404,114*	13,791,876
North Providence	31,616,254	1,326,435	(18,336)	-	58,864	262,182	-	-	*1,629,144*	33,245,398
North Smithfield	9,562,204	(938,872)	(29,408)	663,706	9,405	3,111	-	-	*(292,058)*	9,270,146
Pawtucket	113,322,518	3,074,573	904,619	-	31,262	794,261	-	-	*4,804,715*	118,127,233
Portsmouth	3,694,460	160,301	376	(80,184)	-	57,637	-	-	*138,129*	3,832,589
Providence	305,657,515	5,682,967	576,139	-	207,407	(2,875,599)	34,000	-	*3,624,914*	309,282,429
Richmond	6,406,497	(514,425)	(41,077)	257,942	-	-	-	-	*(297,561)*	6,108,937
Scituate	4,451,016	(692,418)	29,937	381,742	(1,101)	9,071	-	-	*(272,768)*	4,178,248
Smithfield	10,967,892	1,061,940	34,506	-	1,574	50,858	-	-	*1,148,878*	12,116,770
South Kingstown	5,935,724	(83,392)	(65,834)	97,410	(8,764)	(301,967)	-	-	*(362,546)*	5,573,178
Tiverton	5,977,672	(242,061)	19,699	(31,164)	-	307,679	-	-	*54,154*	6,031,825
Warwick	50,112,362	2,602,994	159,872	-	18,477	293,737	-	-	*3,075,080*	53,187,442
Westerly	8,761,700	(174,703)	57,306	-	-	29,465	-	-	*(87,933)*	8,673,768
West Warwick	42,823,516	1,365,793	313,553	-	84,644	243,987	-	-	*2,007,977*	44,831,493
Woonsocket	89,505,313	281,080	1,030,163	-	-	(119,298)	-	-	*1,191,945*	90,697,258
Bristol-Warren	14,885,027	(181,671)	(47,573)	(139,419)	193,463	273,453	-	-	*98,253*	14,983,280
Exeter-West Greenwich	9,607,263	(626,035)	(16,292)	437,915	254,124	222,049	-	-	*271,762*	9,879,025
Chariho	3,440,265	-		-	224,018	163,681	-	-	*387,699*	3,827,964
Foster-Glocester	6,614,764	437,211	(58,149)	(143,931)	32,941	164,970	-	-	*433,042*	7,047,806
Central Falls	54,768,079	(1,275,774)	1,088,422	-	5,975	(23,435)	-	865,775	*660,962*	55,429,042
District Total	**$1,090,219,455**	**$22,206,352**	**$4,286,581**	**($1,131,254)**	**$2,484,104**	**$2,401,505**	**$34,000**	**$865,775**	**$31,147,063**	**$1,121,366,519**
Charter School Total	195,272,457	13,266,074			-	98,495	-	-	*13,364,569*	208,637,026
Davies	18,532,152	135,732	-	-	-	-	-	2,426,021	*2,561,753*	21,093,905
Met School	12,966,926	1,625,640	-	-	-	-	-	405,997	*2,031,637*	14,998,564
Nowell Academy	2,664,112	(136,055)	-	-	-	-	-	-	*(136,055)*	2,528,057
Urban Collaborative	2,296,446	(2,296,446)	-	-	-	-	-	-	*(2,296,446)*	-
Youth Build Academy	1,818,245	446,257	-	-	-	-	-	-	446,257	2,264,502
Total	**$1,323,769,794**	**$35,247,553**	**$4,286,581**	**($1,131,254)**	**$2,484,104**	**$2,500,000**	**$34,000**	**$3,697,793**	***$47,118,778***	**$1,370,888,572**

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

[2] Based on October 1, 202,5 enrollment adjusted for projected 2025-26 PSOC.

Source: Rhode Island Department of Education

SCHOOL CONSTRUCTION AID

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

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

In FY2027, the Budget provides $122.1 million in school construction aid, an increase of $2.2 million relative to the FY2026 Budget as Enacted. While the entire amount is expected to be used for housing aid entitlements, pursuant to the changes in Article 7, any surplus will be returned to the general fund instead of being deposited into the School Building Authority Capital Fund (Capital Fund) for distribution by the School Building Authority (SBA). Based on December 2025 projections, housing aid entitlements are projected to increase to $152.3 million in FY2028, $175.0 million in FY2029, and $200.0 million in FY2030.

Since the FY2027 Budget as Enacted provides sufficient funding, the cost saving measures in the Governor's FY2027 Budget recommendation are projected to apply beginning in FY2028, instead of FY2027 as originally proposed. The proposed savings initiatives would have shifted $11.6 million in reimbursement costs into FY2028 and $11.3 million into FY2029. To achieve the savings, the Department will utilized current statutory language related to projects funded from capital reserves and bonds to push a portion of the current service reimbursements from FY2027 into FY2028 and FY2029.

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

To realize savings from capital reserve funded projects, the Office of Management and Budget (OMB) cites RIGL 16-7-41(a) as authority for the Department to establish the Capital Reserve project repayment schedule provided in the Housing Aid Reimbursement FY 2026 Guidance and Instructions. The statutory language gives the Commissioner of Elementary and Secondary Education the discretion to set up reimbursement cycles when a community fails to "specify or identify the appropriate reimbursement schedule". To achieve the savings in the Governor's FY2027 Budget Recommendation, the Department would group smaller projects by changing the interpretation of "project" to "aggregate". This change was estimated to shift $7.9 million in current service projections from FY2027 into FY2028 and FY2029; however, the FY2027 Budget as Enacted provides sufficient funding so this change will not occur before FY2028.

FY2026 Capital Reserve Project Repayment Schedule

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

Source: Housing Aid Reimbursement FY2026 Guidance and Instructions

Bond Funded Projects: Pursuant to 200-RICR-20-05-4.13.1, no payment of school housing aid can be made before the project is completed; however, since housing aid has historically been fully funded, municipalities have received onetime "catch-up" payments for all prior bond payments in the fiscal year following project completion. As a cost saving initiative, the proposal utilizes RIGL 16-7-45 which governs the distribution of funds if the full amount of housing aid is not appropriated. The statute does not allow for the ratable reduction of aid, but does provide that, under this circumstance, aid for debt service paid by a community prior to project completion can be deferred and paid "within three (3) equal installments beginning the fiscal year after project completion." The deferment of these debt service reimbursement payments was projected to reduce FY2027 current service reimbursements by $15.1 million; however, the reimbursements will not be deferred before FY2028, since sufficient housing aid is provided in FY2027.

Analyst Note: While the Governor's savings initiatives would have reduced State costs in FY2027, delaying reimbursements to districts could increase local costs and slow school construction progress. For example, deferring state reimbursements to local capital reserve funds may slow the recapitalization of the fund and reduce resources available for repairs in the subsequent years and thus slow progress. In addition, for bond-funded projects, the district is required to make debt service payments while the project is under construction. These debt service payments may be supported by local revenues, or the community may need to utilize bridge funding. If local revenues are used, deferred reimbursements will deplete the resources available for other projects. If bridge financing is used, the deferred reimbursement will likely increase borrowing costs. While the savings initiatives will not be used in FY2027, the proposals do not require a statutory change and, consequently, may be used in future years.

Impact of Governor's School Construction Savings Initiatives on Housing Aid to Districts

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

Source: Rhode Island Department of Education

Transfers to the Capital Fund: Article 7 of the FY2027 Budget as Enacted amends current law to provide that, beginning in FY2026, any surplus school construction funding will revert to general revenue surplus instead of being deposited into the School Building Authority Capital Fund (Capital Fund) for distribution by the School Building Authority (SBA). The change in the article is intended to ensure that funds appropriated for school construction reimbursements are available for reimbursement obligations regardless of project delays, since project delays, not permanent cost savings, are primarily responsible for the "excess" appropriations. As a result of the change, $5.9 million in surplus funds are shifted from FY2026 into FY2027 to support school construction reimbursements and help defer the implementation of the proposed cost saving initiatives in the Governor's FY2027 recommendation.

Transfers to the Capital Fund from the Foundation Program

FY2017 Actual	$11.0
FY2018 Actual	10.9
FY2019 Actual	14.7
FY2020 Actual	1.0
FY2021 Actual	1.0
FY2022 Actual	9.0
FY2023 Actual	3.8
FY2024 Actual	2.7
FY2025 Actual	0.4
Total	**$54.5**

Source: Budget databases. $ in millions

When the SBA was created, the school construction program funding of $80.0 million was effectively built into the base budget; however, in the FY2023 Budget as Enacted the aid projection was estimated at $88.5 million, and a surplus of $3.8 million was transferred to the SBA. Subsequent transfers include $2.7 million in FY2024 and $416,527 in FY2025.

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

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

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

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

HEAL Budget[1] (2023 - 2028)

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

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

School Building Authority: Article 9 of the FY2016 Budget as Enacted designated the Department of Elementary and Secondary Education (Department) as the State's School Building Authority (SBA) and charged the Department with implementing a system of state funding for school facilities, managing the school housing aid program, and developing a project priority system. The Authority oversees two distinct funding mechanisms for school facilities: the Foundation Program, as enumerated in RIGL 16-7-35 through 16-7-47, and the School Building Authority Capital Fund (Capital Fund), as created through the article. Since FY2016, the Office has grown to accommodate increased activity stimulated by the passage of two general obligation bonds to support school construction. Currently, the Office has 5.0 FTE positions. In FY2027, the Budget provides $933,072 in salaries and benefits, including $653,151 in general revenue and $279,921 in restricted receipts.

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

School Construction Services

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

Source: RIHEBC March 9, 2026.

In addition to the transfers to the SBA, since 2006, RIHEBC has transferred $14.3 million to the state general fund, including $6.0 million in FY2018.

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

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

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

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

Transfers to the Capital Fund

	Foundation Program	Other General Revenue	Total
FY2016 Actual	$0.0	$20.0	$20.0
FY2017 Actual	11.0	-	11.0
FY2018 Actual	10.9	-	10.9
FY2019 Actual	14.7	-	14.7
FY2020 Actual	1.0	-	1.0
FY2021 Actual	1.0	-	1.0
FY2022 Actual	9.0	-	9.0
FY2023 Actual	3.8	50.0	53.8
FY2024 Actual	2.7	-	2.7
FY2025 Actual	0.4	-	0.4
Total	**$54.5**	**$70.0**	**$79.5**

Source: Budget databases. $ in millions

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

Facility Equity Initiative Pilot Program: At the January 11, 2022, meeting, the Council on Elementary and Secondary Education approved funding for the Facility Equity Initiative pilot program to provide pay-go funding for high priority projects in school districts with reimbursement rates over 65.0 percent, including Central Falls, Pawtucket, Providence, West Warwick, and Woonsocket. This project would focus on high priority projects to improve the health and safety of students and promote equity across the State. The new Capital Fund will provide up-front funding instead of increasing the school construction allocation in the annual budget and reduce costs by eliminating interest payments on the funded projects.

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

FY2022 SBA Capital Fund Facility Equity Initiative

Central Falls	$3.6
Pawtucket	4.4
Providence	4.5
West Warwick	0.5
Woonsocket	0.5
Total	**$13.4**

$ in millions

While this program was only a pilot, with the approval of the $250.0 million school construction bond in November 2022, Article 10 of the FY2023 Budget provided that $50.0 million be transferred to the School Building Authority Capital Fund to address high-priority projects including upgrades to lighting, heating, and ventilation systems to create facility equity among Rhode Island students. The SBA expanded the pilot

program to include the ten LEAs with a base reimbursement rate over 45.0 percent, thus doubling the number of eligible schools.

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

- $26.0 million funded the Facility Equity Initiative, an additional $4.0 million was contributed by the Office of Energy Resources.
- $14.0 million (plus $1.0 million from the career and technology school fund) was distributed through the 21st Century Technology and Equipment Funds to provide LEAs funds to ensure that learning spaces are equipped with technology, furniture, and equipment that support science technology, engineering, and math project-based learning.
- $7.5 million was used for the Inside Out program to provide outdoor classrooms.
- $1.6 million was awarded through the Menu for Success program providing students with the opportunity to design and operate food trucks.

FY2023 SBA Capital Fund

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

$ in millions

- $850,000 is being used toward the new W.E.L.L. Initiative to meet the holistic needs of student in the wake of the pandemic. Local education agencies will be eligible for up to $150,000 depending on enrollment. LEAs will be provided with $5,000 to conduct professional development to support the award. Additional funding for this initiative includes $1.6 million in federal ESSER II funds and $500,000 in Opioid Settlement funding.

FY2026 Supplemental Budget

DEPARTMENT OF ADMINISTRATION

Hospital Financing Support ***$18.0 million***

The Budget adds $18.0 million in general revenue reflecting action taken by the General Assembly enacted as Public Law 2026, Chapter 001 that authorized the State Controller to transfer $18.0 million from the Supplemental Budget Reserve Fund to general revenue to establish the Hospital Financing Support Debt Service Reserve, to assist in the sale, and thereby facilitating the continued operation of the Roger Williams Medical Center and Our Lady of Fatima Hospital.

Debt Service -General Obligation Bond Changes ***($13.2 million)***

The Budget includes $165.5 million in general revenue for debt service expenses, reflecting a decrease of $13.2 million from the FY2026 Budget as Enacted.

General Obligation Bonds	FY2026 Enacted	FY2026 Final	*Change*
G.O. Bond New Bond Issue Projected Costs	$26,310,000	$0	*($26,310,000)*
RI School Buildings	17,986,896	23,234,896	*5,248,000*
DOA - Quonset Point Debt Service	9,884,151	15,221,524	*5,337,373*
All Other G.O. Bond Adjustments	73,675,134	76,205,184	*2,530,050*
Total	**$127,856,181**	**$114,661,604**	***($13,194,577)***

- **G. O. Bond New Bond Issuance:** The variance includes a reduction of $26.3 million from delaying the issuance of new bonds. The FY2027 Capital Budget assumes a Spring 2026 issuance for $224.0 million in previously approved bonds.
- **RI School Buildings:** The FY2026 Final Budget includes $23.2 million in general revenue debt service for the Rhode Island School Construction bond program. This is a general revenue increase of $5.2 million for debt service payments as compared to the FY2026 Budget as Enacted.

  The Capital Budget includes $500.0 million general obligation bond proceeds authorized by voters in November 2018 and November 2022 for the construction, renovation, and rehabilitation of the State's public schools. The bond proceeds fund the foundational school housing aid program and the School Building Authority Capital Fund. Funds from other sources, including local sources, will combine to fund $1.0 billion in school construction and renovation projects. The Budget includes $141.2 million in Pre-FY2026 - FY2027 issued general obligation bond proceeds, and $108.8 million in unissued general obligation bond proceeds from FY2026 – FY2027.
- **DOA – Quonset Point Debt Service:** The FY2026 Final Budget includes $15.2 million in general revenue debt service related to the increase in Quonset Point debt service due to the 2025 general obligation bond issuance that closed on June 25, 2025. This reflects an increase of $5.3 million in general revenue ($4.5 million for additional principal and $877,373 for interest debt service) as compared to the FY2026 Budget as Enacted. The related Quonset Point projects included in the 2025 general obligation bond issuance are:
  - **$15.8 million for the RIReady Statewide Industrial Site Development:** Authorized under P.L. 2020 Chapter 80 for the purpose of preparing sites for development for manufacturing, assembly, distribution, and other commercial endeavors for employment creation.
  - **$3.2 million for Port of Davisville Infrastructure:** Authorized under P.L. 2020 Chapter 80 to support the Quonset Point Business Park waterfront expansion including channel dredging, construction of Terminal 5 pier (which opened in September 2025), and modernization upgrades to Piers 1 and 2.

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Wrongful Convictions ***($1.0 million)***

The Budget decreases general revenue by $1.0 million based on anticipated savings as stated in the third quarter report. The FY2026 Final Budget does not include funding for the payment of awards to those who were wrongfully convicted of a crime. According to the Office of the Attorney General, the Office does not anticipate any expenses from the fund for the remainder of FY2026.

Authorized under Public Law 2021 Chapter 235 and 236, the law allows anyone who was wrongfully sentenced to prison for more than one year to petition the presiding justice of Rhode Island Superior Court for compensation and damages. If the court finds that the claimant was wrongfully imprisoned, the court will grant an award of $50,000 for each year served in a correctional facility. If the individual was imprisoned for less than one year, the claimant will receive 1/365 of $50,000 for each day served. The award can include damages such as attorney fees no greater than $15,000, plus compensation for reasonable costs including housing, transportation, subsistence, re-integrative services, and mental and physical health care costs.

Primary Care Health Assessment State Cost ***($750,000)***

The Budget decreases general revenue by $750,000 that was included in the FY2026 Budget as Enacted as a statewide placeholder for the Primary Care Health Assessment but subsequently incorporated into updated health insurance rates and thus no longer needed. This also reflects reductions of $477,295 in other funds, $100,500 in federal funds, and $44,575 in restricted receipts.

FEMA Reserve and Contingency ***($559,909)***

The Budget removes $559,909 in general revenue FEMA contingency reserves from the FY2026 Final Budget. The reserves are to be used in the event that the federal FEMA reimbursements differ from the State estimation and assumptions and are intended to absorb potential discrepancies between state claims and what FEMA ultimately reimburses. As of June 30, 2026, a total of $359,909 has been expended leaving a balance of $2.1 million in the contingency reserve, therefore the full appropriation for this item is not required in FY2026.

Tort Awards ***($250,000)***

The Budget includes $1.5 million in general revenue for court tort awards, a decrease of $250,000 from the FY2026 Budget as Enacted. Funding in the tort account is used to pay for tort/court award judgments against the State of Rhode Island. According to the Department of Administration, "the requested increase is contingency for possible increases, as indicated by the Office of the Attorney General." However, the Department does not have further details regarding potential awards. The State's Enterprise Resource Planning (ERP) accounting lists total FY2026 expenditures of $1.2 million as of June 30, 2026.

Torts - Court Awards	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change*
Taxable Claims/Settlements	$504,116	$940,130	$389,681	$746,588	$1,408,221	$1,750,000	$1,500,000	*($250,000)*

ARPA CPF: Municipal and Higher Education Matching Grant (federal funds) ***$70.8 million***

The FY2026 Final Budget includes $70.8 million in federal American Rescue Plan Act (ARPA) funds for the ARPA Capital Project Funds (CPF) Municipal and Higher Ed Matching Grant Program, reflecting an increase of unspent ARPA CPF funds from FY2024.

The FY2024 Budget as Enacted included these funds, of which $35.0 million was added from repurposed ARPA Capital Project Funds (CPF) originally planned for the construction of a Student Services Center at Rhode Island College, to the ARPA CPF 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.

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ARP ERA: Emergency Rental Assistance (federal funds) ***($26.2 million)***

The Budget includes federal funds of $6.8 million for emergency rental assistance, known as RentReliefRI in FY2026 resulting in a reduction of federal funds of $26.2 million as compared to the FY2026 Budget as Enacted. The State received $352.0 million from two federal Emergency Rental Assistance authorizations (ERA1 and ERA2) to provide rent and utility assistance. The program distributed over $200.0 million before its original funding had been either depleted or hit its federal expiration date.

- ERA1 (Consolidated Appropriations Act, 2021): This was originally set to expire earlier but was extended to September 30, 2022.
- ERA2 (American Rescue Plan Act): These funds had an expiration date of September 30, 2025.

Funding for the Rhode Island Federal Emergency Rental Assistance (ERA) program was appropriated past initial expiration dates primarily due to federal legislative extensions and reallocation rules that shifted deadlines. In addition, allocations were shifted over FY2024 and FY2025 so that federal obligation timelines were met while allowing actual spending to continue through December 2026.

ARPA SFRF: Municipal Public Safety Infrastructure (federal funds) ***$4.4 million***

The Budget includes the reappropriation of $4.4 million in federal ARPA SFRF funding to support improvements to municipal public safety infrastructure. The FY2024 Budget as Enacted includes $11.0 million in matching support to cities and towns to undertake new construction, prioritizing projects based on readiness. The maximum grant award is $1.0 million to any municipality, or limited to $5.0 million for projects that serve a regional purpose.

The Department of Administration (DOA) began accepting grant proposals from municipalities on December 14, 2023, and closed the process on February 2, 2024. A total of 16 communities with 19 projects totaling $18.9 million was submitted to DOA. An evaluation committee reviewed the proposals. On March 15, 2024, DOA announced the award decisions to 9 municipalities.

Actual expenditures as of December 31, 2025, in FY2024 totaled $8.3 million, any balance is reappropriated into FY2026 for the same purpose. No further funding is expected for this item in FY2027.

ARPA SFRF: Community Learning Center Grants (federal funds) ***$2.0 million***

The Budget includes $2.0 million for the Community Learning Center Operating Support Grant. This is the reappropriation of unspent federal funds from FY2025. The reappropriation does not reflect reclassified SFRF underspend. As of December 31, 2025, the unspent balance is $1.6 million and approximately $383,838 was spent by December 31, 2025.

Analyst Note: The Budget Office used the program balance as of July 1, 2025, when preparing the FY2026 Revised Budget.

ARPA SFRF: Public Health Response Warehouse Support (federal funds) ***$1.0 million***

The Budget includes the reappropriation of $1.0 million in federal ARPA SFRF funding for the storage of personal protection equipment (PPE) and other necessary COVID-19 response related supplies. This reflects an increase of $1.0 million from unspent ARPA CPF funds from FY2024, reappropriated into FY2026. No further funding is expected for this item in FY2027.

The FY2025 Budget as Enacted included $778,347 in federal ARPA SFRF funding for the storage of personal protection equipment (PPE) and other necessary COVID-19 response related supplies. In addition, $1.6 million was transferred into the account, for a total FY2024 Final appropriation of $3.0 million. The State originally leased two warehouses; one located at 2700 Plainfield Pike, in Cranston, and owned by EIM Plainfield Pike LLC; and the other is located at 100 Higginson Avenue, in Lincoln, and owned by Waterloo Way LLP. The costs of the warehouse, including lease payments, etc., are no longer eligible for FEMA reimbursement at 90.0 percent. The current plan is to use the appropriation to cover the warehouse costs until the funds are exhausted.

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Capital Projects (RICAP) ***$94.3 million***

The FY2026 Final Budget includes $162.5 million in Rhode Island Capital Plan (RICAP) funds reflecting an increase of $94.3 million from the FY2026 Budget as Enacted. The most significant increases occur with the various Pastore Campus projects ($38.0 million) and the Zambarano and Hospital Buildings project ($25.2 million).

RICAP Project - Summary	FY2026 Enacted	FY2026 Final	*Change*
Pastore Center Capital Projects	$25,750,000	$63,678,383	*$37,928,383*
Capital Hill Campus Projects	5,609,000	13,895,361	*8,286,361*
Miscellaneous Capital Projects	14,982,000	33,930,068	*18,948,068*
Group Home Projects	10,350,000	14,254,045	*3,904,045*
RI Convention Center Authority Venues	6,980,000	6,980,000	-
Zambarano and Hospital Projects	4,500,000	29,715,881	*25,215,881*
Total	**$68,171,000**	**$162,453,738**	***$94,282,738***

OFFICE OF ENERGY RESOURCES

Electric Leaf Blower Rebate Program ***$219,202***

The Budget includes the general revenue reappropriation of $219,202 for the Electric Leaf Blower Rebate Program. The program encouraged commercial landscapers to use zero-emission technology to reduce air and noise pollution. The program provides a standard rebate between $1,500 or 75.0 percent (whichever is less) of the purchase price of an electric leaf blower and two associated battery packs; and can receive an additional $250 rebate if a business is in a municipality with a high rate of asthma. There is a limit of two rebates per applicant in total. As of June 30, 2026, OER has issued 117 rebates totaling $147,401.

E-Bike Program ***$56,111***

The Budget includes a general revenue reappropriation of $56,111 for the Erika Niedowski Memorial E-Bike Rebate Program. The FY2025 Final Budget required any unexpended balances from this program be reappropriated into FY2026. The Erika Niedowski Memorial E-Bike Program provided a standard rebate between $350 or 30.0 percent (whichever is less) of the final purchase price of an electric bike, or if a person is eligible for an income qualified rebate, between $750 or 75.0 percent (whichever is less) of the final purchase price. There is a limit of two rebates per household.

The initial $500,000 in funding for the program in FY2024, was derived from the federal State Energy Plan program and through restricted receipt proceeds from the Executive Climate Change Coordinating Council (EC4). The FY2025 Budget as Enacted includes $250,000 in general revenue to maintain the Erika Niedowski Memorial E-Bike Rebate Program.

As of June 30, 2026, the program awarded 1,999 rebates using $1.2 million in existing funding sources, including OER Federal Funds (State Energy Funds and Petroleum Violation Escrow Funds), however, federal funding ran out in July 2023. The Executive Climate Change Coordinating Council (EC4) provided one-time funding in the interim.

National Electric Vehicle Infrastructure Formula Program – OER Share (other funds) ***$2.4 million***

The Budget includes $7.1 million in other funds reflecting an increase of $2.4 million as compared to the FY2026 Budget as Enacted. The increase includes $2.3 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.

Analyst Note: Funding is appropriated in RI Department of Transportation's (RIDOT) federal grants budget from the Federal Highway Administration (FHWA). Expenditures are made by OER and billed back to RIDOT quarterly for reimbursement. The reimbursement triggers the drawdown of the grant funds. The reimbursements are carried out via journal entry.

DEPARTMENT OF BUSINESS REGULATION

Third Quarter Turnover Savings ***($250,000)***

The Budget includes a general revenue decrease of $250,000 related to turnover savings reported in the third quarter report, which reflects an average of 5.4 vacant positions.

E-Permitting Current Service ***$150,000***

The Budget includes a general revenue increase of $150,000, bringing total funding for E-permitting to $1.2 million. In FY2026, the Department experienced a $230,526 general revenue reduction, which supported 1.0 FTE position that enabled the Department to be complaint with current law, and expand the program to other permitting types.

Rural Health Transformation Program (federal funds) ***$414,675***

The Budget adds $21.4 million in FY2027 and $414,675 in FY2026 from the new federal RHTP grant. The Office of the Health Insurance Commissioner will use the funds to address Initiative #11: Supporting Hospitals and Primary Care in Value-Based Payment Transition. According to the Office, $14.6 million is for a transformation fund grant program to which eligible providers can apply to receive necessary funds for Alternative Payment Models (APM) such as digital wallets and bank transfers. Of these funds, $5.0 million will support APM participation initiatives, $1.0 million will support policy consultancy, and $1.0 million for technical assistance to hospitals. Remaining funds will be used for office supplies for new staff, travel, and indirect costs.

The Budget adds 2.0 new FTE positions in FY2026 that are carried into FY2027. The positions include the following:

- **Principal Policy Analyst (Hospitals):** Under the general supervision of the Director of Policy, the Principal Policy Analyst will perform work related to hospital payment and delivery system transformation. They will serve as the subject matter expert on alternative hospital payment models and lead initiatives to support adoption of State-approved, quality-linked advanced alternative payment models (APMs), including global budgets, with a focus on rural hospital sustainability and access to care.
- **Principal Policy Analyst (Primary Care):** Under the general supervision of the Director of Policy, the Principal Policy Analyst will perform work related to primary care payment and delivery system transformation. They will serve as the subject matter expert on value-based primary care payment models and lead initiatives to support adoption of State-approved, quality-linked advanced alternative payment models (APMs), with a particular focus on primary care capitation and rural provider sustainability.

CANNABIS CONTROL COMMISSION

Marijuana Trust Fund Transfer ***($5.0 million)***

The Budget 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 988 Lifeline ($1.0 million) and Certified Community Behavioral Health Centers ($4.0 million)

DEPARTMENT OF LABOR AND TRAINING

Skills for Rhode Island's Future ***$565,780***

The Budget provides $565,780 of general revenue reappropriated from FY2025 for the Skills for Rhode Island's Future (Skills RI) program in FY2026. Skills RI partners with Rhode Island healthcare systems to address the State's heightened need for healthcare services by facilitating outreach, recruitment, screening, placement, onboarding, supportive services, training curriculum assistance, and outcome reporting for

medical personnel. The funding was a one-time appropriation in FY2023. Real Jobs RI is the Department's primary workforce development and training program.

Firefighters' Relief Fund ***$150,671***

The Budget provides $3.0 million in general revenues to support the Firefighters' Relief Fund in FY2026, reflecting an increase of $150,671 from the enacted level. The increase includes an $80,000 reappropriation and reflects payment of an unanticipated one-time death benefit.

Unemployment Insurance Benefits (all funds) ***$19.2 million***

The Budget provides $268.4 million in other funds and $71,741 in federal funds for unemployment insurance benefit payments excluding centralized services, reflecting a net increase of $19.2 million from the FY2026 enacted level. The adjustment includes a $19.9 million increase to unemployment insurance benefits offset by a $1.0 million reduction in reimbursable employers' benefits. The following table compares the funding provided by the FY2026 Budget as Enacted with the FY2026 Final Budget.

Unemployment Insurance Benefits (all funds)	FY2026 Enacted	FY2026 Final	*Change*
Unemployment Insurance (other funds)	$229,100,000	$249,000,000	*$19,900,000*
Reimbursable Employers UI Benefits (other funds)	11,000,000	10,000,000	*(1,000,000)*
Federal and Veteran Employment (other funds)	1,500,000	1,700,000	*200,000*
State Employees (other funds)	1,100,000	1,200,000	*100,000*
Trade Readjustment Act (federal funds)	100,000	71,741	*(28,259)*
Benefit Payments to Other States (other funds)	6,500,000	6,500,000	-
Total	**$249,300,000**	**$268,471,741**	***$19,171,741***

Residential Contractor Training (restricted receipts) ***$1.0 million***

The Budget includes $1.0 million of restricted receipts in FY2026 to support the training of residential construction workers administered by the Governor's Workforce Board, reflecting a memorandum of understanding between the Department, the Housing Resources Commission, and the Executive Office of Housing. The FY2025 Final Budget provided $200,000 of restricted receipts for the initiative and the FY2026 Budget as Enacted did not provide funding, resulting in a FY2026 Final appropriation $1.0 million above the FY2026 enacted level. The Governor's FY2026 Revised Budget recommended $554,728 for the program and subsequently issued a Governor's Budget Amendment for an additional $481,350 to reflect higher-than-anticipated collections on residential construction permits issue within the State, a portion of which funds residential contractor training programs.

Rural Health Transformation Program (federal funds) ***$361,584***

The Budget increases federal funds by $361,584 in FY2026 to reflect the Department's workforce development role in the Rural Health Transformation (RHT) program. Included in the federal bill HR-1, the RHT program provides federal funds to states to improve the access, quality, and outcomes of healthcare in rural communities. With this funding, the Department of Labor and Training will expand the training, job matching, and career counseling currently offered through the Real Jobs Rhode Island program to support rural healthcare providers.

ARPA SFRF Funded Projects (federal funds) ***$66,704***

The Budget provides $66,704 in American Rescue Plan Act State Fiscal Recovery Funds (ARPA SFRF) reappropriated from FY2025 to FY2026, including $65,508 for the Enhanced Real Jobs program and $1,196 for the Unemployment Trust Fund Contribution. Funding provided by ARPA SFRF must be fully expended by December 31, 2026.

DEPARTMENT OF REVENUE

Lottery Division (other funds) ***($15.1 million)***

The Budget includes $15.1 million less in Lottery funds in FY2026 than the enacted level. The net decrease of $15.1 million in Commissions and Prize Payments is based on the May 2026 Revenue Estimating Conference (REC) estimates of video lottery terminal (VLT) net terminal income and other lottery games. Net terminal income from VLTs is estimated to total $518.3 million, net table game revenue (NTGR) is estimated to total $122.7 million, the combined handle for sports betting is estimated at $415.0 million, and combined gaming revenue for iGaming is estimated to be $71.2 million. Gross revenue from these activities is deposited in the State lottery fund for administrative purposes with commissions distributed to Twin River and deductions made for casino operating expenses. The balance is remitted to the general fund.

Mobile DMV ***($750,000)***

The Budget includes the reappropriation of $750,000 in general revenue to FY2027 to support the mobile delivery of Division of Motor Vehicles (DMV) services in the municipalities of Warren and Westerly. State law requires that DMV services be available in Warren three times a week and once in Westerly. The State has contracted to have mobile motor vehicle registry designed and manufactured to accomplish this. According to the Department the unit is planned to be delivered in Spring 2026. Once received, all of the information technology equipment, data lines, and security measures will be installed, with services going live in Summer 2026 (FY2027).

Tax Increment Financing Disbursement to Pawtucket (restricted receipts) ***($2.9 million)***

The FY2026 Revised Budget includes a reduction of $2.9 million in restricted receipt funds related to the economic activity taxes collected in Pawtucket. The reduction reflects adjusted receipt collections information.

Legislation enacted in 2019 established several geographical districts within downtown Pawtucket in which any incremental tax revenues generated by new economic development would be made available to the City. CommerceRI is charged with certifying these new "economic activity tax" revenues and the Division of Taxation segregates them into their own account. Taxation disburses these Pawtucket Redevelopment Activity Funds as directed by General Assembly appropriation. In 2021, prior to any new development taking place, DOR calculated the baseline revenues occurring within the district to be $8.9 million.

Pawtucket Redevelopment Activity Funds are in turn used to make payments on bond debt issued by the Pawtucket Redevelopment Agency (PRA). Bond proceeds are used to finance economic development projects within the district. This method of financing is called tax increment financing (TIF). Commerce RI approves which economic development projects are to receive TIF funds and in what amount. It also has the authority to pledge "baseline" revenue in addition to new economic activity tax revenue.

SECRETARY OF STATE

Statewide Voter List ***($300,000)***

The FY2026 Budget as Enacted included $750,000 in general revenues to conduct a statewide mailing to update the state's voter registration list as the optimal way to ensure that state voter rolls are as accurate as possible for future elections. The mailing would be a one-time expense in a non-election year. According to the Office of the Secretary of State the mailing is complete at a cost of $450,000. Therefore, the remaining $300,000 can be reduced from the budget.

Rhode Island Archives and History Center (RICAP funds) ***$60,000***

The FY2027 Budget proposes financing of up to $45.0 million in general obligation bonds for the construction of a new State Archives and History Center. The State History Center will include exhibit and meeting space as well as storage for the State's most valuable documents. The FY2027 Capital Budget proposes $4.5 million from the RI Capital Plan Fund in FY2028 and $45.0 million in general obligation

bonds to be placed on the November 2026 ballot for voter approval for the planning and construction of the Rhode Island Archives and History Center. The new building will serve as a permanent home for the State's archives, currently located in leased space in the City of Providence, and will provide for the display of historical documents and artifacts. The Office of the Secretary of State reported a $60,000 RICAP expense incurred in FY2026. The Budget adds $60,000 for the RICAP expenditure.

OFFICE OF THE GENERAL TREASURER

Medical Debt Relief Program ***$880,899***

The FY2025 Budget as Enacted included $1.0 million in general revenue for the Medical Debt Relief Program administered by the Office of the General Treasurer for the purpose of contracting with a non-profit corporation (Undue Medical Debt) to purchase, cancel, or otherwise forgive medical debt for people meeting certain requirements, including that the individual be a resident of the State and has a federal adjusted gross income is 400.0 percent or less of the federal poverty line, or whose debt is more than 5.0 percent of the individuals' adjusted gross income. A total of $119,101 was expended by Undue Medical Debt in FY2025, leaving the balance of $880,899 to be reappropriated into FY2026.

The latest information regarding the effectiveness of the program was released by the Office of the General Treasurer as of July 2026. According to Treasury, the program erased approximately $16.3 million in medical debt for more than 9,000 residents.

BOARD OF ELECTIONS

Election Adjustments ***$562,575***

The Budget increases general revenue expenditures by $562,575 to reflect personnel, contracted services, and operating expenditures for voter operating supplies and expenses. This increase includes a reappropriation of $454,067 to upgrade the election poll pads, an increase of $70,508 for software maintenance, and $40,000 to reflect actual expenditures for seasonal staff in FY2026.

Election Costs	FY2026 Enacted	FY2026 Final	*Change*
Seasonal Staff	$35,000	$75,000	*$40,000*
Electronic Poll Pads	2,000	454,067	*452,067*
Software Maintenance	65,000	135,508	*70,508*
Other Professional Services	1,226,497	1,226,497	-
Program Supplies	75,000	75,000	-
Printing - Outside Vendors	6,000	6,000	-
Total	**$1,409,497**	**$1,972,072**	***$562,575***

PUBLIC UTILITIES COMMISSION

Windows Replacement (restricted receipt) ***$134,826***

The FY2026 Final Budget provides a total operating budget of $15.7 million, including $14.9 million in restricted receipts. This represents a net restricted receipt increase of $142,294 from the FY2026 Budget as Enacted. The most significant adjustment includes a restricted receipt increase of $134,826 for window replacement and upgrades.

EXECUTIVE OFFICE OF COMMERCE

ARPA CPF - Broadband (federal funds) ***$24.0 million***

The Budget includes the reappropriation of $24.0 million of unspent American Rescue Plan (ARPA) Capital Projects Funds for Broadband initiatives within the EOC's Commerce Programs in FY2026.

ConnectRI is the State's primary broadband development program. Administered by the Commerce Corporation in concert with the State's Broadband Advisory Council, it coordinates the planning, and

implementation of expanded internet capacity in the State. It has created a statewide strategic plan and is in the process of engaging federal agencies to access funding; create grant and other programs; and coordinate stakeholder and governmental organizations. ConnectRI finished taking public comment on its draft proposals for the federal Broadband Equity, Access, and Deployment (BEAD) Program and its Digital Equity Plan in December and February, respectively. Final proposals informed by the public comment period are currently being completed. The proposals are the first steps required to securing nearly $110.0 million in federal Infrastructure and Jobs Act and Digital Equity Act funding.

ARPA SFRF Bioscience Investments (federal funds) ***$24.2 million***

The Budget includes the reappropriation of $24.2 million of unspent ARPA State Fiscal Recovery Funds for Bioscience Initiatives within the EOC's Commerce Programs in FY2026. The FY2024 Budget as Enacted appropriated $45.0 million from SFRF funds to finance bioscience wet lab development and the creation of the Rhode Island Life Sciences Hub (RILSH). The Hub is a quasi-public agency with a 15 member board. According to the RISLH, all SFRF funds are committed at this time.

State Small Business Credit Initiative (federal funds) ***($19.3 million)***

The Budget includes $694,437 in federal ARPA Direct Funds for the State Small Business Credit Initiative in FY2026, $19.3 million below the enacted level. The program supports Rhode Island-based small businesses and entrepreneurs by providing capital and technical assistance to assist in growth and sustainability. Capital is made available through loan participation and guarantees, collateral support, equity and venture capital arrangements, and other capital access programs.

Rhode Island was awarded $67.1 million in Direct Funds under ARPA for the program. This funding is available under three tranches. EOC indicates that the first tranche has been fully expended and that there is approximately $700,000 left in the second. The FY2026 Budget as Enacted included a $20.0 million placeholder for the third tranche.

ARPA SFRF Aid to Tourism, Hospitality, and Event Industries (federal funds) ***$1.3 million***

The Budget includes $1.3 million in federal ARPA State Fiscal Recovery Funds (SFRF) to support activities related to the tourism, hospitality, and events. This funding represents the final funding programmed under SFRF for this category. Funding is being used to support outdoor and public space capital improvements and event/placemaking programming.

EXECUTIVE OFFICE OF HOUSING

ARPA SFRF Housing and Homelessness Initiatives (federal funds) ***$95.3 million***

The Budget shifts $95.3 million in federal funds for reallocated American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2026. Between FY2022 and FY2024, the General Assembly authorized the creation of 16 housing and homelessness programs and appropriated $332.2 million in SFRF funds to support them. The General Assembly was compelled to appropriate all of the State's ARPA allocation in FY2024 to meet U.S. Treasury obligation and spending deadlines. Because many of the housing and homelessness programs take several years to complete, the General Assembly required that any unspent ARPA funds at the end of any given fiscal year be reappropriated for the same purpose. The status of these various projects may be found at the state's Pandemic Recovery Office reporting page here: SFRF Quarterly Reports. The following table summarizes the reappropriations.

ARPA SFRF Initiative	FY2022 Actual*	FY2023 Actual*	FY2024 Actual	FY2025 Actual	FY2026 Enacted	FY2026 Final	Total Appropriation
Development of Affordable Housing	$14.7	$0.0	$25.2	$20.1	$0.0	$40.0	$100.0
Homelessness Infrastructure	-	3.7	23.7	13.4	-	4.2	45.0
Targeted Housing Development	-	-	-	8.0	-	18.0	26.0
Down Payment Assistance	-	10.0	20.0	-	-	-	30.0
Site Acquisition	6.0	9.0	10.0	-	-	0.0	25.0
Home Repair and Community Revitalization	-	-	7.0	7.8	-	9.7	24.5
Homelessness Assistance Programs	-	5.6	10.1	14.1	-	9.0	38.8
Workforce and Middle-Income Housing	-	-	3.7	8.0	-	8.3	20.0
Affordable Housing Predevelopment Program	-	2.5	7.5	-	-	-	10.0
Housing Related Infrastructure	-	-	-	1.1	-	1.9	3.0
Municipal Homelessness Support	-	-	0.3	1.2	-	0.7	2.2
Municipal Planning	-	-	-	0.3	-	1.7	2.3
Statewide Housing Plan	-		0.0	0.9	-	1.0	2.0
Predevelopment and Capacity Building	0.1	0.5	0.6	0.2	-	0.0	1.5
Proactive Housing Development	-	-	-	0.7	-	0.7	1.4
Preservation of Affordable Housing Units	-	-	-	0.5	-	-	0.5
Total	**$20.8**	**$31.3**	**$108.2**	**$76.2**	**-**	**$95.3**	**$332.2**

$ in millions. Total may vary due to rounding.

** FY2022 and FY2023 levels reflect the amount included for the Office of Housing and Community Development within the Executive Office of Commerce (EOC)*

State Shelter Utilities Adjustment *($400,000)*

The Budget decreases general revenues by $400,000 to reflect a shifting of state-owned shelter utilities costs to available State Fiscal Recovery Funds (SFRF). The SFRF support comes from within the existing Homelessness Infrastructure and Homelessness Assistance Program projects.

Asset Protection (other funds) *($300,000)*

The Governor's capital budget recommendation included $3.1 million for a new project funding asset protection work at three state-owned shelter facilities. The Budget retains the recommendation in out years, but reduces RICAP funds in FY2026 by $300,000 to reflect the removal of the FY2026 allocation for this project.

Office Relocation Expenses *($287,000)*

The Budget reduces general revenues by $287,000 to reflect the removal of funds for additional office relocation expenses in FY2026 following a significant underspend for these purposes in FY2025.

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

May 2026 Caseload Estimating Conference *($20.3 million)*

The FY2026 Revised Budget includes a net general revenue decrease of $20.3 million ($63.1 million all funds) to reflect the results of the May 2026 Caseload Estimating Conference (CEC). The estimates project total Medicaid spending of $3,877.9 million in FY2026, including $1,406.1 million from general revenues. More detailed information is provided in the May 2026 Caseload Estimating Conference Report.

RIBridges Data Breach Settlement *($7.0 million)*

To reflect the $7.0 million settlement reached with Deloitte over the 2024 data breach of the RIBridges system, the Budget shifts $7.0 million in general revenue costs to restricted receipts. In addition to the settlement funds, Deloitte is expected to provide $6.0 million in system enhancements and support that are outside the scope of the existing contract.

Ryan White HIV Care Program *$1.5 million*

The Budget provides $1.5 million in FY2026 and $2.0 million in FY2027 to support increased costs for Ryan White HIV Care Program due to escalating pharmaceutical costs. Congress passed the Ryan White

Comprehensive AIDS Resources Emergency (CARE) Act in August 1990 in remembrance of a teenager who contracted AIDs from a blood transfusion and passed one month before his high school graduation. The Ryan White Program provides medical services and supports, such as medications and outpatient services, to qualified Rhode Islanders.

HR-1 Preventive Health Care Provider Access Fund ***$1.0 million***

The Budget includes $1.0 million to establish a Preventative Health Care Provider Access Fund to be made available to health care providers ineligible for federal reimbursement pursuant to Section 71113 of P.L. 119-21. Any unused funds will automatically be reappropriated into FY2027.

Personnel and Operating ***($827,429)***

Based on the third quarter report, the Budget reduces personnel and operating expenses by $827,429 in general revenue and increases federal funds by $1.1 million primarily reflecting the shift of expenses to Medicaid funds.

Technology Expenses Timing and Match ***($769,165)***

Based on the third quarter report, the Budget reduces technology expenses for the Medicaid Management Information System (MMIS) and the Medicaid Enterprise System (MES) by $769,165 in general revenue and $2.3 million in federal funds to reflect updated spending projections and a higher Medicaid match for the MES than previously estimated.

Rural Health Transformation Program Grant – Application Contractors ***$766,000***

Based on the third quarter report, the Budget provides $766,000 in general revenue to support the contracted expenses incurred in preparing the Rural Health Transformation Program (RHTP) grant application. These expenses were incurred prior to the award and, under the terms of the grant, are not eligible for reimbursement.

Thundermist Family Medicine Residency Program ***($500,000)***

In support of primary care in Rhode Island, the FY2026 Budget as Enacted included $500,000 in general revenue as the state share to support the Thundermist Health Center's Family Medicine Residency Program. These funds, however, were only available if the residency program received funding in the federal budget for FFY2026. Since federal funding was not provided, a portion of the federal Rural Health Transformation Project (RHTP) grant is budgeted to establish a Rural Family Medicine Residency program with Block Island Health Services, the only rural health clinic in RI, serving as one of the rural clinical education sites. Through the Joint Resolution in Article 8, the Budget requires EOHHS to review and assess Medicaid waiver or state plan opportunities to support accredited primary care-focused physician residency programs and report options, recommendations, and estimated fiscal impact to the General Assembly and Governor by November 1, 2026.

Ladders to Licensure ***($186,156)***

Based on the third quarter report, the Budget reduces projected expenditures for the Ladders to Licensure program by an additional $186,156. Including the reduction included in the Governor's recommendation, the projected program expenses total $419,844, down from $750,000 in FY2026 Budget as Enacted.

Rural Health Transformation Program (5.0 FTE positions) (federal funds) ***$5.6 million***

As recommended in Governor's Budget Amendment 6, the Budget adds $68.8 million in FY2027 and $5.6 million in FY2026 from the new federal Rural Health Transformation Program (RHTP) grant and 5.0 new FTE positions in FY2026 that are carried into FY2027. On December 29, 2025, the Centers for Medicare and Medicaid Services (CMS) announced a $156.2 million federal Rural Health Transformation Program (RHTP) grant award to Rhode Island for the first of five grant years. The funds will be distributed in yearly tranches in federal FY2026 through federal FY2030 over six state agencies with 10.0 percent available for administrative expenses.

TOC

GBA 6 - Rural Health Transformation Program (RHTP) - Grant Year 1

Department	FY2026	FY2027	Total
Business Regulation	$0.4	$21.4	$21.8
Labor and Training	0.4	7.0	7.4
Executive Office of Health and Human Services	5.6	68.8	74.5
Health	2.8	27.3	30.1
Behavioral Healthcare, Development Disabilities and Hospitals	0.5	4.1	4.5
Elementary and Secondary Education	1.1	4.8	5.9
Total	**$10.7**	**$133.5**	**$144.2**
Funds to be appropriated in FY2028			13.4
Total			**$157.6**

$ in millions

Home and Community Based Services – ARPA (federal funds) ***($1.7 million)***

As recommended in Governor's Budget Amendment 3, the Budget reduces federal funds by $1.7 million and restricted receipts by $5.5 million to correct for grants that were awarded in FY2025 but inadvertently budgeted in FY2026.

HR-1 Community Engagement (federal funds) ***($1.0 million)***

Based on the third quarter report, the Budget reduces federal funding included in the Governor's recommendation by $1.0 million leaving a balance of $960,784 to facilitate capacity building for Supplemental Nutrition Assistance Program (SNAP) and Medicaid beneficiaries to meet the volunteering, educational, and/or work requirements required to meet the new federal HR-1 community engagement requirements.

Housing Grant Overstatement (federal funds) ***($81,869)***

Based on the third quarter report, the Budget reduces federal funds for the Pathways to Removing Obstacles program by $81,869 to reflect projected expenditures and correct for an overstatement of available resources. The grant is awarded through the Executive Office of Housing.

EC4 Equity Zone Project (restricted receipts) ***$54,546***

As recommended in Governor's Budget Amendment 3, the Budget increases Regional Greenhouse Gas Initiative (RGGI) restricted receipt funds from the Executive Climate Change Commission (EC^4) by $54,546. The funds are provided through a cooperative agreement with the Rhode Island Office of Energy Resources to support the Equity Zone focusing on climate change and health.

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

Child Welfare System Project Reallocation (federal funds) ***$7.6 million***

The Budget increases federal funds by $7.6 million to align federal funding for the Comprehensive Child Welfare Information System (CCWIS) project with the state's general revenue match, as well as recognize unspent federal funds from FY2025.

Psychiatric Residential Treatment Facility (federal funds) ***($6.3 million)***

The Budget decreases federal funds for the Psychiatric Residential Treatment Facility (PRTF) by $6.3 million. Federal funds for the Exeter Residential Treatment Facility were initially budgeted incorrectly in the North Providence PRTF project, and this update corrects that error. It also shifts $774,813 in capital funds from FY2027 to FY2026 to reflect updated cost schedules for the project.

Residential Treatment Facility (federal funds) ***$6.3 million***

The Budget increases federal funds for the Residential Treatment Facility (RTF) by $6.3 million. Federal funds for the Exeter RTF were initially budgeted incorrectly in the North Providence Psychiatric Residential Treatment Facility project. This update corrects that error. It also decreases capital funds for this project by $774,880 to correct for an overbudgeting of capital funds in the proposed budget as compared to the capital budget schedule.

Federal Match Shortfall ***$3.0 million***

The Budget increases general revenues by $3.0 million related to a projected decrease in federal funds claimed for the Department's service array. The Department's third-quarter report projected a $6.0 million general revenue overspend in FY2026, attributed primarily to a decrease in federal funds, including Medicaid and Title IV-E, for home-and community-based services. The Budget Office provided an updated $4.4 million general revenue deficit projection for FY2026; the $3.0 million increase is provided to replace federal funds while the claims issues are resolved.

Consent Decree ***$767, 059***

The Budget includes a general revenue increase of $767,059 ($1.1 million all funds) to implement changes necessary for the consent decree and support 6.0 new FTE positions. A total of 6.0 FTE Social Worker II positions were initially replaced with Social Service Analysts in order to accommodate staffing that was required by the consent decree. The Budget instead includes 6.0 new FTE positions, including 5.0 social service analysts and 1.0 caseload worker supervisor II, and restores the shifted positions to their original classification. Consent decree funding is located within the Central Management and Child Welfare divisions of the Department.

DEPARTMENT OF HEALTH

Laboratory Facility ***$1.1 million***

The Budget includes a $1.1 million general revenue increase, with a corresponding $949,650 restricted receipts reduction for the new State Health Laboratory operating expenses. Programs within the new facility include shellfish testing, clinical and forensic toxicology, wastewater testing, and pathogen genome sequencing. Previously, operational support has been funded though DCAMMS ISF funds. However, these services will now be contracted through a building administrator, Cushman and Wakefield. The Chapin building, the States' previous health laboratory, required a total of $1.0 million in general revenue for operating expenses, which has been removed from the Department's budget.

Center for Health Facilities Regulation (HFRC) Centers for Medicare and Medicaid Services (CMS) Funding Deficit ***$735,185***

The Budget includes 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.

Reappropriation – Primary Care Training Sites ***$502,422***

The Budget includes $502,422 in general revenue for the reappropriation of unspent funds from FY2025 to support the implementation of primary care training sites. These funds support the implementation of the Office of Primary Care and grants of up to $90,000 for participating training sites. Article 11 also charges the Department with the authority to enter into contracts with participating primary care sites so long as they focus on a curriculum based on the patient-centered medical home (PCMH) model, a model of care

placing patients at the forefront of care by providing team-based healthcare delivery led by a healthcare provider to obtain beneficial health outcomes.

Reappropriation – RI Rental Registry ***$364,000***

The Budget includes $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. In FY2023, the General Assembly enacted 2023-S-0804 – the Residential Landlord and Tenant Act, which charged the Department with creating and maintaining a registry pertaining to leased homes. The Act also mandates that all residences built before 1978 register as lead safe – specifying that owners of these units must supply the Department with certification of conformance in accordance with Rhode Island's lead hazard mitigation laws. The law mandates that the registry consists of information related to contact and business information for each rental unit as well as a certificate of conformance to lead hazard mitigations for properties built before 1978. The law also mandates that all landlords/properties must be registered by October 1, 2024.

According to the Department, there have been significant struggles with creating and maintaining the registry as the FY2024 Budget did not provide any funding for the creating of the landlord registry. To accommodate the additional expenditures, the General Assembly provided an additional $1.3 million.

Rural Health Transformation Program (federal funds) ***$2.3 million***

Pursuant to GBA 6, the Budget adds $26.3 million in and $1.0 million from indirect cost recovery restricted receipts for a new federal Rural Health Transformation Program grant. In FY2026, the Budget includes $2.3 million from the federal RHTP and $447,896 from indirect cost recovery restricted receipts. Of these funds, approximately $800,000 will support 6.0 new FTE positions.

Third Quarter Report Savings (federal funds) ***($1.5 million)***

The Budget includes a federal funds decrease of $1.5 million, with a corresponding $8.5 million restricted receipts reduction reconciling with updated vaccination expenditures and other operations.

Personnel Salary and Benefits Reallocation (federal funds) ***$60,320***

The Budget includes a $60,320 federal funds increase, with a corresponding restricted receipt increase of $90,481 to correct the salary and benefits funding for an FTE position in the Healthcare Quality and Safety program that was miscalculated.

Opioid Crisis Response Funding (restricted receipts) ***$10.6 million***

The Budget includes $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. These funds support street outreach initiatives, naloxone distribution, harm reduction centers, harm reduction mobile outreach projects, overdose death detection, substance exposed newborn interventions, and other mitigation strategies.

DEPARTMENT OF HUMAN SERVICES

Office of Healthy Aging – Home and Community Care Organization ***$550,000***

The Budget includes a general revenue increase of $550,000, with a corresponding federal finds increase of $735,046 to fully fund the home and community services provided by the Office of Healthy Aging. This program serves a subset of Rhode Islanders aged 65+, a demographic that has grown in each of the last several years and will continue to grow for the foreseeable future.

Office of Veterans Services Third Quarter Adjustment ***($550,000)***

The Budget includes a general revenue decrease of $550,000 related to turnover and operating savings reported in the third quarter report.

Child Support Enforcement Case Management System Transition ***$513,744***

The Budget includes $513,744 in general revenue to support the transfer of RIKidsBridge, the primary mainframe utilized by the Office of Child Support Enforcement, off the mainframe and into a web-based platform. While the mainframe is utilized by the Office, it has become outdated (designed in the early 1990s). Additionally, by CY2028, the Office will be the only tenant following the end of the current contract. The system supports approximately 70,000 child support cases, collecting about $93.0 million in child support annually.

Digitalization Project Reappropriation ***$250,000***

The Budget includes a reappropriation of $250,000 in general revenue for the digitization project in the Office of Veterans Services. The Department is scanning and storing DD-214 documents in an online database that is only accessible to RIVETS personnel.

HR-1 Response ***Informational***

The Budget includes $1.6 million in all funds to support activities related to HR-1, but offsets these expenses with $1.6 million in projected personnel surplus. These funds finance 10.0 FTE positions and technology upgrades to begin work to lower the State's SNAP payment error rate (PER).

FTEs for HR-1 ($130,820): The Budget includes a general revenue increase of $130,820 and $38,770 in corresponding federal funds to support 4.0 new FTE positions and additional funding required to implement new eligibility and training activities related to HR-1 to ensure a reduction in the SNAP Payment Error Rate. The positions include:

- 2.0 FTE Eligibility Technician Specialist
- 2.0 FTE Interdepartmental Project Manager

HR-1, passed in July 2025, made several changes to human service programs including Medicaid, SNAP, and Health Exchange. The eligibility verification of these programs is housed within the Department of Human Services. To effectively handle increased call volume and ensure equitable and effective access to these services, the Department requires additional FTE positions.

SNAP AI Training Platform ($240,028): The Budget includes a general revenue increase of $240,028, with a corresponding federal funds increase of $230,930, to finance technology modernization, new training support roles, and increased accuracy. These funds support 2.0 FTE Principal Human Services Policy and Systems Specialist 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-life dashboards to monitor and adjust staff-training.

SNAP Chat Bot ($388,524): The Budget includes a general revenue increase of $388,524 with a corresponding federal funds increase of the same amount, to improve customer service. These funds will finance technological improvements to existing phone systems. AI-powered chat bots will handle immediate customer questions, call recording, and analytics, improving customer services.

SNAP Quality Control ($80,217): The Budget includes a general revenue increase of $80,217, with a corresponding federal funds increase of $82,679 to support the creation of the Office of Program Integrity. This proposal spans across the agency and additional funds appear in the Division of Individual and Family Support. The Office of Program Integrity houses 4.0 FTE positions and will oversee corrective training and oversight of the Department's eligibility technician to prevent errors and control the State's payment error rate.

May Caseload Conference Cash Assistance ***($11,280)***

The Budget includes a general revenue reduction of $11,280, with a corresponding federal funds decrease of $11.5 million, reflecting updated caseload estimates for Rhode Island Works, Subsidized Child Care,

Supplemental Security Income, and General Public Assistance from estimates adopted at the May 2026 Caseload Estimating Conference.

Child Support Federal Credit Adjustment (federal funds) ***$617,546***

The Budget includes a federal funds increase of $617,546, reflecting corrected estimates for child support collections. Child support credits were originally college and recorded as revenue, however, according to the Department of Administration this is not how they should be treated. Funds are now used to credit expenses in the Office.

Incredible Beginnings Program (federal funds) ***$80,000***

The Budget includes $80,000 federal funds increase to support the creation of the "Incredible Beginnings" program, an expansion of the existing "Incredible Years" program. Incredible Years offers a slew of evidence-based early intervention programs for parents, teachers, early childhood educators, counselors, and other professionals who work with children aged 0-12. The program focuses on social emotional learning, academic skills, and positive behavioral outcomes. Incredible Beginnings was introduced in Rhode Island in 2017, and trains teachers and childcare providers to create supportive and emotionally responsive learning environments.

Organ Transplant Fund (restricted receipts) ***$15,000***

The Budget restores $15,000 in restricted receipts to the organ transplant fund. In the FY2026 Budget as Enacted, the Department shifted funding from the Executive Office of Health and Human Services to the Department of Human Services to fully support the fund. The fund was shifted from the Executive Office of Health and Human Services (EOHHS) to the Department in 2026. It is funded through charitable donations only.

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DEPARTMENT OF BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES, AND HOSPITALS

ESH Billings ***$10.0 million***

The Budget increases general revenues by a total of $10.0 million related to billing issues at Eleanor Slater Hospital. This total includes a $2.5 million increase to offset unavailable Medicaid funds for services at the long-term acute care hospital, a $4.8 million increase to offset unavailable Medicaid funds for a specific billing issue with patients who are eligible for both Medicaid and Medicare, and a $2.7 million increase to offset other federal fund shortfalls.

Rural Health Transformation Program (2.0 FTEs) (federal funds) ***$452,647***

The Budget increases federal funds by $452,647 for the Rural Health Transformation Program, a federal state award as part of HR-1. The funding includes the addition of 2.0 FTE positions within the Department and is intended to support recovery centers, crisis and stabilization services, and Westerly Hospital's geriatric psychiatry unit.

Behavioral Health Data Exchange Pilot (restricted receipts) ***$379,549***

The Budget increases restricted receipts by $379,549 to reflect the award of a federal grant for a pilot to create an electronic clinic reporting system for Certified Community Behavioral Health Clinics (CCBHCs). The pilot will include five of the six CCBHCs in Rhode Island.

May CEC Adjustment ***$201,247***

The Budget increases general revenues by $201,247 ($288,094 all funds) to align funding in the Services for the Developmentally Disabled program with the caseload estimates adopted at the May 2026 Caseload Estimating Conference.

Blizzard Overtime Expenses ***$146,456***

General revenues are increased by $146,456 to account for overtime expenses at hospital facilities and state group homes during the February 2026 blizzard.

Hospital License Fee Correction ***($109,029)***

The Budget decreases general revenues by $109,029 in general revenues ($194,516 all funds) to reduce the expenses included for the hospital license fee in the Governor's recommendation to the correct fee due by law.

GOVERNOR'S COMMISSION ON DISABILITIES

Livable Home Modification Grant Program Reappropriation *$585,533*

The FY2026 Final Budget continues funding for the Livable Home Modification Grant Program and includes $1.1 million in general revenue to support the program. The FY2026 Final Budget also includes the $585,533 reappropriation from the previous fiscal year, as the FY2025 Budget as Enacted included proviso language requiring all unexpended or unencumbered funds be reappropriated to the ensuing fiscal year (FY2026).

ELEMENTARY & SECONDARY EDUCATION

School Building Authority Capital Fund *($5.9 million)*

Article 7 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), as recommended by the Governor; however, the article moves the effective date back to July 1, 2025, instead of 2026. Consequently, the Budget shifts $5.9 million in savings from project delays from FY2026 into FY2027.

Rural Health Transformation Program (federal funds) *$1.1 million*

As recommended in Governor's Budget Amendment 6, the Budget adds $1.1 million in FY2026 and $4.8 million in FY2027 from the new federal Rural Health Transformation Program (RHTP) grant. On December 29, 2025, the Centers for Medicare and Medicaid Services (CMS) announced a $156.2 million federal Rural Health Transformation Program (RHTP) grant award to Rhode Island for the first of five grant years. The funds will be distributed in yearly tranches in federal FY2026 through FFY30 over six state agencies with 10.0 percent available for administrative expenses.

GBA 6 - Rural Health Transformation Program (RHTP) - Grant Year 1

Department	FY2026	FY2027	Total
Business Regulation	$0.4	$21.4	$21.8
Labor and Training	0.4	7.0	7.4
Executive Office of Health and Human Services	5.6	68.8	74.5
Health	2.8	27.3	30.1
Behavioral Healthcare, Development Disabilities and Hospitals	0.5	4.1	4.5
Elementary and Secondary Education	1.1	4.8	5.9
Total	**$10.7**	**$133.5**	**$144.2**
Funds to be appropriated in FY2028			13.4
Total			**$157.6**

$ in millions

Davies HVAC (RICAP funds) *$1.0 million*

The Budget shifts $1.0 million in RICAP funds from FY2026 into FY2027 to reflect updated project expenditures for the HVAC project at Davies.

Internal Service Fund (ISF) Adjustment *$298,867*

Pursuant to Governor's Budget Amendment 3, the Budget increases ISF adjustments by $298,867 to reflect updated projected costs, including $79,287 for facilities management, $177,127 for electricity, and $42,453 for natural gas.

Davies CTE Adjustment (restricted receipts) *$150,000*

Pursuant to Governor's Budget Amendment 8, the Budget increases career and technical education (CTE) categorical funding by $150,000 to reflect the higher award received by Davies.

EC[4] Award ***($56,000)***

Pursuant to Governor's Budget Amendment 8, the Budget reduces the Department's EC[4] award by $56,000 to reflect the updated timeline, leaving a balance of $175,000 in restricted receipt funding for the Department to retain a consultant to create a roadmap for schools interested in solar.

Education Funding Formula Adjustment ***$4,356***

Pursuant to Governor's Budget Amendment 18, the Budget corrects for education funding inadvertently omitted from the formula aid for a charter school.

HIGHER EDUCATION

Rhode Island Capital Fund (RICAP) Changes (other funds) ***($9.5 million)***

The Budget includes a net RICAP reduction of $9.5 million, including the following:

URI – PFAS Removal Water Treatment Plant: The Budget includes a $4.5 million RICAP reduction related to the URI PFAS removal water treatment plant, reconciling with up-to-date project estimates. The project is estimated to cost a total of $21.7 million to construct a permanent water treatment plant to address the University's elevated per- and polyfluorinated substances (PFAS) levels. Originally, these funds were identified as ARPA SFRF funding; however, the University's capital improvement plan timetable put these time-sensitive funds at risk of being reclaimed by the federal government, instead the project will be completely funded through RICAP funds

CCRI – Renovation and Modernization Phase I: The Budget includes a RICAP reduction of $2.8 million, reconciling with updated project plans. The project will modernize academic and student support spaces. The project is estimated to cost a total of $59.5 million with $12.0 million from general obligation bonds approved in March 2021, and $47.5 million in RICAP funds.

CCRI – Renovation and Modernization Phase II: The Budget includes a $400,000 RICAP decrease, reflecting updated project plans for renovations at CCRI. This phase, which is estimated to cost a total of $147.7 million in both RICAP and general obligations funds, will begin the construction processes of the project. Specifically, in FY2026 and FY2027, the project will focus on HVAC, electrical, and foundational repairs at the Warwick and Providence campuses.

CCRI – Flanagan Campus Renovations: The Budget includes a $1.8 million RICAP reduction reflecting updated project plans. This $12.5 million project includes modernization and code compliance upgrades to all the science labs at the Lincoln campus, as well as the refurbishment of the exterior including heat resistance paint, window replacement, and light abatement.

Hope Scholarship May Update ***($265,341)***

Pursuant to the May 2026 Hope report submitted by Rhode Island College, the Budget includes a general revenue reduction of $265,341, reflecting updated expenditures. Total funding in the Budget for the scholarship is $5.0 million.

RI DATA Shift to Federal Funds ***($232,329)***

The Budget includes a $232,329 general revenue shift to federal funds. RI DATA is the States longitudinal data system that connects data from early childhood through K-12 and higher education, and into the workforce, with the mission to inform policy and facilitate research that improves the well-being of all Rhode Islanders.

In the Office of the Postsecondary Commissioner's (OPC) 3rd quarter report, the office projects a $101,200 surplus, primarily attributable to turnover savings, The Budget further shifts an additional $131,129 in general revenue to federal funds.

Promise Scholarship May Update ***$20,047***

Pursuant to the May 2026 Promise report submitted by the Community College of Rhode Island, the Budget includes a general revenue increase of $20,047, reflecting updated expenditures. Total funding in the Budget for the scholarship is $7.5 million.

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RHODE ISLAND ATOMIC ENERGY COMMISSION

Student Projects (federal funds) ***$7,936***

The Budget includes an additional $7,936 in funding from the U.S. Nuclear Regulatory Commission to support costs of student projects focused on nuclear education.

Capital Expenditure Adjustment (restricted receipts) ***$10,000***

The Budget includes an additional $10,000 in restricted receipts to reflect higher than anticipated capital repair costs that are funded by reactor fees.

OFFICE OF THE ATTORNEY GENERAL

RICAP: Building Renovations (other funds) ***($2.5 million)***

The Budget shifts $2.5 million of RICAP funds appropriated to the Office of the Attorney General from FY2026 to future years, based on updated spending expectations. The Budget increases funding in FY2027 by $1.5 million and in out-year FY2028 by $1.0 million. The Office requested funding to replace the aging HVAC system, install energy-efficient windows, and perform minor roof repairs at the 180 South Main Street location in Providence. The Office also indicates that completing these projects will result in significant energy savings.

DEPARTMENT OF CORRECTIONS

Personnel: Salary and Benefit Adjustment ***$3.0 million***

The Budget provides $254.8 million in general revenue to support personnel salaries and benefits within the Department of Corrections, reflecting a $3.0 million increase over the FY2026 Budget as Enacted. The increase to personnel above the enacted is a result of several items including: $1.2 million in unbudgeted personnel expenditures related to the "Blizzard of 2026", a delay in the application process to receive $1.0 million in federal State Criminal Alien Assistance Program (SCAAP) funding, and $2.4 million in unbudgeted personnel costs related to the Department's insufficient number of correctional officers.

- **Blizzard of 2026:** Due to the historic Blizzard of 2026, the Department incurred an additional $1.2 million in general revenue funded personnel expenditures. The Department indicates that it incurred an extraordinary amount of overtime as members of the Rhode Island Brotherhood of Correctional Officers (RIBCO) are compensated at double time and a half during a declared state of emergency.
- **SCAAP Funding:** The FY2026 Budget as Enacted provided $1.3 million of federal funds awarded through the SCAAP program to support personnel costs within the Custody and Security program, which is eliminated in the FY2026 Final Budget and replaced with general revenue. The Department's 3rd Quarter Report indicated that the federal government had not posted the grant application and that funding would be delayed to FY2027. The grant has since been posted, and the Department will direct any awarded funds to FY2027.
- **Unachieved Efficiency Savings:** The FY2026 Final Budget increased general revenue by $1.6 million to reflect efficiency savings included in the FY2026 Budget as Enacted that the Department was unable to achieve due to staffing shortages.

  The FY2026 Governor's Budget recommended consolidating the populations housed at both the Minimum-Security and Medium-Security facilities and included $6.1 million in general revenue personnel savings. A subsequent feasibility study estimated capital costs of $67.1 million for the consolidation. The Department testified before the House Finance Committee that it would identify $1.6 million in efficiency savings instead of proceeding with the consolidation plan. The Department's 3rd Quarter Report states, "The enacted budget included $1.6 million in overtime savings from unspecified post closures and operational changes. The Department currently does not have enough

correctional officers to adequately staff facilities safely and securely and essential posts are not able to be filled at sufficient levels, thus rendering these savings unachievable."

Operating Supplies Adjustment ***$1.4 million***

The Budget provides $40.0 million in general revenue for operating supplies, excluding statewide adjustments, representing an increase of $1.4 million from the FY2026 enacted level. The adjustment includes significant increases of $761,705 for pharmaceuticals, $758,758 for building repairs, $284,500 for snowplowing and sanding, and $237,508 for food. The increases are partially offset by reductions of $160,163 for janitorial supplies, $150,121 for software maintenance, and $139,999 for recruitment advertising.

FY2025 Reappropriation ***$581,138***

The Budget includes $581,138 of reappropriated general revenue for nursing services at the Department of Corrections. The reappropriation includes $429,638 for training consultants and $151,500 for personnel expenditures. These funds will incentivize individuals to work for the agency and support equipment allowances, recruitment incentives, and training.

RICAP: HVAC Replacement (other funds) ***($19.3 million)***

The Budget provides $8.5 million of RICAP funds for the heating, ventilation, and air conditioning system (HVAC) replacement project in FY2026, reflecting a $19.3 million decrease from the FY2026 enacted level. Based on updated project timelines, the Budget increases funding by $14.3 million in FY2027 and by $5.0 million in out-year FY2028 to replace the HVAC system at the Intake Services Center. In aggregate, the Budget provides $41.6 million for the project, including $8.5 million in FY2026, $19.8 million in FY2027, and $5.9 million in out-year FY2028.

Transport Vehicle Grant (federal funds) ***$1.2 million***

The Budget includes $1.2 million of federal funds awarded as Congressional Earmarks to replace aging, unsafe, and unusable transport vehicles. The Department notes that its vehicles are utilized daily and that the funding will replace those with the most use. The FY2025 Final Budget included these funds, which were reappropriated to FY2026.

MILITARY STAFF

Miscellaneous Minor Construction (federal funds) ***$30.8 million***

The Budget includes $38.1 million in federal funds for numerous miscellaneous minor capital and asset protection projects that are partially or fully paid with federal funds. This is an increase of $30.2 million from the FY2026 Budget as Enacted, resulting from the completion of multiple projects.

Added to the increase is $600,000 to finance the Coventry Water Modernization project during FY2026. At the time the agency submitted its capital plan requests for FY2027-FY2031, the Military Staff requested funding for this project via the Army MSAP subproject listing, which at the time was to be 100.0 percent RICAP funded. However, the project was not included in the Governor's recommended capital budget. Recently, the Military Staff learned that $4.1 million in federal funds would be awarded for the project, making the project 100.0 percent federally funded.

The project involves the installation of a new water supply from the Kent County Water Authority (KCWA) to the Rhode Island Army National Guard (RIARNG) property located in Coventry, RI. The work includes the installation of approximately 3,100 linear feet of new 8-inch DI water main along Read School House Road and Nike Site Road, a prefabricated booster pump station, emergency diesel generator, electrical, instrumentation, SCADA, including valves, hydrants, water system tie-in connections, pavement restoration, and appurtenances. In addition, the existing RIARNG pump station, three water supply wells, and underground storage tank will be decommissioned.

Aviation Readiness Center (RICAP) ***($4.0 million)***

The Budget includes $518,614 of RICAP funds in FY2026, reflecting a decrease of $4.0 million from the FY2026 Budget as Enacted. The FY2026 Final Budget shifts RICAP funds from FY2026 to FY2028 to reflect the revised project schedule. The Military Staff reported that the construction contract was only recently awarded during FY2026 and that the project is not expected to begin until FY2027.

These appropriations along with an appropriation of $7.6 million in FY2027 are needed to complete the construction of a $62.0 million, 73,788 square foot training and readiness center at the Quonset Air Base for the Rhode Island National Guard 1/126th Aviation Unit. Approximately, 75.0 percent of the project cost is paid through the federal National Guard Bureau.

Quonset Air National Guard Headquarters Facility (RICAP) ***$1.9 million***

The Budget includes $1.9 million in RICAP funds in FY2026. This construction project is one of the largest expenditures within the Military Staff budget. The structure at the Rhode Island Air National Guard facilities at Quonset will house a new Air Wing headquarters, as well as new medical and dining facilities. The total project cost is $40.0 million, of which $36.9 million (93.0 percent) of the cost is federally funded while the State share of $3.0 million (7.0 percent) is funded through RICAP.

Counter Drug Facility (RICAP) ***$1.6 million***

The Budget includes $2.6 million in RICAP funds and $4.5 million in federal funds in FY2026, reflecting an increase of $1.6 million in RICAP funds from the FY2026 Budget as Enacted. The counter drug facility is projected to be completed during FY2026. The $8.4 million Counter Drug Facility capital project used $5.4 million in federal Counter Drug Asset Forfeiture funds and $3.0 million in RICAP funds to construct a 15,722 square foot Counter Drug Training Facility at Camp Fogarty in the Town of East Greenwich.

Asset Protection (RICAP) ***($192,808)***

The Budget includes $2.4 million in RICAP funds in FY2026 and shifts $1.9 million in RICAP funds from FY2026 to FY2027 for general asset protection projects to reflect the timing of expenses, thereby increasing available funding to $3.5 million in FY2027. The net result in FY2026 is a decrease of $192,808 in RICAP funds.

RHODE ISLAND EMERGENCY MANAGEMENT

Disaster and Emergency Preparedness Grants (federal funds) ***$14.0 million***

The Budget includes $37.3 million in federal funds for various federal grants and reimbursements received for storm and natural disaster events. This appropriation is $14.0 million more than the FY2026 Budget as Enacted. These funds also reimburse preparedness efforts for terrorist threats, active shooters, hazardous material containment, and other emergency events. The preparedness efforts are intended to improve and enhance the State's ability to prevent, deter, respond to, and recover from threats and incidents. Federal grant funds vary from year to year depending upon the number and severity of natural disasters and the availability of federal funds for non-disaster grants. The following table highlights the more significant changes in FY2026.

RIEMA Federal Grants	FY2026 Enacted	FY2026 Final	*Change*
FEMA 4505 Hazard Mitigation	$63,090	$12,719,882	*$12,656,792*
SLCGP 2024 State and Local Cybersecurity Grant Program	-	3,335,047	*3,335,047*
SHSP 2025 State Homeland Security Grant	-	1,933,255	*1,933,255*
NSGP 2024 Supp Non-Profit Security Grant Program	-	1,702,507	*1,702,507*
SHSP 2023 State Homeland Security Grant	2,616,299	1,688,972	*(927,327)*
BRIC 2023 - Building Resilient Infrastructure and Communities (Projects)	345,000	1,562,430	*1,217,430*
EMPG 2022 Emergency Management Preparedness Grant	1,422,558	419,937	*(1,002,621)*
SHSP 2022 State Homeland Security Grant	1,195,186	605,890	*(589,296)*
NPSG 2022 Non Profit Security Grant	1,021,804	234,833	*(786,971)*
SLCGP 2023 State and Local Cybersecurity Grant Program	4,243,868	1,000,000	*(3,243,868)*
All Other Grants	12,357,435	12,077,260	*(280,175)*
Total	**$23,265,240**	**$37,280,013**	***$14,014,773***

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Personnel, Contract Services, Operating, and Capital Adjustments (federal funds) ***($1.2 million)***

The Budget includes $10.5 million in federal funds for personnel, contract services, operating, and non-RICAP capital costs, reflecting a decrease of $1.2 million in federal funds from the FY2026 Budget as Enacted. The largest decreases include a reduction of $1.6 million for the 2023 Emergency Management Preparedness Grant award and $1.2 million for FEMA Management Costs. These are largely offset by an increase of $1.5 million increase for the 2025 State Homeland Security Grant.

Personnel, Contract Services, Operating, and Capital - Federal	FY2026 Enacted	FY2026 Final	*Change*
EMPG 2025 Emergency Management Preparedness Grant	$0	$1,508,365	*$1,508,365*
EMPG 2024 Emergency Management Preparedness Grant	3,109,107	2,799,964	*(309,143)*
EMPG 2023 Emergency Management Preparedness Grant	1,554,474	-	*(1,554,474)*
SHSP 2025 State Homeland Security Grant	-	248,120	*248,120*
SHSP 2024 State Homeland Security Grant	1,063,731	1,140,847	*77,116*
FEMA 4505- Management Costs	1,500,813	284,944	*(1,215,869)*
All Other Personnel, Contract Services, Operating, Capital - Federal	4,413,251	4,484,711	*71,460*
Total	**$11,641,376**	**$10,466,951**	***($1,174,425)***

RICAP – RISCON Infrastructure Upgrades (RICAP funds) ***$85,162***

The Budget includes $400,566 in RICAP funds to upgrade the RISCON system, including an increase of $85,162 in the revised budget. The project scope includes propane generator replacements, adding propane generators to sites currently without one, and other security and wiring upgrades.

DEPARTMENT OF PUBLIC SAFETY

Statewide Body-Worn Camera Project ***$9.0 million***

The Budget includes $9.0 million of general revenue in FY2026 for the Statewide Body-Worn Camera Project, all of which reflects reappropriations from the previous fiscal year. The FY2025 Final Budget provided $11.5 million for the project, of which the Department expensed $2.5 million. The Department plans to disburse the funds over multiple years as police departments statewide fulfill their contracts. The FY2027 Budget as Enacted contains language requiring all unexpended or unencumbered balances to be reappropriated to the next fiscal year.

Current Status: According to a July 2026 query, the State's Free Balance Report indicates that the Department spent $3.5 million in FY2026, for an overall project spend of $9.5 million. The project has a remaining balance of $5.5 million and is expected to be completed by 2030.

Background: In 2021, the General Assembly authorized a statewide program to put body-worn cameras on every frontline police officer and supervisor in Rhode Island. The statewide program is designed to equip approximately 1,700 of Rhode Island's uniformed patrol officers, across every municipal police department and the Rhode Island State Police, with body-worn cameras.

The FY2023 Budget as Enacted appropriated $15.0 million to the Department to purchase body-worn cameras and associated equipment, contingent on the creation of the initiative's rules and regulations. The rules and regulations took effect on October 19, 2022, and departments statewide began implementing the changes. The FY2024 Budget as Enacted shifted $13.5 million of the $15.0 million total to FY2024 and directed that any unspent funds be reappropriated to FY2024. Similarly, the FY2025 Budget as Enacted shifted $11.5 million of general revenue from FY2024 to FY2025 and directed any unspent funds be reappropriated to FY2025.

Security Services: Motor Vehicles ***$26,000***

The Budget includes $551,500 of general revenue for the Capitol Police and Sheriffs to purchase vehicles in FY2026, reflecting an increase of $26,000 from the enacted level. The Department will utilize personnel savings to purchase the vehicles outright. The initiative includes the outright purchase of three vehicles for the Capitol Police and two vehicles for the Sheriff Division, as well as removing a $525,500 transfer of expenditures to the revolving loan fund.

FY2025 Reappropriation ***$256,247***

The Budget includes $256,247 of general revenue reappropriations for the Department, including the remaining $158,088 balance of the legislative grant awarded to the Family Services of RI Go Team in FY2025, $51,718 for delayed uniforms, workstations, and computer replacements in the Sheriffs Division, and $46,440 for various equipment and operating costs in the State Police. The FY2026 Final appropriation to the Family Services of RI Go Team is $558,089, which includes $158,088 in reappropriated funds.

State Police: Motor Vehicles (all funds) ***$71,211***

The Budget includes $1.2 million of general revenue ($3.3 million all funds) to outright purchase 29 vehicles for the State Police, reflecting a $1.2 million general revenue reduction from the enacted level ($71,211 increase in all funds). The Budget directs the Department to use personnel turnover and $1.3 million in receipts collected through Road Construction and Weight and Measure Reimbursement rather than the State Fleet Revolving Loan Fund. The Department notes in its FY2025 2nd Quarter Report that the outright purchase eliminates $835,000 of year-one vehicle loan repayments in FY2026.

ENVIRONMENTAL MANAGEMENT

Personnel Adjustments ***$1.4 million***

The Budget includes an additional $1.4 million in general revenue to support personnel expenses. In the third quarter report, DEM reported a projected shortfall due to lower than projected turnover and the state minimum wage increase that took effect in January 2026 and was not supported in the Governor's recommended budget.

Blizzard Overtime and Emergency Repairs ***$90,338***

Pursuant to Governor's Budget Amendment 12, the Budget provides an additional $90,338 in general revenue for additional overtime and emergency repairs across multiple sub-programs due to the February 2026 Blizzard.

Rhode Island Capital Plan (RICAP) fund Changes ***($2.6 million)***

The Budget includes a decrease of $2.6 million in Rhode Island Capital Plan (RICAP) funding to reflect the following:

- **Natural Resources Offices/Visitor's Center:** Due to an updated project schedule, the Budget reduces funding by $1.7 million in FY2026 and shifts $1.0 million of the funds into FY2027 and $700,000 into FY2028. The project involves renovating space on the Alton Jones Campus at the University of Rhode Island for use as a new visitor center and office space.
- **Newport Pier Upgrades:** To reflect the updated project schedule, the Budget shifts $887,328 in funding for ongoing repairs and renovations of the pier from FY2026 to FY2028. This project supports the commercial fishing industry by making infrastructure improvements for commercial fishing facilities at the State Pier in Newport. State Pier #9 in Newport houses approximately 50 commercial fishing vessels, providing the only affordable, berthing space for the local commercial fleet.

DEPARTMENT OF TRANSPORTATION

Rhode Island Highway Maintenance Account (other funds) ***$190.4 million***

The Budget includes $304.4 million in Rhode Island Highway Maintenance Account (HMA) funds in FY2026, representing an increase of $190.4 million from the FY2026 Budget as Enacted. Road and Bridge expenditures realized the largest adjustment, increasing by $185.8 million from the FY2026 enacted level. The following table compares the HMA expenditures included in the FY2026 Budget as Enacted and the FY2026 Final Budget.

HMA Expenditures	FY2026 Enacted	FY2026 Final	*Change*
Road And Bridge	$78,704,687	$264,536,605	*$185,831,918*
RIPTA Transfer	10,270,623	16,579,237	*6,308,614*
EV RIPTA Transfer	5,910,966	-	*(5,910,966)*
Highway Drainage	5,521,606	10,000,000	*4,478,394*
State Match	12,800,000	12,800,000	-
EV	829,484	492,462	*(337,022)*
Total	**$114,037,366**	**$304,408,304**	**$190,370,938**

Winter Maintenance (other funds) ***$5.4 million***

The Budget includes $21.9 million in gas tax receipts for winter maintenance in FY2026, reflecting an increase of $5.4 million from the FY2026 enacted level. The appropriation primarily increases state fleet overhead charges by $2.2 million, snowplowing and sanding expenses by $1.8 million, and personnel overtime by $1.5 million.

The historic "Blizzard of 2026" set the record for the highest single-day snow total in Rhode Island history with 35.5 inches of snow on February 23, 2026. The previous record was set by the "Blizzard of 1978" which dropped 28.6 inches of snow. The FY2026 Budget Enacted provided $16.5 million to the Department for winter maintenance, which is $925,914 below the $17.5 million average of actual expenditures from FY2021-FY2025. The FY2026 Final Budget increases gas tax receipts by $5.4 million, resulting in a $21.9 million appropriation for FY2026. A query on the State's accounting platform indicates that preliminary FY2026 winter maintenance expenditures and obligations are $48.2 million. On April 2, 2026, the Department testified to the Senate Finance Committee that while the winter maintenance shows a deficit, the maintenance budget in aggregate does not. The Department plans to reallocate funding from other maintenance subsections to cover the winter budget. The following table illustrates significant figures related to winter maintenance.

Winter Maintenance Figures	
Average of FY2021-FY2025 Actuals	$17,460,442
FY2026 Enacted	16,534,528
FY2026 Final	21,921,525
FY2026 Expenditure Amount	48,162,757

Analyst Note: On July 2, 2026, the Federal Emergency Management Agency (FEMA) informed the State that it denied the reimbursement request related to the Blizzard of 2026. Documents from the Office of Management and Budget indicate that the Department of Transportation spent $8.7 million on the storm and expected to receive $3.7 million in reimbursement. The State indicates that the Governor is appealing the decision.

Vehicle Maintenance (other funds) ***$3.9 million***

The Budget provides $19.5 million in gas tax receipts for vehicle maintenance in FY2026, reflecting an increase of $3.9 million from the enacted level. The adjustment primarily reflects a $5.5 million increase for motor vehicle capital purchases offset by a $1.8 million reduction in State Fleet ISF operations.

Rhode Island Highway Maintenance Account Revenue Adjustment (other funds) ***$4.2 million***

The Budget includes $121.9 million of Rhode Island Highway Maintenance Account (HMA) receipts collected in FY2026, reflecting an increase of $4.2 million from the FY2026 enacted level. The appropriation reflects the Office of Revenue Analysis (ORA) May 2026 gas tax estimate, while the FY2026 Budget as Enacted reflects the ORA's May 2025 estimate.

Overall, the account is projected to collect $121.9 million of HMA receipts in FY2026 with the Department retaining $99.2 million and transferring $6.1 million to the general fund and $16.6 million to RIPTA. The transfer to RIPTA reflects an additional $397,649 over the FY2026 enacted level, and the general fund

transfer represents $209,289 above the enacted level. The following table compares the HMA funding included in the FY2026 Budget as Enacted and the FY2026 Final Budget.

Fees and Surcharges	FY2026 Enacted	FY2026 Final	*Change*
Licenses Base	$6.7	$7.8	*$1.1*
Registrations Base	50.2	52.1	*1.9*
Licenses Surcharge	6.1	6.0	*(0.1)*
Registrations Surcharge	16.3	18.0	*1.7*
Rental Vehicle Surcharge	10.7	10.4	*(0.3)*
Emission Inspection Fees	12.9	13.9	*0.9*
Motor Vehicle Title Fees	10.7	10.3	*(0.4)*
Good Driving Fees	0.4	0.4	*0.0*
EV Fees	3.6	3.0	*(0.7)*
RIHMA Total	**$117.7**	**$121.9**	***$4.2***
5% Share to General Revenue	$5.9	$6.1	*$0.2*
Remaining RIHMA Funds	**$111.8**	**$115.8**	***$4.0***
Percentage Share to RIPTA	$11.2	$11.6	*$0.4*
Annual Fixed Transfer to RIPTA	5.0	5.0	*0.0*
DOT Share	**$95.6**	**$99.2**	***$3.6***

$ in millions. Totals may vary due to rounding.

Source: Office of Revenue Analysis, May 2026 Estimate

Motor Fuel Tax Transfers (other funds) ***$1.3 million***

The Budget includes $177.8 million in collected gas tax receipts for FY2026, reflecting a $1.3 million increase from the FY2026 Budget as Enacted. The Office of Revenue Analysis (ORA) projects the motor fuel tax collections and the FY2026 Final Budget is based on the Office's May 2026 projection, which includes a FY2026 yield per penny of $4.39 million, an increase of $30,311 from the $4.36 million projected in the May 2025 estimate. The Department of Transportation receives the largest share of motor fuel tax revenue and is projected to receive $102.7 million, representing a $5.7 million increase from the FY2026 Budget as Enacted, primarily related to the January 2026 defeasance of the motor fuel bonds. The following table illustrates the adjustment.

Motor Fuel Tax Revenue	FY2026 Enacted	FY2026 Final	*Change to Enacted*
Department of Transportation	$96,992,489	$102,713,990	*$5,721,501*
Rhode Island Public Transit Authority*	51,220,753	51,576,907	*356,154*
Rhode Island Turnpike and Bridge Authority	15,257,246	15,363,334	*106,089*
Office of Healthy Aging	4,359,213	4,389,524	*30,311*
GARVEE Motor Fuel Bond Debt Service†	8,718,426	3,731,967	*(4,986,459)*
Total	**$176,548,127**	**$177,775,722**	***$1,227,596***

Source: Office of Revenue Analysis, May 2026

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

† *Following the January 2026 defeasance of the motor fuel bonds, the $0.02 /gallon for debt service is provided to the DOT.*

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FY2027 BUDGET ARTICLES

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Article 1: Relating to Making Appropriations in Support of FY2027

Article 1 outlines the appropriation amounts from all fund sources for FY2027. In most cases, the appropriations are by fund source at the program level in each department or agency. The article includes the FTE position authorizations by department or agency. Other sections of the article outline the use of contingency funds; out-year appropriation changes in Rhode Island Capital Plan Fund projects; expenditure limits for internal service funds; outlines expenditures from the federal American Rescue Plan Act of 2021 and, disbursements of Lottery, Temporary Disability Insurance, and Employment Security funds. The article also:

- Sets the airport impact aid formula at $1.0 million.
- Authorizes 15.997.2 FTE positions, a net increase of 75.4 FTE positions as compared to the authorized level set in the FY2026 Budget as Enacted.
- Details Community Service Objective grant funding recipients and amounts.
- Establishes the Office of the Inspector General, creating a new, independent agency.
- Provides $600,000 in general revenue to the Governor's Workforce Board for enhanced training for direct care and support services staff to improve resident quality of care to address the changing health care needs of nursing facility residents.
- The Budget includes $900,000 in general revenue for Mobile Response and Stabilization Services (MRSS) to support uninsured and underinsured recipients, and cover costs not reimbursed by Medicaid or other insurers. The MRSS program provides immediate in-person support for children ages 2 through 21 experiencing behavioral or emotional distress. The MRSS team responds to the child's location to de-escalate situations, stabilize individuals, and connect them with ongoing care.
- Includes $1.6 million for the Newport Birthing Center.
- Provides $760,000 in general revenue to support the Family Service of Rhode Island's GO Team program of on-scene support to children who are victims of violence and traumas.
- Provides language requiring that sufficient funds from the Rhode Island Public Transit Authority's share of gasoline tax proceeds be allocated to maintain the state paratransit expansion program, Ride Anywhere.
- Provides that $2.0 million in general revenues is solely to be used for infrastructure and capacity building activities necessary for the Department of Children, Youth, and Families transition to an independent rate model for Medicaid direct billing.
- Requires the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals to provide a monthly report on the hospital census by campus as well as the number of patients.
- Requires the Executive Office of Health and Human Services to report on programs supported by the Rural Health Transformation Program federal funds. Commencing January 1, 2027, the report will be made on a quarterly basis identifying the separate programs, progress made on reaching goals and identifying issues that are at risk of underspending or in noncompliance with federal requirements. The report will be provided to the Senate President, Speaker of the House and to the Chairpersons of the Senate and House Finance Committees.
- 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 to the Rhode Island Promise Scholarship program, $7.1 million 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. The Article amends language regarding whom shall receive the annual report. The chair of the Housing Resources Commission is removed from the list and replaced with the Secretary of Housing.
- 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. It also outlines reporting requirements and a process for funding reallocation if projects are complete or stall.
- 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.

APPROPRIATIONS

Article 1 makes appropriations from general revenues and authorizes expenditures of federal funds, restricted receipts, and other funds for the fiscal year ending June 30, 2027.

Expenditures by Source	FY2025 Actuals	FY2026 Enacted	FY2027 Enacted	*Change to Enacted*
Federal Funds	$5,045,160,589	$5,108,485,986	$5,734,588,379	*$626,102,393*
General Revenue	5,534,306,228	5,809,363,121	6,079,105,738	*269,742,617*
Operating Transfers from Other Funds	283,902,658	591,861,684	479,979,455	*(111,882,229)*
Other Funds	2,319,970,408	2,368,123,335	2,484,751,813	*116,628,478*
Restricted Receipts	365,586,324	458,544,467	464,730,558	*6,186,091*
Total	**$13,548,926,207**	**$14,336,378,593**	**$15,243,155,943**	***$906,777,350***

$ in millions. Totals may vary due to rounding.

In addition, Article 1 provides for the annual appropriation of the Contingency Fund; Temporary Disability Insurance Funds (TDI); Employment Security (UI Trust Fund); CollegeBoundSaver Funds; and Lottery Division funds for award winnings during FY2027.

Section 1 also provides language directing the disbursement of specific appropriations including:

- **Labor and Training – Direct Care Training:** The article requires $600,000 in general revenue be used for enhanced training for direct care and support services staff to improve the quality of care for nursing facility residents.
- **Labor and Training – Hospitality Industry Training:** The article requires $150,000 in restricted receipts be used to provide hospitality industry workforce training grants.
- **Housing:** Requires $200,000 in general revenue to be used to support Sojourner House's supportive housing and rapid rehousing activities.
- **EOHHS - Mobile Response and Stabilization Services:** Includes language requiring that $900,000 of the general revenue appropriation be used for Mobile Response and Stabilization Services (MRSS) to support uninsured and underinsured child and youth, and cover costs not reimbursed by Medicaid or other insurers. The MRSS program provides immediate in-person support for children ages 2 through 21 experiencing behavioral or emotional distress. The MRSS team responds to the child's location to de-escalate situations, stabilize individuals, and connect them with ongoing care.
- **EOHHS – Newport Birthing Center:** Includes $1.6 million to support the Newport Birthing Center.
- **Health:** Ensures that the Office of Policy, Information, and Communication allocates a total of $400,000 to support the Professional Loan Repayment Program, specifically targeting primary care physicians and pediatricians.
- **RIDE - Individualized Education Programs (IEPs):** The article provides that $450,000 and 3.0 FTE positions are allocated to support special education functions that facilitate IEPs and 504 services.
- **RIDE - Rhode Island Vision Education and Services Program:** The article requires that $684,000 from the Department of Elementary and Secondary Education's share of federal Individuals with Disabilities Education Act funds, be allocated to the Sherlock Center on Disabilities to support the Rhode Island Vision Services Program.
- **RIDE:** The article includes specific general revenue appropriations of $2.0 million for the Learn365RI program, $100,000 for the Rhode Island Afterschool Network, $100,000 to Teach for America Ignite, and $100,000 to Onward We Learn.
- **RIDE:** The article provides $750,000 in general revenue for the Support and Access to Bilingual Education fund with any unused funds reappropriated to the following year.
- **RIDE - Education Aid:** The article prioritizes the allocation of early childhood funds for prekindergarten seats and classrooms for four-year-olds with a family income at or below 185.0 percent of federal poverty guidelines and who reside in communities with higher concentrations of low performing schools.
- **University of Rhode Island Medical School:** The Article includes $5.0 million in start-up costs for the URI Medical School.
- **Corrections:** The article directs $1.1 million of general revenue be allocated to Crossroads Rhode Island to support sex offender discharge planning.
- **Public Safety – GO Team Program:** Directs $760,000 of general revenue be allocated to support the Family Service of Rhode Island GO Team Program of on-scene support to children who are victims of violence and other traumas.
- **Public Safety POST Grant:** Directs $75,000 in general revenue to the Rhode Island Police Officers Commission on Standards and Training to support administrative, information technology, and operating expenses.

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- **Environmental Management:** The article provides $150,000 for Marine Mammal Response activities to match federal funds.
- **Transportation- Rhode Restore:** The article requires $10.0 million of gas tax other funds to the Department of Transportation for the Municipal Roads Grant program, now titled the Rhode Restore program. The program provides matching funds to municipalities for maintenance and construction of their roads, sidewalks, and bridges.
- **Transportation- RIPTA RIde Anywhere:** The article requires RIPTA to use gas tax receipts to support the state paratransit program including the expansion program RIde Anywhere, which ensures statewide paratransit services are maintained.

INTERNAL SERVICE FUNDS

Article 1 authorizes 16 specific, capped internal service accounts to permit reimbursement of costs for work or other services performed by certain departments or agencies for any other department or agency. This includes a new Accounts and Control internal service fund in FY2027. The FY2018 Budget as Enacted established centralized accounts for each agency and allows the Department of Administration to draw upon these accounts for billable centralized services and deposit the funds into the rotary accounts under the Department of Administration. Reimbursements may only be made up to the expenditure cap for each account, as outlined below:

Internal Service Account	FY2026 Enacted	FY2027 Enacted	*Change*
Accounts and Control	$0	$17,696,064	*$17,696,064*
State Assessed Fringe Benefits	37,255,808	37,347,585	*91,777*
Administration Central Utilities	30,366,642	30,366,642	-
State Central Mail	9,020,425	9,226,608	*206,183*
State Telecommunications	3,426,061	3,489,512	*63,451*
State Automotive Fleet	21,610,397	21,689,836	*79,439*
Surplus Property	44,789	44,789	-
Health Insurance	272,933,573	377,363,571	*104,429,998*
Other Post-Employment Benefits	63,854,008	41,748,856	*(22,105,152)*
Capitol Police	1,659,403	1,894,861	*235,458*
Corrections Central Distribution Center	8,679,440	8,819,385	*139,945*
Correctional Industries	8,477,292	8,587,104	*109,812*
Secretary of State Records Center	1,231,684	1,167,703	*(63,981)*
Human Resources Internal Service Fund	18,711,878	14,804,445	*(3,907,433)*
DCAMM Facilities Internal Service Fund	40,492,965	41,508,177	*1,015,212*
Information Technology Internal Service Fund	70,587,805	64,137,258	*(6,450,547)*
Total	**$588,352,170**	**$662,196,332**	***$73,844,162***

FTE POSITIONS

Article 1 establishes the authorized number of full-time equivalent (FTE) positions for each State department and agency. Departments and agencies may not exceed in any pay period the number of authorized FTE positions shown. Statewide, the Budget has a net increase of 75.4 FTE positions from the FY2026 Budget as Enacted. The following table lists the FTE amounts by budget function:

FTE Positions by Function	FY2026 Enacted	FY2027 Enacted	*Change to Enacted*
General Government	2,595.3	2,565.3	*(30.0)*
Human Services	3,859.5	3,930.5	*71.0*
Education	4,348.8	4,457.2	*108.4*
Public Safety	3,347.4	3,305.4	*(42.0)*
Natural Resources	471.0	472.0	*1.0*
Transportation	755.0	722.0	*(33.0)*
Subtotal	**15,377.0**	**15,452.4**	***75.4***
Higher Ed. Sponsored Positions	*544.8*	*544.8*	-
Total FTE Positions	**15,921.8**	**15,997.2**	***75.4***

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COMMUNITY SERVICE OBJECTIVES

The FY2017 Budget as Enacted changed the Community Service Objective (CSO) Grants program. Previously, CSO grants were funded in executive agency budgets, but were not specifically delineated in the appropriations act. The program now consists of two components: line-item grant awards, and pool grants. Line-item grants are identified in the appropriations act and include a brief description of the grant purpose. Pool grants will be allocated by executive branch agencies either by formula, or through a competitive process. State agencies will manage the application, award, and reconciliation processes for the awards. Consistent with previous practice, the awards may be subject to audits by the Bureau of Audits.

The FY2026 Budget as Enacted includes $15.4 million in general revenue for CSO grant awards across 15 state agencies. The FY2027 Budget includes $21.0 million in general revenue in FY2027, an increase of $5.6 million from the previously enacted budget. The following table lists the Community Service Objective grant:

Agency	Grant Recipient	FY2026 Enacted	FY2027 Enacted	*Change*
Executive Office of Commerce	Polaris Manufacturing Technical Assistance Program	$500,000	$500,000	*$0*
Executive Office of Commerce	Chafee Center at Bryant	476,200	476,200	-
Executive Office of Commerce	Urban Ventures	140,000	140,000	-
Executive Office of Commerce	East Providence Waterfront Commission	50,000	50,000	-
Executive Office of Commerce	Blackstone Valley Visitor Center	75,000	75,000	-
Secretary of State	Rhode Island Historical Society	125,000	125,000	-
Secretary of State	Newport Historical Society	18,000	18,000	-
Secretary of State	RI Council for the Humanities	100,000	100,000	-
Secretary of State	We the People Civics Challenge	50,000	50,000	-
Secretary of State	RI Black Heritage Society	25,000	25,000	-
EOHHS	Newport Birthing Center	-	1,600,000	*1,600,000*
EOHHS	Thundermist	500,000	-	*(500,000)*
Health	Gloria Gemma Breast Cancer Research	50,000	50,000	-
Health	Psychiatry Resource Network	750,000	1,200,278	*450,278*
Housing	Sojourner House	100,000	200,000	*100,000*
Human Services - Healthy Aging	Diocese of Providence - Elder Services	325,000	325,000	-
Human Services - Healthy Aging	Alliance for Long Term Care Ombudsman Services	40,000	100,000	*60,000*
Human Services - Healthy Aging	Elderly Nutrition	50,000	50,000	-
Human Services - Healthy Aging	Meals on Wheels	680,000	680,000	-
Human Services - Healthy Aging	Senior Center Support	1,600,000	1,800,000	*200,000*
Human Services	Coalition Against Domestic Violence	400,000	400,000	-
Human Services	Project Reach - Boys and Girls Club	450,000	450,000	-
Human Services	Day One	300,000	300,000	-
Human Services	RI Community Food Bank	950,000	2,950,000	*2,000,000*
Human Services	New Bridges for Hatian Services	-	25,000	*25,000*
Human Services	Crossroads Rhode Island	500,000	500,000	-
Human Services	Institute for the Study and Practice of Nonviolence	250,000	250,000	-
Human Services - Veterans Services	Operation Stand Down	50,000	50,000	-
Human Services - Veterans Services	Veterans' Organizations	200,000	200,000	-
Human Services - Veterans Services	Veterans Services Officers Program	100,000	100,000	-
Human Services	Community Action Fund	600,000	600,000	-
Human Services	United Way's 211 System	200,000	300,000	*100,000*
Human Services	Higher Ground International	125,000	150,000	*25,000*
Human Services	Oasis International	-	25,000	*25,000*
Human Services	Refugee Dream Center	50,000	50,000	-
Human Services	Substance Use and Mental Health Leadership Council of RI	150,000	150,000	-
Human Services	Center for Southeast Asians	25,000	25,000	-
Human Services	Farm Fresh Rhode Island	-	200,000	*200,000*
Education	Hasbro Children's Hospital - Hospital School	90,000	90,000	-
Education	Child Opportunity Zones	395,000	395,000	-
Education	City Year - Whole School Whole Child Program	130,000	130,000	-
Education	RI Afterschool Network	-	100,000	*100,000*
Education	Teach for America Ignite	-	100,000	*100,000*
Education	RI Vision Ed and Services	-	684,000	*684,000*
Office of Postsecondary Commissioner	Onward We Learn	455,000	455,000	-
Office of Postsecondary Commissioner	Best Buddies Rhode Island	75,000	75,000	-
Office of Postsecondary Commissioner	RI School for Progressive Education	100,000	100,000	-
University of Rhode Island	Small Business Development Center	700,000	700,000	-
University of Rhode Island	Institute for Labor Studies and Research	125,000	150,000	*25,000*
University of Rhode Island	Special Olympics Rhode Island	50,000	50,000	-
Arts Council	WaterFire Providence	400,000	400,000	-
Arts Council	Other Grants	200,000	200,000	-
Historical Preservation	Fort Adam's Trust	30,000	30,000	-
Historical Preservation	Rhode Island Slave History Medallions	25,000	25,000	-
Corrections	Crossroads Rhode Island	1,050,000	1,050,000	-
Judicial	Rhode Island Coalition Against Domestic Violence	500,000	500,000	-
Judicial	Rhode Island Legal Services	90,000	90,000	-
Public Safety	Family Services of RI GO Team Program	400,000	760,000	*360,000*
Environmental Management	Wildlife Rehabilitators Association of RI	100,000	100,000	-
Environmental Management	Conservation Districts	180,000	180,000	-
Total		**$15,099,200**	**$20,653,478**	***$5,554,278***

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CAPITAL APPROPRIATIONS

Article 1 authorizes amounts from the Rhode Island Capital Plan (RICAP) Fund, not otherwise appropriated, to be expended during the fiscal years ending June 30, 2028, June 30, 2029, June 30, 2030, and June 30, 2031. These amounts supersede appropriations provided for FY2027 within the FY2026 Budget as Enacted.

Subject to final General Assembly approval, any unexpended or unencumbered funds from the RICAP Fund project appropriations in excess of $500 may be reappropriated to the next fiscal year and made available for the same purpose. Any remaining funding less than $500 may be reappropriated at the discretion of the State Budget Officer.

STATE FISCAL RECOVERY FUNDS

Sections 17, 18, and 19 pertain to the authorization and appropriation of the State Fiscal Recovery Fund (SFRF) and Capital Projects Fund (CRF) federal funds.

- Section 17 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 for FY2027. The purpose of this language is to specify that these federal funds are not part of the generic federal fund line items and that a specific SFRF or CPF line item, by project, constitutes the authority to expend the SFRF or CPF. The Budget generally does not appropriate federal funds at an individual or specific level. This language ensures that state agencies are not expending the SFRF or CPF funds under the authority of a general federal fund line item. The section also specifies and describes the SFRF appropriations.
- Section 18 requires that all unexpended or unencumbered balances relating to the SFRF and Capital Projects Fund, be reappropriated to the ensuing fiscal year and made available for the same purposes, subject to the approval of the General Assembly through the supplemental appropriations act.
- Section 19 maintains the Pandemic Recovery Office within the Department of Administration is to oversee and ensure compliance with the rules, regulations, and guidance issued by the United States Department of the Treasury of expenditures from the SFRF and Capital Projects Fund. This section 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.

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Article 2: Relating to State Funds

This article amends various statutes related to state funds and financing. Specifically, the article:

- Revises the allocation of Regional Greenhouse Gas Initiative (RGGI) auction proceeds to provide the Rhode Island Public Transit Authority (RIPTA) with annual funding to support the acquisition of zero-emission buses.
- Exempts the Rhode Island Uninsured Protection Fund from the State's 15.0 percent indirect cost recovery assessment.
- Revises the allocation of Rhode Island Highway Maintenance Account (HMA) funds to increase RIPTA's share of available proceeds from 10.0 percent to 25.0 percent and removes the Authority's fixed appropriation.

FISCAL IMPACT

The net fiscal impact of the article is undetermined, but it will not affect general revenue. The total cost of the buses and the available federal match included in Section 1 is unknown at this time. The exemption of the Rhode Island Uninsured Protection Fund from the indirect cost recovery assessment in Section 2 will not have an impact on the Budget. The revision to the HMA allocation in Section 3 does not affect net HMA collections but reduces the HMA receipts provided to the Department of Transportation and increases the receipts provided to RIPTA by an equivalent amount.

ANALYSIS AND BACKGROUND

Regional Greenhouse Gas Initiative Proceeds for Zero-Emission Buses

Section 1 of the article revises the allocation of Regional Greenhouse Gas Initiative (RGGI) auction proceeds to provide the Rhode Island Public Transit Authority (RIPTA) with an annual appropriation to support the acquisition of zero-emission buses, effective at the start of FY2027. The article directs the Office of Energy Resources to annually coordinate with RIPTA to determine the total amount of state funding required to purchase zero-emission buses and to provide the Authority with RGGI funds equal to 50.0 percent of the agreed-upon amount. The article also directs the Authority to utilize internal funds for the remaining 50.0 percent.

Background: The RGGI is a cooperative effort by Northeastern and Mid-Atlantic states that requires member states to reduce carbon dioxide (CO2) emissions from large fossil fuel-fired electric power plants to help address climate change. Central to this initiative is the implementation of a multi-state "cap-and-trade" program with a market-based emissions trading system. The annual RGGI proceeds fluctuate based on the pricing from the quarterly competitive auctions with regulated energy users within New England and Mid-Atlantic States. Auction 72 was the most recent auction, occurring on June 3, 2026, and resulted in the State of Rhode Island receiving $14.4 million in proceeds.

RIPTA purchases buses with federal funds awarded by the Federal Transit Administration (FTA) and matched with state funds, at an 80.0 percent federal and 20.0 percent state rate. The Authority does not have a dedicated revenue source to support the state's 20.0 percent contribution and has utilized sources such as General Obligation bonds, the State Fleet Replacement Revolving Loan Fund, and Rhode Island Highway Maintenance Account (HMA) funds in recent years. The Authority's FY2027 capital budget request indicates that, "RIPTA will not be able to purchase new buses without the reappropriation of vehicle registration fees, or other state funding source, as match." The Governor recommended that the Authority use $3.5 million of RICAP funds in the FY2027 Recommended Budget, which the General Assembly removed.

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Article 2 Changes: The article amends RIGL 23-82-6 to provide RIPTA with an annual allocation of RGGI auction proceeds to support the Authority's capital purchase of zero-emission buses. The Authority is to annually coordinate with the Office of Energy Resources to determine the 20.0 percent state share required to receive the matching FTA funds. The article directs the Office of Energy Resources to provide 50.0 percent of the agreed amount to RIPTA in RGGI auction proceeds and the Authority to utilize internal funds for the remaining amount.

Fiscal Impact: The article's fiscal impact is undetermined but will not affect general revenue. The Authority indicates that guidance from the FTA is unclear concerning the utilization of federal funds to purchase zero-emission buses. The Governor's recommendation, which was not included in the FY2027 Budget as Enacted, directed the Authority to utilize $3.5 million in RICAP funds and $3.7 million in operating funds, matched with $26.8 million from the FTA to purchase buses in FY2027.

Uninsured Protection Fund

Section 2 of the article exempts the Rhode Island Uninsured Protection Fund from the State's 15.0 percent indirect cost recovery assessment. The Office of Management and Budget indicates that exempting the fund will not have a fiscal impact.

Background: Pursuant to RIGL 28-53-2, the Department of Labor and Training administers a special restricted receipt account titled the Rhode Island Uninsured Protection Fund (UPF), which provides workers' compensation benefits to employees injured on the job while working for an employer that fails to carry workers' compensation insurance. The fund is capitalized by liens and fees levied against uninsured employers, as well as by general revenue provided by the General Assembly. Pursuant to RIGL 35-4-27, the fund is subject to the 15.0 percent Indirect Cost Recovery (IRC) charge assessed on restricted receipt accounts in the State.

Article 2 of the FY2026 Enacted Budget increased the IRC from 10.0 percent to 15.0 percent and exempted the Workers' Compensation Administrative Account Fund (WCAF) but did not exempt the UPF. When preparing the fiscal note for that change, the Office of Management and Budget and the Department of Labor and Training exempted the UPF from the IRC and assumed a 10.0 percent IRC rate, which was current law at the time. The Office of Management and Budget indicates that, "The Department of Labor and Training has traditionally considered the UPF as operating under the overall umbrella of the WCAF. Therefore, the fiscal note included the UPF within the group of accounts under the WCAF."

Article 2 Changes: The article amends RIGL 35-4-27 to add the Rhode Island Uninsured Protection Fund to the list of restricted receipt accounts that are exempt from the 15.0 percent Indirect Cost Recovery assessment. Upon passage, the article will take effect retroactively on July 1, 2025.

Fiscal Impact: The Office of Management and Budget (OMB) indicates that passage of the section will not impact FY2026 or FY2027, indicating, "assuming the Legislative intent included the UPF in the group of accounts under WCAF exempted from indirect cost recovery, no fiscal impact is reported in accompanying budget documentation.

HMA Funding Increase to the Rhode Island Public Transit Authority

Section 3 of the article increases the Rhode Island Public Transit Authority's annual percentage share of Rhode Island Highway Maintenance Account (HMA) funds from 10.0 percent to 25.0 percent and eliminates the Authority's $5.0 million fixed appropriation, effective in FY2027. Based on the May 2026 projections from the Office of Revenue Analysis, the revision provides the Authority with $13.4 million in HMA receipts above current law and $4.1 million above the Governor's FY2027 recommendation.

Background: The State supports the Rhode Island Public Transit Authority (RIPTA) with two primary subsidies: receipts collected through motor fuel taxes and receipts collected through the Highway Maintenance Account (HMA). Current law imposes a $0.405 tax on each gallon of gasoline in FY2026 and FY2027, providing $0.1175 per gallon to RIPTA. The May 2026 estimate from the Office of Revenue

Analysis (ORA) projects the State will collect $177.3 million of motor fuel tax receipts in FY2027, $51.5 million of which is directly transferred to the Authority.

The HMA is created under RIGL 39-18.1-4 and capitalized by various fees and surcharges primarily collected by the Division of Motor Vehicles (DMV), including vehicle registration, vehicle inspection, and licensing fees. The statute requires that 5.0 percent of collections be transferred to the general fund to partially offset the cost of collections borne by the DMV. The proceeds are deposited into the HMA and distributed pursuant to RIGL 39-18.1-5, which currently provides RIPTA with 10.0 percent of the available proceeds and a fixed appropriation of $5.0 million. The remaining funds are provided to the Department of Transportation. The May 2026 estimate from the Office of Revenue Analysis projects the State will collect $129.1 million of HMA receipts in FY2027 and transfer $17.3 million to the Authority.

RIPTA's FY2027 Board Approved Budget includes a $13.8 million deficit, which the Authority indicates in their FY2026-FY2031 Financial Plan is "Due to salary increases, healthcare increases, and expiration of one-time federal revenues." The Authority has struggled to secure sufficient funding in recent years and has relied on federal pandemic aid, which has since expired. The FY2026 Budget as Enacted increased the Authority's percentage share of HMA funds from 5.0 percent to 10.0 percent, thereby reducing the deficit but did not resolve it.

Article 2 Changes: The article amends RIGL 39-18.1-5 to increase RIPTA's percentage share of HMA funding from 10.0 percent to 25.0 percent and eliminates the Authority's fixed appropriation of $5.0 million.

Fiscal Impact: Passage of the article will not impact net HMA collections but will reduce the HMA receipts transferred to the Department of Transportation by $13.4 million in FY2027. The adjustment provides an equivalent increase to RIPTA. The following table compares the HMA allocation provided by current law, the Governor's recommended HMA allocation, and the HMA allocation passed by the General Assembly in Article 2, all of which are based on the May 2026 estimate from the Office of Revenue Analysis.

HMA Allocation	Current Law	Governor	Budget
5% Share to General Revenue	$6,456,250	$6,456,250	$6,456,250
Fixed Share to RIPTA	5,000,000	14,300,000	-
Percentage Share to RIPTA	12,266,875	12,266,875	30,667,188
Share to RIDOT	105,401,878	96,101,878	92,001,565
HMA Total	**$129,125,004**	**$129,125,004**	**$129,125,004**

Source: Office of Revenue Analysis, May 2026

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Article 3: Relating to Government Reform and Reorganization

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

- **Office of the Inspector General:** Establishes a new Office of Inspector General with the purpose of investigating the management and operation of agencies as it relates to prevention and detection of fraud, waste, abuse, and mismanagement in the expenditure of public funds that harms the public interest.
- **Rhode Island Public Transit Authority – Board Directors Composition:** Revises the composition of the Rhode Island Public Transit Authority's (RIPTA) Board of Directors. The article rescinds the requirement that the Director of the Department of Transportation serve as Chairperson of the RIPTA Board of Directors and authorizes the Board to elect its Chairperson. The article also prohibits the Board from electing the Director of the Department of Transportation as the Chairperson.
- **Department of Transportation Efficiency and Performance Audit:** Directs the Office of Internal Audit and Program Integrity to commission, by March 15, 2027, an efficiency and performance audit of the Department of Transportation (DOT). The audit will evaluate DOT's asset management and review the efficiency of its maintenance and operations. The article requires the report to be submitted to the Governor, President of the Senate, Speaker of the House of Representatives, and Chairs of the House and Senate Finance Committees, and be published on the Department of Administration's website.
- **Electronic Permitting:** Amends reporting requirements regarding the Department of Business Regulation's (DBR) E-Permitting platform.
- **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".
- **State Police Officers Retirement:** Amends the pension benefits for both current and former Rhode Island State Police members by increasing the maximum retirement allowance and permitting additional percentage accruals for years of service beyond base thresholds, subject to a cap of 65.0 percent of whole salary. It also provides for the prospective recalculation of benefits for retirees who retired on or after July 1, 2024, and prior to July 1, 2026, retroactive to their date of retirement to reflect the updated retirement formula without retroactive adjustments prior to July 1, 2024. Additionally, this act would extend the time period a member may serve in the Rhode Island State Police.
- **Economic Development Incentive Changes:** Expands the total program cap on the Rebuild RI program to $250.0 million and reauthorizes the Executive Office of Commerce's (EOC) various incentive programs for an additional year, by extending the statutory sunset provisions placed on them from December 31, 2026, to December 31, 2027. The incentive programs are:
  - Stay Invested in RI Wavemaker Fellowship (RIGL 42-64.26-12)
  - Rebuild RI (RIGL 42-64.20)
  - Rhode Island Tax Increment Financing (RIGL 42-64.21-9)
  - Tax Stabilization Incentive (RIGL 42-64.22-15)
  - First Wave Closing Fund (RIGL 42-64.23-8)
  - I-195 Redevelopment Project Fund (RIGL 42-64.24-8)
  - Main Street Rhode Island Streetscape Improvement Fund (RIGL 42-64.27-6)

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- Innovation Initiative (RIGL 42-64.28-10)
- Rhode Island Qualified Jobs Incentive (RIGL 42-64.3-14)

- **Rhode Island Bays, Rivers and Watersheds Fund, and Freshwater Management:** Amends RIGL 46-33-1 repealing language referencing a nonexistent Rhode Island lake management fund and 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.

  In addition, the article 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.

FISCAL IMPACT

Passage of Article 3 impacts both general revenue and federal fund expenses of the State.

- **Office of the Inspector General:** The Budget provides $1.3 million in general revenue for personnel and operating expenditures in FY2027 for the Office of Inspector General for what is anticipated to be half a year of operations. It also authorizes 12.0 FTE positions.
- **Big River Management Area:** The Budget also includes the transfer of 1.0 FTE position and $148,296 in general revenue to support the administration of the property.
- **State Police Officer Retirement:** The state's actuary determined that the change in Article 3 is projected to increase the total state contribution to the pension system by $2.6 million in FY2027. This figure represents the annual budgetary increase attributable to this change and is the result of the rise in the employer contribution rate. This rate is projected to increase 7.69 percent of payroll, from 21.29 percent to 28.98 percent.

  Since the charge is expressed as a percentage of payroll it will increase over the 20-year statutory amortization period for the unfunded liability. The unfunded actuarial accrued liability (UAAL) is projected to increase $19.9 million, and the funded ratio will decrease 6.09 percent from the current 88.42 percent to 82.33 percent.

ANALYSIS AND BACKGROUND:

Office of the Inspector General

The article provides the statutory framework of the new office, including the parameters of its jurisdiction relative to the Attorney General, law enforcement, and the Auditor General. The section establishes the position of Inspector General (IG) within statute, provides for a process of how the IG is to be selected and appointed and the position's qualifications, directs the General Assembly to appropriate sufficient funding to operate the office, permits the IG to hire staff and outlines their qualifications. The section authorizes the IG to promulgate rules and regulations and to develop and submit a budget.

- **Qualifications, Appointment, and Terms:** The article establishes an independent advisory commission consisting of the Attorney General, General Treasurer, Secretary of State, Executive Director of the Ethics Commission, and the President of the Association of Inspectors General (AIG). The commission is directed to create a process to select an IG including application, interviews, and evaluations. The legislation is silent about who chairs the commission and who calls the initial meeting of the group.

  The commission submits three qualified candidates to the Governor for consideration. A qualified candidate must have a college degree in certain specified fields, ten years of professional experience in specified fields, and hold a certificate issued by the AIG. The Governor has 90 days to submit the

chosen appointment to the Senate for advice and consent. An IG serves for a five-year term and is limited to two terms. The Governor may remove an IG for cause.

- **Jurisdiction/Powers & Duties:** The article authorizes the IG to investigate for incidence of fraud, waste, or abuse in all Executive branch state government agencies including all authorities, boards, branch, bureau, commission, committee, council, department, division, institution, office, public corporation, or quasi-agency. The IG is permitted to assist municipalities upon receipt of a formal council resolution requesting the assistance. The IG is charged with initiating investigations, formally reporting findings, working with agencies to improve the prevention of fraud, waste, or abuse. The article requires the IG to establish a process to receive complaints and to protect whistleblowers.
- **Investigative Procedures and IG Decisions:** The article outlines the investigative procedures expected of the IG. This includes how complaints are processed and what occurs during an investigation and after they are completed. The IG is authorized to issue a formal decision at the conclusion of an investigation and is directed to formally report its findings. The article outlines referral processes to other law enforcement agencies, including the Attorney General, should the facts require it.
- **Subpoena Power and Access to Records:** The article provides the IG with the power to subpoena individuals related to investigations and to question individuals under oath. The IG is also authorized to have access to all relevant agency records and requires agencies to cooperate with all investigations.
- **Reporting:** In addition to the required reporting associated with investigations, the article directs the IG to report annually to the state's general officers, the Speaker of the House, and the Senate President. This report includes information regarding the number of investigations conducted the previous year, their disposition, summaries of corrective actions and their status, and monies recovered. The report is due April 1st each year.
- **Association of Inspectors General:** The Association of Inspectors General is a not for profit, nonpartisan national organization of independent public watchdog groups, including statewide inspectors general. Founded in 1996, the AIG states that it was created to strengthen public sector oversight through professional standards, training, and ethical leadership. It provides a national network connecting government oversight professionals across jurisdictions. According to AIG, its mission is to advance governmental integrity and accountability by combatting waste, fraud, and abuse. The group has established industry quality standards, conducts professional development training and provides certifications to OIG staff, issues position papers, and coordinates peer reviews.

RIPTA Board of Directors Composition

The article amends RIGL 39-18-2 to revise the composition of the 9-member Board of Directors (Board) which governs the Rhode Island Public Transit Authority (RIPTA). Current law requires the Director of the Department of Transportation (DOT) to serve as the Chairperson of the Board and the remaining 8 members to be appointed by the Governor with the advice and consent of the Senate. The 8 appointed members must all be state residents, one of whom must also have a disability. Members are appointed for a 3-year term and are eligible for reappointment following their term's conclusion.

The article removes the Director of the DOT from the role of Chairperson and authorizes the Board to elect its Chair, provided that the elected individual is not the Director of the DOT.

Department of Transportation Efficiency and Performance Audit

The article adds RIGL 42-13.2, which directs the Office of Internal Audit and Program Integrity to commission an efficiency and performance audit of the Department of Transportation (DOT) by March 15, 2027. The audit will evaluate the Department's asset management capabilities, including the status of pavement, bridges, and intelligent transportation system assets, backlog replacement needs, and lifecycle cost analysis. It will also review the Department's maintenance and operations efficiency, with evaluation

areas including the cost per lane-mile per district, salt and chemical usage, vehicle and equipment availability, and overtime utilization.

The legislation requires the Office of Internal Audit and Program Integrity to deliver the report to the Governor, President of the Senate, Speaker of the House of Representatives, and Chairs of the House and Senate Finance Committees, as well as publish the report on the Department of Administration's website.

Electronic Permitting

The article amends reporting requirements regarding the Department of Business Regulation's (DBR) E-Permitting platform to require the Department to provide a report that reviews, analyzes and assesses functions related to e-permitting and the platform, as well as suggested statutory revisions such as clarification of permitting statutes, ensuring efficient administration, and aligning fees with programmatic costs. The report will be submitted with the Department's annual budget submission to the Office of Management and Budget (OMB) for the fiscal year ending June 30, 2027.

Big River Management Area

The article transfers administrative and regulatory authority over the Big River Management Area (BRMA) 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". Currently, DEM is managing the property through a Memorandum of Understanding (MOU) with the WRB and is thereby responsible for issues with the property including access and public safety. Given DEM's current role with the management areas and their experience with land management across the State, the Budget transfers the administrative and regulatory authority to DEM. The Budget also includes the transfer of 1.0 FTE position and $148,296 in general revenue to support the administration of the property.

State Police Officers Retirement

Amends the pension benefits for both current and former Rhode Island State Police members by increasing the maximum retirement allowance and permitting additional percentage accruals for years of service beyond base thresholds, subject to a cap of 65.0 percent of whole salary. The changes include the following:

- Amends the final average salary calculation from the highest five years of compensation to the highest three years of compensation. This reflects a technical change to correct a drafting error in the 2025 legislation that extended the 2024 change to the calculation for pension benefits from the highest five consecutive years of compensation to the highest three consecutive years for State Police.
- Reduces the actuarial liability by retaining the overtime provisions in current law which caps overtime at 400 hours as part of an individual's final salary calculation.
- Provides for the prospective recalculation of benefits for retirees who retired on or after July 1, 2024, and prior to July 1, 2026, retroactive to their date of retirement to reflect the updated retirement formula without retroactive adjustments prior to July 1, 2024. This act would extend the time period a member may serve in the Rhode Island State Police, allowing for a phased implementation to maintain continuity and predictability within the command staff, avoiding too many retirements at once.
- Increases the benefit accrual rate from 2.0 percent to 3.0 percent after 20 years of service, for members hired before July 1, 2007, and to 3.0 percent after 25 years of service for members hired on or after July 1, 2027.

Economic Development Incentive Changes

Article 3 includes several changes to the State's economic development incentives:

- **Reauthorization of Incentives:** Sections 8 through 15 and Section 18 reauthorize the Executive Office of Commerce's (EOC) various incentive programs for an additional year by extending the statutory

sunset provisions placed on them from December 31, 2026, to December 31, 2027. The Incentive programs are:

- Stay Invested in RI Wavemaker Fellowship (RIGL 42-64.26-12)
- Rebuild RI (RIGL 42-64.20)
- Rhode Island Tax Increment Financing (RIGL 42-64.21-9)
- Tax Stabilization Incentive (RIGL 42-64.22-15)
- First Wave Closing Fund (RIGL 42-64.23-8)
- I-195 Redevelopment Project Fund (RIGL 42-64.24-8)
- Main Street Rhode Island Streetscape Improvement Fund (RIGL 42-64.27-6)
- Innovation Initiative (RIGL 42-64.28-10)
- Rhode Island Qualified Jobs Incentive (RIGL 42-64.3-14)

- **Rebuild RI:** Section 8 of Article 3 increases the maximum aggregate amount of combined Rebuild Rhode Island (Rebuild RI) tax credits and sales tax exemptions from $225.0 million to $250.0 million.

  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. Total credits and exemptions are limited to $225.0 million, and the per-project cap is set at $15.0 million.

  - **Status:** Commerce's board has approved $188.7 million in Rebuild RI tax credits and $44.8 million in sales tax exemptions across 56 projects, for a combined total of $233.5 million, or 103.8 percent over the current $225.0 million statutory program cap. In its testimony at the May 2026 Revenue Estimating Conference, Commerce indicated that the actual estimated use of the awarded credits and exemptions amounts to only $219.5 million (or 97.6 percent of the cap). According to Commerce the lower amount reflects projects electing to redeem credits at 90.0 percent of their cash value (which is allowed by the program) and anticipated unused sales tax exemptions.

    The following table shows estimated future appropriations needed to cover projected drawdowns from the Rebuild RI fund.

Estimated Cash Flow Summary for Rebuild RI

	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Balance	$94.0	$84.9	$80.6	$74.6	$66.9	$50.8	$43.9	$40.9	$40.7
Combined Draw Downs*	(19.2)	(14.4)	(12.1)	(17.7)	(26.1)	(16.9)	(13.0)	(10.2)	(4.7)
Estimated Appropriation^	**10.1**	**10.1**	**6.1**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**
Ending Balance	84.9	80.6	74.6	66.9	50.8	43.9	40.9	40.7	46.0

**Includes tax credits and sales tax exemptions. Amounts take into consideration all projects as of November 2025.*

^ Appropriation levels for FY2028 through FY2033 have been chosen for demonstration purposes only. Consideration was given to keeping annual appropriations below $25.0 million, while covering the drawdowns, and leaving a reasonable ending balance (Senate Fiscal Staff estimates).

Rhode Island Bays, Rivers and Watersheds Fund, and Freshwater Management

The article amends the authorized uses of the Bays, Rivers and Watersheds Fund to include freshwater lake management, except for commercial or industrial lakes or ponds that are created to provide cooling water or as dewatering basins or are concrete or poly-lined. The amendment is intended to make resources available for the Freshwater Lake Management Program. The program was enacted in 2024 through RIGL 46-33 to address issues with water quality, invasive species, and algae blooms; however, no funding was

provided at the time. The article does not specify a funding amount or limit but does allow for the Department of Environmental Management (DEM) to use the fund for the program.

Other changes to the lake management program include eliminating the definition for "Rhode Island lake management fund", since RIGL 46-33-3 does not exist and the program was never funded, and expanding eligible projects to include the "control" of existing aquatic species in addition to mitigation.

The Bays, Rivers and Watersheds Fund (BRWF) is a restricted receipt account within DEM created pursuant to Article 16 of the FY2016 Budget as Enacted. Funding decisions are made by the Director of DEM within the limited purposes of the Comprehensive Watershed and Marine Monitoring Act (RIGL 46-23.2-1); Water Pollution (RIGL 46-12); the Resilient Rhode Island Act of 2014 – Climate Change Coordination Council (RIGL 46-6.2); and, through this article, the Freshwater Lake Management Program (RIGL 46-33). The BRWF is supported with receipts from septage disposal fees, totaling over $700,000 annually in recent years, collected pursuant to RIGL 46-12.11. A disposal fee of $1.00 per every 100 gallons of septage delivered to a disposal facility is paid by septage transporters and collected by disposal facility operators.

Bays, Rivers, and Watersheds Fund

Bays, Rivers, and Watersheds Fund	FY2023	FY2024	FY2025
Beginning Balance	$948,923	$1,109,463	$1,405,125
Revenue	869,651	652,755	824,500
Expenditures	(709,111)	(357,094)	(1,363,827)
Net Income (loss)	160,540	295,661	(539,327)
Ending Balance Carry Forward	**$1,109,463**	**$1,405,125**	**$865,798**

According to DEM, the BRWF is used primarily to leverage federal funds in support of ambient water monitoring programs essential to water quality management. For example, the BRWF supports the on-going fixed-site monitoring in Narragansett Bay, in partnership with the University of Rhode Island Graduate School of Oceanography; monthly water quality monitoring of the State's largest rivers; and continuous operation of 21 streamflow gages, in cooperation with the federal United States Geological Survey. The fund has also been used to address high-priority, short-term projects, consistent with the purposes authorized by legislation, such as an initial survey of invasive hydrilla in Worden Pond in South Kingstown to characterize the infestation and plan future treatment, the replacement of the DEM vessel used for shellfish area monitoring, and for investments in other monitoring equipment. In FY2027, DEM plans to use the funds to support projects related to stormwater management, including an update of the state stormwater manual. A portion of the funds has been utilized to support select staffing in the DEM Office of Water Resources.

Bays, Rivers, and Watersheds Fund
Percentage of Expenditures by Category

	FY2023	FY2024	FY2025
Grants and Aid	0.0%	16.6%	2.6%
Operating and Capital	2.0%	22.2%	2.6%
Contract Services	50.8%	61.2%	50.9%
Salaries and Benefits	47.2%	0.0%	43.9%

Article 4: Relating to Debt Management Act Joint Resolutions

This article amends existing debt authorizations and proposes new authorizations for revenue bonds that do not require voter approval, also known as a Kushner Resolution.

Rhode Island College – Residential Life Renovations

The article approves financing of up to $20.6 million for the renovation of five residence halls. The project addresses critical infrastructure improvements that will enhance the on-campus experience for the student residents. 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, and annual debt service payments are estimated to be $1.8 million.

The residential life project provides for the renovation of dormitories on the RIC campus. The college offers a variety of housing options across six buildings which include:

- Browne Hall – Constructed in 1967
- Penfield Hall – Constructed in 2007
- Sweet Hall – Constructed in 1991
- Thorp Hall – Constructed in 1959
- Weber Hall – Constructed in 1964
- Willard hall – Constructed in 1971 and closed due to aging infrastructure.

Currently, RIC lacks sufficient capital in the Residential Life auxiliary fund for necessary improvements to provide a safe and welcoming experience for residential students. These improvements include the modernization of dormitories through critical infrastructure improvements and aesthetic upgrades that will maximize capacity and enable the college to meet housing demand. RIC will soon retire the Penfield Hall debt service payments, which will free up auxiliary funding for the proposed revenue bonds. The College expects the Architectural and Engineering phase of the project to begin in the latter half of FY2027 and use bond funding of $5.0 million in FY2028, $10.0 million in FY2029, and $5.0 million in FY2030.

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 payments will not exceed $34.9 million over a 20-year term, and annual debt service payments are estimated to be $1.7 million. Debt service payments will be supported by revenue raised through the University's parking services.

In the last ten years, URI has made progress in the improvement of its inventory of paving projects, but due to ongoing wear and deterioration from seasonal weather conditions, road and walkway repairs are an ever-present need and the scope of needed campus work is still substantial. This project includes $1.0 million in FY2027, and $9.5 million in both FY2028 and FY2029.

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 annual debt service payments are estimated to be $1.3 million. Debt service payments will be supported by revenue raised through the University's unrestricted general revenues.

The University's unrestricted general revenue is comprised of tuition and fee revenues and State general revenue appropriation.

The automotive repair shop currently resides in an old animal barn and does have the capacity to support the duties of the shop. According to the University, the building lacks the space necessary to lift the vehicles to a working height that is ergonomically correct, and the electrical and ventilation systems do not meet modern standards. According to the University, the current issues with the structure are OSHA and building code related, further emphasizing the need to replace the building. Furthermore, the current location of the shop infringes on the new residential district which is needed to increase capacity for URI's growing housing demand. Pursuant to a 2023 study, the planning team recommended moving the shop to the Mail and Printing Services building and consolidating the mailing and printing operations for a more efficient use of the space. The Budget assumes $1.3 million in funds to be expended in FY2027, $4.9 million in FY2028, and $8.1 million in FY2029.

Article 5: 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 five questions.

Article 5: Relating to Capital Development Program		
Higher Education Facilities		**$275.0**
URI Integrated Health Building	165.0	
RIC Adams Library	50.0	
CCRI Workforce Innovation Center	60.0	
Housing and Community Development		**$120.0**
Housing Homeownership	25.0	
Public Housing Development	10.0	
Undefined	85.0	
Economic Development		**$100.0**
Site Development	55.0	
Growth Industry Infrastructure	45.0	
Green Economy Bonds		**$55.0**
Brownfields Remediation	3.0	
Facility Improvements	12.0	
Local Recreation Grants	1.0	
Marine Infrastructure Development	1.0	
Resilient Rhody Infrastructure Fund	25.0	
Narragansett Bay Watershed Restoration	7.0	
Agriculture Land Preservation	3.0	
Open Space Program	3.0	
Cultural Economy		**$50.0**
State History Center	45.0	
State Preservation Grants Program	5.0	
Total		**$600.0**

$ in millions

FISCAL IMPACT

The article authorizes $600.0 million in bond referenda to be placed on the November 2026 ballot, including $215.0 million in bonds for higher education, $120.0 million for housing and community development, $115.0 million for economic development, and $50.0 million each for career and technical education, green economy and clean energy bonds, and cultural economy. Assuming full issuance in bond year 1, and 5.0 percent interest, annual debt service payments are estimated to be $48.1 million. Total Debt Service over the life of 20-year bonds would be $962.9 million, including $362.9 million in interest.

BACKGROUND

Higher Education Facilities

Approval of this Question would allow the issuance of $215.0 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):** $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. The project meets the growing demand for highly trained health care professionals and facilitates greater interdisciplinary collaboration across

URI's health-related disciplines. The project also aligns with URI's commitment to strengthening the State's healthcare workforce through health innovation, workforce development, and economic growth.

According to the University, this project is in response to the external public health and workforce needs. The College of Nursing space is too small and the college has experienced an increase in demand in nursing and related health sciences disciplines but is unable to accommodate these students. The project will allow the expansion of the nursing program, and other health disciplines, by providing state-of-the-art training environments to prepare students to enter the workforce.

- **Rhode Island College Adams Library ($50.0 million):** $50.0 million for general renovations and the construction of a student success and career readiness center within Adams Library. The renovated space will integrate services like career pathways, academic advising, tutoring, digital learning resources, and employer engagement into a single accessible location. The project reflects the modern use of academic libraries, shifting from traditional print collections to digital platforms and collaborative learning spaces.

  The new space will include:
  - Career and career readiness development and suites
  - Integrated academic support services
  - Digital resource access
  - Collaborative innovation labs
  - Student navigation hub

  RIC asserts that co-locating these services will improve student outcomes, increase retention and completion rates, and accelerate pathways to employment. It will also aid in regional economic development, producing graduates who are career ready, and respond to the needs of employers.

- **Community College of Rhode Island Workforce Innovation Center ($60.0 million):** $60.0 million to construct a new workforce innovation center at the Knight Campus in Warwick to support workforce readiness and address critical workforce shortages. Many key industries report difficulties in recruiting and retaining personnel due to lack of access to specialized training. The Workforce Innovation Center will help close the skills gap by expanding access to fast-track credentialling programs, apprenticeships, and certificates that directly lead to employment. The Center will provide several strategic advantages including flexible training infrastructure, increased capacity to serve more students, and industry collaboration.

Housing and Community Opportunity

Article 6 includes a $120.0 million general obligation bond authorization to be placed on the November 2026 ballot to "increase and preserve the availability of affordable and accessible housing" and to "support community revitalization through the redevelopment of existing structures, new construction, property acquisition, and infrastructure improvements. At least $25.0 million is to be reserved for the development of housing designated for home ownership. Assuming full issuance in bond year 1 and 5.0 percent interest, annual debt service payments are estimated to be $9.6 million. Total debt service over a 20-year term would be $192.6 million, including $72.6 million in interest payments.

Housing Bonds Status

Bond Year	Amount	Status
2006	$50.0	Exhausted
2012	25.0	Exhausted
2016	50.0	Exhausted
2020	65.0	Fully committed, $10.6M left to spend
2024	120.0	$106M obligated, $14M left to obligate

$ in millions

According to the Executive Office of Housing (EOH), this bond initiative build upon efforts supported by the 2024 housing bond and will "fill gaps in the system and create opportunities for a broader array of housing development" as informed by the EOH, partners and

stakeholders. EOH explains that setting aside $25.0 million for the development of housing designated for home ownership is part of a strategy to prevent rental and homeownership projects from competing.

In 2024 voters approved a $120.0 million housing bond. The bond was more prescriptive than the one currently proposed, with the following categories and budgets outlined:

November 2024 Affordable Housing Bond	
Affordable Housing	$90.0
Acquisition and Revitalization	10.0
Homeownership	10.0
Site Acquisition	5.0
Housing Related Infrastructure	4.0
Municipal Planning	1.0
Total	**$120.0**

$ in millions

According to the EOH, $106.0 million of the 2024 bond has been released through competitive solicitations. This includes:

- $66.0 million has been incorporated into a joint One Stop development funding application process with RI Housing.
  - EOH indicates that $176 million in funding was requested by developer applicants under the One Stop process.
- $8.0 million for housing-related infrastructure was released in an RFP in October 2025.
- $1.0 million for municipal architecture and engineering was released in an RFP in October 2025.
- $6.0 million for home repair was awarded to the Providence Revolving Fund to administer. The program was announced in November 2025.
- An RFP to select an administrator for the $5.0 million Site Acquisition Program was released in October 2025. The EOH is currently in negotiations for a vendor.
- An RFP for the $10 million affordable homeownership funds was released in February 2026
- EOH released $10 million for Public Development in February 2026

EOH anticipates that $100.00 million from the 2024 bond will be awarded by the end of 2026.

Economic Development

Article 6 includes a $115.0 million general obligation bond authorization to be placed on the November 2026 ballot to fund industrial facilities infrastructure improvements. Assuming full issuance in bond year 1 and 5.0 percent interest, annual debt service payments are estimated to be $9.2 million. Total debt service over a 20-year term would be $184.6 million, including $69.6 million in interest payments. The bond proceeds would be allocated as follows:

Site Development ($70.0 million): $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): $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 life sciences.

The bond funds are planned to be used to support the following categories of economic development projects:

- **Large-Scale Industrial Land Development:** According to EOC, a portion of the bond funds will be used for the preparation of new, pad-ready industrial sites (similar to Quonset Business Park) that are used to support ocean-tech and defense manufacturing growth. Funds are also planned to be used to address a shortage of infrastructure-ready industrial land within the state.
- **I-195 District Land Acquisition and Preparation:** According to EOC, a portion of the bond funds will be used to "position remaining land in the I-195 Redevelopment District and strategically expand available land in order to sustain momentum in Providence's innovation economy through strategic land acquisition, as well as site preparation and activation, that drives life sciences, other commercial, and mixed-use residential/retail development."
- **Quonset Business Park Infrastructure:** According to EOC, bond funds will be used to "invest in roads, utilities, site preparation, and infrastructure reconfiguration to unlock major private and federal investments, requiring a match and enabling high-value business expansions."
- **Life Sciences Capital Investments:** EOC indicates that funds will be used to build on the Rhode Island Life Sciences Hub by "funding labs, facilities, equipment, enabling infrastructure and business/project investments that support company attraction, expansion, commercialization, and workforce growth, with required private or federal matching funds."
- **On- and Under-Water Test Range and Waterside Innovation Center:** According to EOC, funds will be used to "create a shared, state-of-the-art testing range in Narragansett Bay—paired with on-shore data analytics, and R&D facilities—to position Rhode Island as a national leader in ocean technology, undersea defense, and marine robotics."

Career and Technical Education

Approval of this question would allow the issuance of $50.0 million in general obligation bonds to provide upfront capital funding for local education agencies to create new or improve existing career and technical programs. Assuming full issuance in bond year 1 and 5.0 percent interest, annual debt service payments are estimated at $4.0 million. Total debt service over a 20-year term would be $80.2 million, including $30.2 million in interest payments.

The Rhode Island Department of Education (RIDE) expects the requests will greatly surpass the available proceeds and had originally requested $250.0 million for this bond. To award the funds, RIDE will create an application and scoring rubric based on the type of project, timeline, students served, availability of industry partners, job placement, State priorities, and district needs. Projects aligning with the Rhode Island 2030 will be prioritized. While the number of projects supported will depend on the size and scope of the request, RIDE anticipates funding 20 to 40 projects.

Green Economy Bonds

The Budget includes a $50.0 million general obligation bond authorization be placed on the November 2026 ballot for environmental and recreational purposes. Assuming full issuance in bond year 1 and 5.0 percent interest, annual debt service payments are estimated at $4.0 million. Total debt service over a 20-year term would be $80.2 million, including $30.2 million in interest payments. The bond proceeds would be allocated as follows:

- **Brownfields Remediation and Economic Development ($3.0 million):** Provide funding for matching grants of up to 80.0 percent of project costs to public, private, and/or nonprofit entities for the cleanup, reinvestment, and re-use of brownfield sites to create and attract jobs, protect the urban environment, remove hazards, and reduce the cost of storm water flooding. According to the Department, between 10,000 and 12,000 abandoned industrial sites lie idle across the State. The clean-up and re-purposing

of these sites will remove hazards, attract jobs, and protect the urban environment. The program funds will clean up blighted properties, create jobs, open valuable real estate, and promote public health. This grant program, which helps accelerate redevelopment and supports smart growth, provides critical resources to facilitate the return of these sites to productive use. Grants will provide for both site preparation and redevelopment projects and can be used to fill gaps that exist in supporting data and/or to develop and analyze potential remedial strategies necessary to clean up and develop the site.

Since November 2014, voters have approved $23.0 million in general obligation bond proceeds for brownfield remediation, including the most recent approval in 2024. As of January 21, 2026, $6.4 million of these funds were unobligated. The proceeds from the 2022 and 2024 bonds plus unspent funds from previous approvals supported 10 projects in four cities and towns including nine projects in Environmental Justice focus areas.

- **Facility Improvements ($8.0 million):** Provides funding for the renovation and repair of existing facilities and recreational venues, and the development and construction of new facilities and parks. The Department of Environmental Management is responsible for more than 50 facilities and 25 miles of roadways in state parks. While DEM had requested $25.0 million in bond proceeds, these funds, if approved by voters, will go toward projects such as improvements to Beavertail State Park, the replacement of sanitary amenities at Colt State Park, and electrical upgrades at Fisherman's Campground.
- **Local Recreation Projects ($1.0 million):** Provides funding for matching grants of up to 80.0 percent to municipalities to acquire, develop, or rehabilitate local recreation areas. The grants cover the development of sports fields, tennis courts, and playgrounds. The grant applications are evaluated and ranked by the State Recreation Resources Review Committee, which is comprised of state and local government officials and representatives of non-profit agencies. Since 2012, voters have approved $25.5 million in general obligation bonds for local recreation projects. The most recent approval was in 2022 In April 2024, matching grants were awarded for projects in 11 communities. As of January 21, 2026, $1.4 million of these funds were unobligated. Since the implementation of the program in 1988, DEM has awarded over 568 grants totaling more than $91.0 million worth of investments in all of Rhode Island's 39 cities and towns.
- **Marine Infrastructure Development ($1.0 million):** Provides funding for "most facilities, including recreational facilities, office space, marine infrastructure, and more." According to DEM, this bond will support boat access and resilience for the public by renovating and repairing state-owned boat ramps and floating docks, many of which are over 20 years old.
- **Resilient Rhody Infrastructure Fund (RRIF) ($20.0 million):** Provides $20.0 million for local governments to restore or improve the resilience of infrastructure, vulnerable coastal habitats, and river and stream floodplains. The funds will be prioritized to leverage additional funds to support stormwater abatement and public safety in the event of increased flooding, major storm events, and environmental degradation. In 2025, RIGL 46-12.2-4.4 established the Resilient Rhody Infrastructure Fund within the Rhode Island Infrastructure Bank (RIIB); however, no funds were appropriated to the fund.

  In November 2020 voters approved $7.0 million and in November 2022 voters approved of $16.0 million in general obligation bond proceeds for resiliency projects. With the bond funding and $1.1 million in Rhode Island Infrastructure Bank operating funds, a total of $24.1 million has been available for this program. As of January 22, 2026, all of these funds have been awarded to 56 projects around the State. In September 2023, the Rhode Island Infrastructure Bank (RIIB) issued an RFP for projects and received 41 proposals totaling $52.0 million in grant requests. In 2024, $10.0 million was approved to help municipalities restore and/or improve resiliency; however, the RFP for these funds is expected to be issued in late Spring 2026 once the regulations for the RRIF are finalized.

In 2018, the voters approved $5.0 million for climate resilience projects through DEM, only $11,405 remains unobligated.

- **Narragansett Bay Watershed Restoration ($7.0 million):** Provides funding to state and local agencies, and nonprofit and for-profit businesses for nonpoint source pollution abatement projects. Funded activities include storm water management, nutrient load abatement, industrial and agricultural pollution abatement, and riparian buffer and ecosystem protection projects. The Department of Environmental Management (DEM) has worked with municipalities and non-profits to complete over 30 projects across the State to improve water quality in Narragansett Bay and other watersheds. The fund generally aids with projects that may not otherwise qualify for Rhode Island's other clean water financial assistance program. Since 2004, voters have approved $15.5 million in general obligation bond proceeds for Narragansett Bay Watershed Restoration, including the most recent approval in 2022. The most recent grant awards were announced in August 2024. As of January 21, 2026, $24,958 of these funds were unobligated.

- **Agriculture Land Preservation ($3.0 million):** $3.0 million to the Agriculture Land Preservation Commission for farmland preservation. The Farmland Preservation Program works to ensure that farming remains viable in Rhode Island, primarily by purchasing developments right from farmers to enable them to retain ownership of the property while protecting the land for agricultural use. Through three referenda in 2012, 2014, and 2018, voters have approved $9.5 million in bond funds with less than $500,000 of these funds unobligated as January 1, 2026. The $9.0 million has been used to award over 100 grants.

  The program is managed by the Agricultural Land Preservation Commission which was established in 1982 through RIGL 42-82. The Commission consists of the Directors of the Department of Environmental Management and the Department of Administration, or their respective designees, both with the power to vote; and seven public members appointed by the Governor with the advice and consent of the Senate. The public appointees must include at least two members with knowledge or experience in agriculture, one member familiar with land use and community planning issues, and one member active in land preservation. Beginning in 2006, only residents of the State are eligible for appointment to the Commission.

- **Open Space Program ($3.0 million):** $3.0 million to the Department of Environmental Management (DEM) to allow the State to acquire fee simple interest or conservation easements to open space, watershed, and recreational land. The DEM manages multiple land conservation initiatives to protect Rhode Island's green spaces. Through four referenda in 2004, 2012, 2016, and 2022, voters have approved $19.5 million in bond funds with less than $250,000 of these funds unobligated as January 1, 2026. The funds have been used to award over 200 grants. Since 1985, the State has acquired or protected more than 20,000 acres of open space through the purchase of land, development rights and conservation easements statewide.

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):** The article provides financing of up to $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. The Budget proposes $5.0 million from the RI Capital Plan Fund in FY2028 and $45.0 million in general obligation bonds to be placed on the November 2026 ballot for voter approval for the planning and construction of the Rhode Island Archives and History Center. The new building would serve as a permanent home for the State's archives, currently located in leased space in the City of Providence, and would provide for the display of historical documents and artifacts.

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- **State Preservation Grants Program ($5.0 million):** The article provides financing of up to $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. The Historic Preservation and Heritage Commission states that requests for these funds have outstripped available funding in every one of the nine SPG grants cycles that we have run over the past 23 years. The following highlights the status of the last two issuance of the State Preservation Grant Program:
  - In November of 2014, voters approved $5.0 million in general obligation bonds to recapitalize the State Preservation Grant Program. Through FY2022, the Commission supported 58 projects awarding $4.6 million in funds.
  - In March of 2021, a statewide bond referendum passed that allocated an additional $1.0 million to the State Preservation Grant program in general obligation bonds. The Commission is supporting 18 grants for new projects totaling $1.2 million. According to HPHC the additional funds over the total bond amount reflect a rollover of remaining funds from the previous bond issue, i.e. the previous issue totals $5.0 million but the awards totaled $4.6 million.
  - As of February 3, 2026, a total of $5.5 million has been disbursed to 76 projects leaving a balance of $332,441, and three ongoing projects.

  There is $36,466 in unspent funds from grantees that have either returned the funding or did not utilize the full amount awarded and are considered closed. The Commission has the option to reallocate those funds to another open grant that requires additional funding for that particular project. The Commission has granted extensions on three awards with projects totaling $295,975. When grantees request an extension, HPHC's Commissioners must agree to the extension, or decide if additional information is needed before they can grant an extension.

TOC

Article 6: Relating to Taxes and Fees

This article establishes a new high-earner surtax, expands to current social security income modification, provides for a refundable child tax credit, makes certain changes to tobacco-related license regulations, and makes several other additional tax changes. Specifically, the article:

- **New High-Earner Surtax:** Phases-in a new high-income surtax that taxes income over $1.0 million at an additional 1.0 percent per year over three years, resulting in an 8.99 percent final rate for TY2029 and beyond.
- **Refundable Child Tax Credit:** Establishes a new $330 per child refundable child tax credit for certain eligible taxpayers to be used to offset personal income taxes or, in certain circumstances, increase personal income.
- **Expansion of Social Security Modification:** Expands the current personal income tax modification for social security by eliminating the age eligibility requirement.
- **Tax Amnesty:** Provides a tax amnesty program for a 75-day period ending February 15, 2027.
- **Decoupling from Federal Tax Policy:** Decouples state policy from certain new federal rules related to how a business' income is determined for tax purposes.
- **Cigar Distributor Definition:** Revises the definition and permitted activities of cigar dealers and distributors within the State.

FISCAL IMPACT

The fiscal impact of Article 6 general revenue changes is summarized in the table below. For more details see below in the analysis and background section.

General Revenue Impact

	FY2027		FY2028	
Initiative	**Revenues**	**Expenditures**	**Revenues**	**Expenditures**
New Higher Earner Surtax	$24.9	-	$73.3	-
Refundable Child Tax Credit	(23.1)	-	(46.6)	-
Expansion of Social Security Modification	(3.0)	-	(6.1)	-
Tax Amnesty	26.3	0.7	-	-
Decoupling from Federal Tax Policy	27.7	-	19.1	-
Total	**$52.9**	**$0.7**	**$39.7**	**$0.0**

$ in millions

ANALYSIS AND BACKGROUND

New High Earner Tax

Article 6 amends Rhode Island's tax statutes to establish a new high earner surtax beginning tax year 2027.

High Earner Surtax Tax Established: Section 5 of the article amends RIGL 44-30-2.6 by establishing a new surtax on income over $1.0 million. The tax is phased in over three consecutive tax years from TY2027 to TY2029 at a rate of an additional 1.0 percent a year, until the effective tax rate on income over $1.0 million becomes 8.99 percent. The following tables illustrate how the tax brackets are adjusted under the article.

- **For Tax Year beginning January 1, 2027:**

Taxable Income Over	But not over	Pay	Plus percent on excess	of the amount over
$0	$84,623	$0	3.75%	$0
84,623	192,296	3,173	4.75%	84,623
192,296	1,000,000	9,134	5.99%	192,296
1,000,000	-	59,900	5.99%+1.00% = 6.99%	1,000,000

- **For Tax Year beginning January 1, 2028:**

Taxable Income Over	But not over	Pay	Plus percent on excess	of the amount over
$0	$86,703	$0	3.75%	$0
86,703	197,025	3,251	4.75%	86,703
197,025	1,024,590	9,359	5.99%	197,025
1,024,590	-	61,373	6.99%+1.00% = 7.99%	1,024,590

- **For Tax Years beginning January 1, 2029, and after:**

Taxable Income Over	But not over	Pay	Plus percent on excess	of the amount over
$0	$88,332	$0	3.75%	$0
88,332	200,724	3,312	4.75%	88,332
200,724	1,043,831	9,534	5.99%	200,724
1,043,831	-	62,525	7.99%+1.00% = 8.99%	1,043,831

The threshold amounts in these tables are estimates based on the consensus economic forecast values for the consumer price index adopted at the May 2026 REC. The actual thresholds may vary with updated data. Tax years beyond FY2029 continue to be adjusted annually for inflation.

- **Pass-through Entity Changes:** Section 2 of the article amends RIGL 44-11-3(a)(2) by modifying the rate, beginning in tax year 2027, that a pass-through entity (PTE) is subject to when members elect to pay their tax liability at the entity level as opposed to their personal income tax. The rate remains 5.99 percent on income up to $1.0 million, above which is then subject to the phased-in value of the high-income surtax.

  A PTE is a type of business organization that does not pay corporation taxes but rather passes income on to its owners who claim it as personal income for federal and state tax purposes. Examples of PTEs are S corporations (S-Corp) and limited liability companies (LLC).

Analyst Note: In 2020, Rhode Island enacted legislation allowing PTE owners to choose whether to pay state tax liability at the individual level or the business entity level (at a rate of 5.99 percent). This was done in response to new federal tax policy beginning in tax year 2018, that limited the amount of itemized state and local taxes deductions (SALT) that PTE owners could claim to $10,000. This cap has since been raised to $40,000. Providing this option allows PTEs with larger SALT liabilities to determine the most advantageous way for them to file either at the individual level or the business entity level.

Fiscal Impact: ORA estimates the fiscal impact of a new high earner tax bracket to be $24.9 million in FY2027 (one-half year impact). The following table summarizes the out-year revenue growth from the new tax rate.

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Fiscal Year	Fiscal Impact
FY2027	$24,888,370
FY2028	73,335,818
FY2029	119,756,494
FY2030	144,661,202
FY2031	149,035,075

- **Methodology:** When developing a fiscal impact estimate on complicated changes to personal income tax policy, the ORA utilizes a simulation model that applies the policy change to complete sets of actual tax data. The results of modeling are then adjusted to the conditions of the proposed policy and the effective tax years. The last complete set of tax data available for modeling is TY2023.

  Using the TY2023 data, the ORA determined that the high earner bracket would apply to roughly 2,300 resident filers and 5,500 non-resident filers. According to ORA, since non-residents only pay tax on the portion of their income sourced in Rhode Island, most of the increase will be paid by residents (80.0 percent).

  For the simulation the ORA applied TY2026 tax laws to the TY2023 data to establish a baseline tax collection figure for TY2026 of $1.65 billion. The simulation then applied the high earner bracket to the collection figure, adjusting the $1.0 million threshold to TY2023 dollars ($865,900 and over).

  To ensure a conservative estimate and to account for uncertainty around taxpayer behavior in the wake of significant tax policy changes, ORA took the extraordinary approach of using an elasticity of taxable income (ETI) calculation in determining the fiscal impact of the high earner tax bracket. Typically, ORA's analyses are done on a static basis without considering economic or behavioral changes. ORA notes that in this instance, the outstanding debate on taxpayer behavior and Rhode Island's susceptibility to cross-border impacts are relevant considerations. ORA used an academic study of marginal tax rates over a 66-year period ending 2012 and estimated an ETI of 1.0 percent. The elasticity factor is meant to take into consideration taxpayer migration, deliberate reductions in realized income, or other steps lower tax liabilities through greater use of credits and deductions.

Background

State Wealth Taxes: According to the non-profit, non-partisan publication *Tax Notes,* a wealth tax can take many forms. Some wealth taxes take the form of ad valorem taxes on property, assets, or net worth. Others may simply be a surplus or higher tax rate on realized income exceeding a certain higher income. *Tax Notes* indicates that there are five states with established wealth taxes, four of which have either added additional tiers to their tax rate schedules or just increased the tax rate of their existing tiers for higher-income taxpayers. The fifth state has added an excise tax for high-value asset transactions.

State	Year Adopted	Rate on Income over $1.0M
New Jersey	2020	10.75%
New York	2009	9.65% (w/10.3% over $5M, 10.9% over $25M
California	2005	13.30%
Massachusetts	2022	9.00% (w/ 5.0% flat tax and 4.0 percent surcharge on marg. income over $1.0M)
Washington DC	2021	10.75%

According to the state's Office of Revenue Analysis there exists considerable debate about the impacts of higher income tax rates on how taxpayers choose to realize their income and where they choose to locate. ORA notes that some studies show taxpayer migration out of high tax jurisdictions while other studies have shown little to no effect.

ORA indicates that the top 1.0 percent of earners in Rhode Island pay 4.6 percent of their income as personal income tax (compared to 5.8 percent in Connecticut and 6.6 percent in Massachusetts) and that 0.3 percent of the Rhode Island tax returns in TY2022 reported AGI of $1.0 million or more (12.5 percent of all AGI reported that year).

Rhode Island Tax Brackets: Rhode Island has three brackets of personal income tax rates that are applicable to taxable income of residents and non-residents. These brackets are also applicable to estates and trusts, but with different income thresholds. The current tax rates and income thresholds for tax year 2026 (these are adjusted annually for inflation) are:

Tax Rate Schedule of Tax Year 2026 (personal income tax)

Taxable Income Over	But not over	Pay	Plus percent on excess	of the amount over
$0	$82,050	$0	3.75%	$0
82,050	186,450	3,077	4.75%	82,050
186,450	-	8,036	5.99%	186,450

Tax Rate Schedule of Tax Year 2026 (trusts and estates)

Taxable Income Over	But not over	Pay	Plus percent on excess	of the amount over
$0	$3,200	$0	3.75%	$0
3,200	10,200	120	4.75%	3,200
10,200	-	453	5.99%	10,200

This three-tiered structure was established in 2010, when the General Assembly reduced the top marginal tax rate from 9.9 percent to 5.99 percent, eliminated an alternative flat rate income tax, disallowed the use of federal itemized deductions in the computation of Rhode Island taxable income, and eliminated numerous credits, deductions, and some other modifications.

Pass-Through Entities: Many businesses in the United States are not subject to the corporate income tax at the state or federal level. The business' profits flow through to owners (or members) and are taxed as part of their personal income. Examples of these "pass-through entities" include limited liability companies, S-Corporations, partnerships, and sole proprietorships.

Starting in TY2019, Rhode Island began permitting partners of pass-through entities to file returns at the entity level at the highest personal income tax rate (5.99 percent) and authorized a tax credit (worth 100.0 percent of their pro rata share of the entity tax) which partners could then claim on their individual returns. This credit has subsequently been reduced to 90.0 percent. As noted above these changes were made to provide PTEs with significant state and local tax liabilities to potentially reduce their tax burden at the federal level.

The Internal Revenue Service's Statistics of Income (most recent data from TY2022) report provides some insight into the pass-through entity activity in Rhode Island. The report shows the following tax filing information related to pass-through entities.

Rhode Island Tax Filers by Entity - TY2022

Filers	All AGI	$1M+AGI	Percent of Total
All Filers	563,800	1,870	0.3%
Sole Proprierships (pass-through w/ only 1 member)	91,190	540	0.6%
Pass-through Entities/S-Corps	28,550	1,400	4.9%
Total	**683,540**	**3,810**	**0.6%**

Source: IRS 2022 Statistic of Income per ORA

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Analyst Note: *The impact of Article 6 on pass-through entities is complicated to determine. ORA offers an example to illustrate the complexity: a dental practice has $5.0 million in annual revenue. Initially it looks like they're well into the new fourth bracket. But pass-through entities pass through income net of expenses. Say this firm has $4M in expenses, so they're still passing through $1M of income. But the practice includes two dentists who are partners, so each receives $500,000 in income. At this level the income does not qualify for the new bracket. But each dentist pays themselves a salary of $100,000 (still not over the $1.0 million threshold). Let's also say one of the dentists owns a real estate LLC that provides $300,000 in annual income and has $100,000 in capital gains and dividend earnings in a typical year. In this example, one dentist has earned $600,000, and the other dentist has earned $1.0 million. How many pass-through entities should be counted as "impacted" by the millionaire's tax? One for the dental practice, two including the dental practice and the real estate LLC, or zero because none of those entities pass through $1M of income to any one partner? According to ORA, every Rhode Island millionaire has some pass-through income, although most filers with pass-through income are not millionaires.*

New England Comparisons: New Hampshire is the only state in New England without an income tax. Rhode Island has the lowest upper bracket. In 2022, Massachusetts instituted its "millionaire's tax" by imposing a 4.0 percent surcharge on a taxpayer's income over $1.0 million (this is additive to the state's 5.0 percent flat tax, creating effective rate of 9.0 percent. According to ORA, the State collected $3.0 billion from the surcharge).

Highest Tax Bracket Rate - New England Comparison

State	Rate	Applied on income above*:
Massachusetts	9.00%	$1,083,150
Rhode Island - FY2029+	8.99%	1,043,831
Rhode Island - FY2028	7.99%	1,024,590
Rhode Island - FY2027	6.99%	1,000,000
Rhode Island - FY2026	5.99%	186,450
Vermont	8.75%	242,000
Maine	7.15%	63,450
Connecticut	6.99%	500,000
New Hampshire	-	-

** Rate applies to Individual Filers, married filers vary slightly or not at all depending on state. Income thresholds are indexed to inflation except for CT, which begins adjusting for inflation in FY2028.*

Refundable Child Tax Credit

Article 6 establishes a new refundable child tax credit (CTC) valued at $330 per child in TY2027 for certain eligible taxpayers. The credit value is subject to an annual adjustment for inflation.

Refundable Child Tax Credit: The article establishes a new $330 per child refundable tax credit (CTC) for certain eligible taxpayers to be used to offset personal income taxes or, in certain circumstances, increase personal income. The credit is for Rhode Island resident taxpayers with dependents 18 years old or younger with a federal adjusted income (AGI) of less than $100,000 if filing individually, married but filing separately, as head of household, or as a qualifying widow or widower; or with an AGI of less than $125,000 if married and filing jointly. The credit phases out starting at AGI income of $88,500 and $110,640 respectively for the two categories of filers described above. The new credit and the income limits would be adjusted annually for inflation.

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- **Refundability:** The credit is fully refundable, meaning that it reduces tax liability dollar-for-dollar and results in refund payments even if the filer's tax liability is zero.
- **Taxpayer Impact:** Child tax credits and other income enhancing tax policies are frequently cited as effective methods of reducing the incidence of child poverty and its related complications. According to Vanderbilt University's Prenatal-to-3 Policy Impact Center, research and evidence supporting this is primarily around the federal child tax credit with increasingly more emerging around state policies.
- **Child-Related Tax Policies Comparison:** Rhode Island currently provides a child dependent deduction of $5,250 per child that functions as a personal tax exemption and phases out at AGI of $261,000. This "dependent exemption (DE)" provides an average reduction in taxes of $283 for eligible taxpayers. The Governor's FY2027 budget recommendation included a proposal to replace this dependent exemption with a new tax credit of $325 per child that also phases out at $261,000. Article 6 of the Budget retains the dependent exemption (and related phase-out thresholds) and **adds** a $330 per child credit that phases out at either $100,000 or $125,000, depending on filing status. The following table compares the average reduction in taxes by AGI for current law, the Governor's proposal, and Article 6.

Average Reduction in Taxes (ART) for Eligible Filers

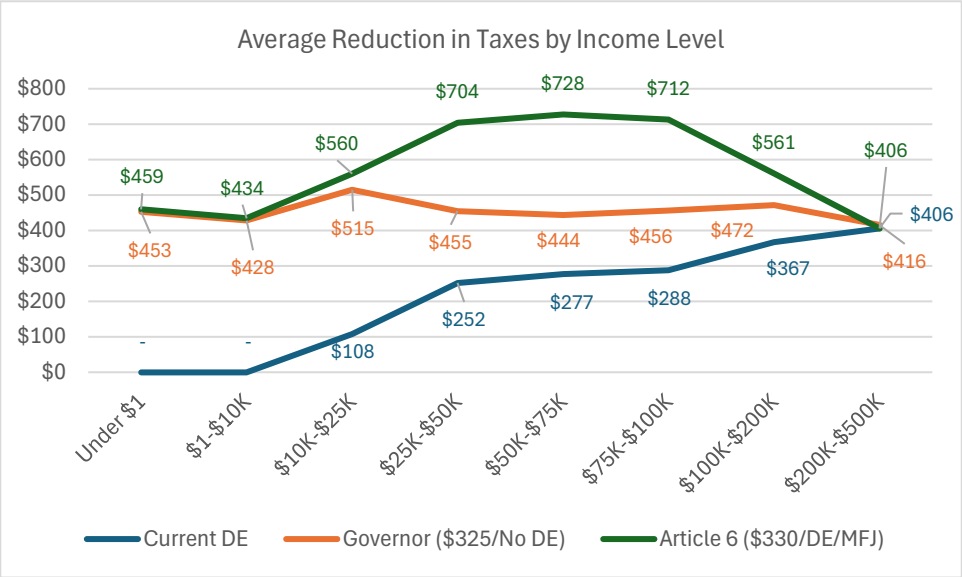
	Current Dependent Exemption		Governor $325 CTC / No DE		Article 6 $330 CTE & DE & MFJ	
RI Modified AGI	**Filers**	**ART**	**Filers**	**ART**	**Filers**	**ART**
Under $1	-	-	404	($453)	404	($459)
$1-$10K	< 10	-	3,766	(428)	3,766	(434)
$10K-$25K	5,907	($108)	16,418	(515)	16,418	(560)
$25K-$50K	26,411	(252)	27,247	(455)	27,247	(704)
$50K-$75K	17,183	(277)	17,183	(444)	17,183	(728)
$75K-$100K	12,441	(288)	12,441	(456)	10,121	(712)
$100K-$200K	29,054	(367)	28,985	(472)	2,442	(561)
$200K-$500K	6,289	(406)	4,062	(416)	-	(406)
Total	**97,285**		**110,506**		**77,581**	
Average		**($283)**		**($455)**		**($571)**
FY27 Cost				($14,942,654)		($23,121,798)
FY28 Cost				($29,657,570)		($46,644,998)

Joint filers under $125K only, other taxpayers have been phased out at this AGI

Filers at this AGI aren't eligible for the CTC but are eligible for the DE until AGI reaches $261,000

Tax filers with AGI under $100,000 benefit more, on average, under the Article 6 scenario than under current law or the Governor's proposal; 62.0 percent of those filers would have a greater than 50.0 percent increase in benefit as compared to the Governor. Article 6 is designed to drive the most significant relief to those with AGI between $10,000 and $100,000, a demographic who are working but have low incomes. Because the income eligibility thresholds in Article 6 are lower than the current dependent exemption ($100,000/$125,000 as compared to $261,000) Article 6 retains the current dependent exemption to avoid creating a tax increase for those filers with incomes between the thresholds. Of note, the $561 average reduction in taxes for tax filers above $100,000 under Article 6 is only for those taxpayers with AGI between $100,000 and $125,000 who are married and filing jointly. All other taxpayers with AGI above $100,000 may use the dependent exemption up to $261,000 of AGI. The following table continues the comparison:

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Fiscal Impact: ORA estimates the revenue loss associated with the child tax credit in FY2027 to be $23.1 million in FY2027 and $46.6 million in FY2028. The out-year impact is summarized in the following table:

Fiscal Year	Fiscal Impact
FY2027	($23,121,798)
FY2028	(46,644,998)
FY2029	(47,701,744)
FY2030	(49,049,841)
FY2031	(50,532,877)

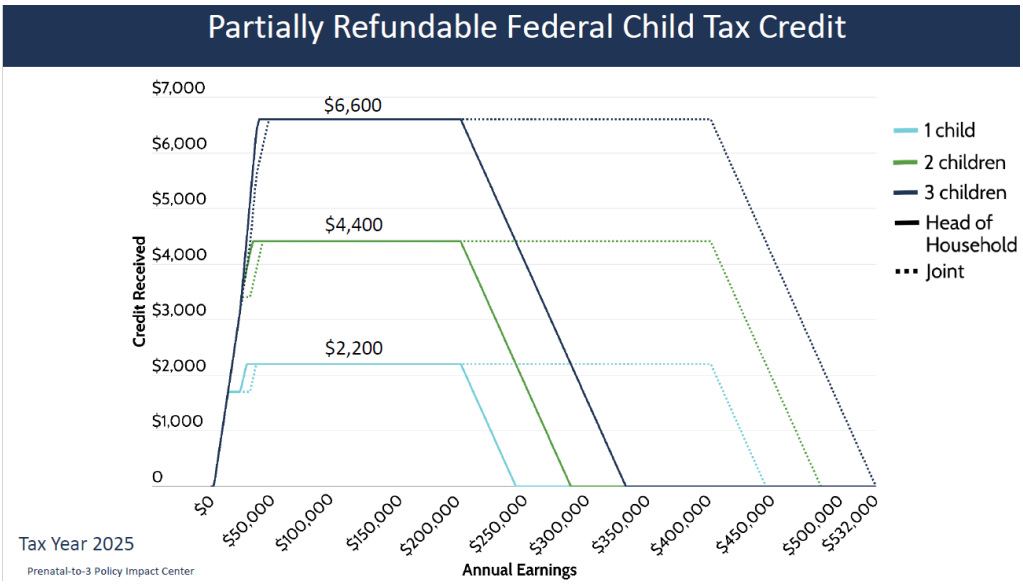
When evaluating the fiscal impact of the child tax credit, ORA used a personal income tax simulation model that uses the latest full set of tax return data (TY2023).

Background: Budget documents indicate that according to the National Conference of State Legislatures, there are 17 states that provide child tax credits. In New England a credit is offered in Massachusetts, Maine, and Vermont.

Impact of CTC on Incidence of Child Poverty: Proponents of using tax policy as a method of reducing child poverty often cite child tax credits as an effective tool. According to Vanderbilt University's Prenatal-to-3 Policy Impact Center, research and evidence supporting this is primarily around the federal credit. The federal tax credit in TY2025 is up to $2,200 per child under the age of 17. The credit phases out at higher incomes and is only partially refundable (with a maximum of $1,700 per child).

The following graphs (*Source: Vanderbilt University, Prenatal-to-3 Policy Impact Center)* show the income impact that the federal CTC:

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According to the Prenatal-to-3 Policy Impact Center, the research around state child tax credits is considerably less but increasing. The most common structure of a state CTC is a per-child credit that decreases in value above a certain income threshold. Many state CTCs are targeted at income levels, having phase-in and phase-out income levels, or tiered step downs. States vary in the age of the child eligible under the credit program. Washington D.C. and Minnesota set the eligible age at 18. Seven states set it at age 17 with another 7 setting it at age 6. Another variable is the CTC value per child. Five states set their refundable CTCs at $1,000 or above. Six states have CTCs set between $261 and $630.

Expansion of Social Security Modification

Current Social Security Tax Modification: RIGL 44-30-12(c)(8) provides a modification to certain qualified taxpayers that exempts some or all social security benefits from being included in their taxable income for state income tax purposes. Rhode Island's state tax code uses a taxpayer's federal adjusted gross income (AGI) as the starting point in determining state taxable income. For tax year 2025, the modification to federal AGI for purposes of determining state personal income tax liability is available to taxpayers if they:

- Have attained the age used for calculating full or unreduced Social Security retirement benefits (typically 66 or 67), and
- Are filing as an unmarried individual, a head of household, or as married but filing separately and having a federal adjusted gross income (AGI) for the tax year of less than $107,000, or
- Are married and are filing jointly and have a federal AGI of less than $133,750, and
- Have federal AGI that includes Social Security retirement benefit income.

Analyst Note: The income thresholds for this modification are required statutorily to be adjusted annually for inflation. RIGL 44-30-12(c)(8) states these thresholds in the tax year 2016 values of $100,000 for joint filers, and $80,000 for all other taxpayers (TY2016 being the first year the modification was made available). The values listed above reflect the TY2025 inflation adjusted amounts.

Taxpayers meeting these requirements can reduce their federal AGI for purposes of determining state tax liability by the *entire* amount of the Social Security retirement benefit income taxed at the federal level.

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Expanding the Social Security Modifications: Section 5 of Article 6 expands the state's social security modification, beginning tax year 2027, by amending the eligibility rules by eliminating the requirement for the taxpayer to have reached full Social Security retirement age.

Article 5 - Eligibility Requirement Changes *

	Current	TY2027
Income Thresholds		
Single	$107,000	$161,566
Married Filing Jointly	133,750	202,006
Head of Household	107,000	161,566
Married Filing Separately	107,000	161,566
Age Requirement		
	67	-

**Thresholds are estimates based on ORA inflation methodology*

Pension and Annuity Income Tax Exemption – Inflation Index: Section 5 of Article 6 also amends (RIGL 44-30-12(c)(9)) which allows qualified taxpayers to reduce federal AGI used to determine state tax liability by $50,000 of federally taxed pension and annuity income. The eligibility qualifications are identical to the current Social Security modification, including income thresholds and age requirements. The income thresholds are also required to be annually adjusted for inflation. However, the way the statute is constructed, the inflation adjustment for the pension and annuity modification is tied to the Social Security inflation adjustment. The article eliminates the latter adjustment by TY2029. Section 5 provides for a distinct inflation adjustment to the income thresholds for this modification and bases the starting thresholds in TY2025 dollars).

Fiscal Impact: The expansion of the social security modification is estimated to result in a $3.0 million revenue loss in FY2027, based upon a January 1, 2027, start date. The following table shows the out-year impacts:

Fiscal Year	Fiscal Impact
FY2027	($3,025,896)
FY2028	(6,104,323)
FY2029	(6,242,617)
FY2030	(6,419,039)
FY2031	(6,613,121)

The Office of Revenue Analysis based its estimates on several assumptions and variables. Using data from the most complete tax return data (TY2023), ORA determined that there will be an estimated 9,200 resident and 1,400 non-resident taxpayers (10,600 total) who will experience relief from the expansion of the social security modification.

The TY2023 data was used by ORA to produce a simulation for the expanded eligible taxpayers. Estimated threshold amounts similarly were derived from TY2023 levels and adjusted for inflation and policy changes. ORA takes the tax simulation results and then converts them from tax years to fiscal years. For the out-year impacts ORA incorporates data from the May 2026 revenue estimating conference as well as the Budget Office's out-year projections.

Background: Social security is a federal program that provides monthly income benefits to most individuals who are retired, qualified disabled persons, and certain qualified surviving spouses. This program, which

functions as an income social safety net, is funded through equal employee and employer payroll contributions (payroll taxes). It is available to those that have earned enough credits and have reached at least the age of 62 (for partial benefits). Those who have reached the age of either 66 or 67 (depending on when a person is eligible) receive full benefits.

Social Security and Taxation

- **Payroll Taxes to Fund Social Security Benefits:** Employees are required to pay 6.2 percent of their earned wages in federal insurance contribution act (FICA) payroll taxes as a contribution to their future social security benefit. Employers are required to contribute an equivalent percent.
- **Federal Taxation of Social Security Benefits:** Social security benefits are considered income for purposes of federal income tax under certain conditions. The Internal Revenue Service uses a taxpayers combined income to determine the tax rate on Social Security benefits. Combined income includes adjusted gross income not including Social Security plus non-taxable interest, plus half of Social Security income. The following shows the thresholds by combined income:

Federal Income Tax Rate on Social Security

Individual	
Combined Income	**Tax Rate**
≤ $25,000	n/a
$25,000 to $34,000	Up to 50%
≥ $34,000	Up to 85%
Married filing jointly	
Combined Income	**Tax Rate**
≤ $32,000	n/a
$32,000 to $44,000	Up to 50%
≥ $44,000	Up to 85%

- **State Taxation of Social Security Benefits:** Eight states tax social security benefits to some degree - Colorado, Connecticut, Minnesota, Montana, New Mexico, Utah, Vermont, West Virginia (in the process of phasing-out), and Rhode Island. How the benefits are treated for tax purposes varies greatly, with states providing an array of exemptions based on different qualifications.

Tax Amnesty

Article 5 includes a tax amnesty program for a 75-day period ending February 15, 2027.

Background: A tax amnesty program is an initiative that state and local jurisdictions may periodically use to incentivize voluntary compliance with tax laws. Amnesty programs are typically for a defined period during which individuals with outstanding tax liabilities are permitted to settle the debt without facing criminal or civil penalties. In addition, the rate of interest on back taxes is typically reduced and payment plans may be offered. The amnesty may apply to some or all tax types. Amnesty programs are typically beyond the scope of a tax administrator's authority and therefore are usually initiated through legislation.

Amnesty programs benefit taxpayers with delinquent liabilities because of the reduction in penalties. Governments may benefit by improving ongoing voluntary compliance and by increasing collected revenue. Amnesty programs, however, may also be seen as unfair by taxpayers who are timely with paying their liabilities. According to the Federation of Tax Administrators, 47 states have enacted amnesty programs at some point in time, with some doing so multiple times.

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Rhode Island Tax Amnesty: Rhode Island has implemented tax amnesty programs five times, with the most recent being in 2017. That amnesty ran for 75 days (ending on February 15, 2018) and was open to non-filers and to those who had a record of a tax debt with the Division of Taxation. All major tax types were included. The initiative was authorized by the FY2018 Budget as Enacted and was estimated at the time to generate $12.5 million. It ultimately collected $22.0 million (with $11.0 million coming from personal income tax receipts). According to Taxation 10,828 amnesty applications were received. Known tax debts accounted for approximately 62.0 percent of the revenue collected, while "new debts" from non-filers accounted for approximately 38.0 percent.

RI Tax Amnesty History

Period			Revenue
15-Oct-86	-	12-Jan-87	$0.7
15-Apr-96	-	28-Jun-96	7.9
15-Jul-06	-	20-Sep-06	6.5
2-Sep-12	-	15-Nov-12	22.3
1-Dec-17	-	15-Feb-18	22.0

$ in millions

The amnesty waived all penalties and reduced owed interest by 25.0 percent. Taxation indicated that the total amount of penalties erased and interest reduced totaled approximately $9.9 million. Administrative costs totaled approximately $480,866.

Article 6 Changes: Section 1 of Article 5 authorizes a 75-day tax amnesty period ending February 15, 2027, by adding a new chapter, "6.6 – The Rhode Island Tax Amnesty Act of 2026" to Title 44 of the general laws.

- **Definitions:** A new proposed statute, 44-6.6-2, sets forth relevant definitions to implement the tax amnesty, including "Taxable Period" (any period for which a return is required) and "Taxpayer" (any person, corporation, or entity subject to any state tax).
- **Amnesty Program Established:** A new proposed statute, 44-6.6-3, provides the Tax Administrator with the authority to establish the amnesty program.
  - The program shall be conducted for a 75-day period ending February 15, 2027
  - For those Taxpayers that apply to Taxation and make payment of all tax and interest due from the taxpayer to the State for any taxable period ending on or before December 31, 2025, the Tax Administrator is directed to not seek applicable penalties or criminal or civil prosecution. This is also true for those taxpayers that enter a payment plan (for reasons of financial hardship) through the same process and during the same period. Amnesty is not granted to those taxpayers under existing criminal or civil investigation or are party to existing court proceedings.
- **Interest Under Tax Amnesty:** A new proposed statute, RIGL 44-6.6-4, calculates the interest to be paid on taxes paid during the amnesty period by applying the statutory rate (18.0 percent on trust fund taxes such as sales tax, and 12.0 percent for all other taxes), and then reducing the amount by 25.0 percent.
- **Administration:** The remaining proposed statutes under Article 5 provide the Tax Administrator with the typical authorization necessary to implement a tax-related program. These include the ability to promulgate rules and regulations, create forms, designate where funds are to be deposited, and reporting requirements.

Fiscal Impact: The tax amnesty program is estimated to generate $26.3 million in general revenue. The Office of Revenue Analysis (ORA) used collections data from the 2007, 2013, and the 2018 amnesty periods to develop the FY2027 fiscal impact. These programs reported data on how much known tax liability and interest revenue was collected by each tax type. They also reported data on how much new revenue (not in the known tax liability receivable amount) was collected by tax type. ORA assumed that the difference between new revenues from total revenues represents the revenue collected against the current receivable for each tax type.

- **Amnesty Receivable Estimate:** In calculating how much is estimated to be collected against the tax receivables, ORA looked at the receivable collections two years prior to the date of the amnesty

programs and compared it to that which took place during the amnesty and came up with a collection rate for each tax type and for each amnesty year. ORA then averaged the rates from each amnesty year and applied them to known tax receivable for each tax type as of June 2025.

- **Amnesty New Revenue Estimate:** In calculating an estimate for new revenue under the proposed amnesty program ORA averaged the new revenue collections by tax type as reported out from the FY2018 and FY2013 amnesty programs and calculated a collections rate (FY2007 was excluded due to elapsed time and the overall growth in collections since then). ORA used this rate, unadjusted for growth, to create a conservative estimate for new revenue collection under the proposed amnesty.
- **Existing Debts (Receivable)/New Revenue Estimate:** The following table summarizes ORA's estimated collections by tax type and by debts collected against the receivable and new revenue:

Revenue Category	Existing Debts	New Revenue	Total
Personal Income Tax	$6,972,864	$1,824,616	$8,797,480
Sales and Use Tax	2,034,759	2,327,362	4,362,121
Business Corporations Tax	1,403,749	1,084,599	2,488,348
Other Tax Types	1,670,930	1,026,415	2,697,345
Interest Payments	5,372,987	2,629,712	8,002,699
Total	**$17,455,289**	**$8,892,704**	**$26,347,993**

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

Decoupling from Federal Tax Policy

Article 6 includes provisions that decouple the state's tax code from certain portions of the federal tax code that were amended with the passage of HR 1 in 2025.

Rhode Island's tax code is linked to the federal tax code. This is a common policy choice among states because it simplifies tax filings for both taxpayers and the Division of Taxation, by allowing state returns to be supported by the same documents and assumptions used at the federal level. States also benefit by relying on the federal Internal Revenue Service to draft rules, make liability determinations, provide guidance, and monitor compliance. This conformity, however, is not required or automatic, it is a choice. States typically enact legislation to incorporate changes made to the tax code at the federal level either in whole or in part.

A key component of conformity relates to what constitutes taxable income. Rhode Island tax filings start with a taxpayer's federal "adjusted gross income" (AGI) as the basis for an individual's state tax liability and with "federal taxable income" (FTI) for businesses. Federal policy changes that impact AGI or FTI will generally flow through and impact state revenue.

HR-1: In 2025, Congress enacted legislation, known as HR-1, that included sweeping tax changes estimated to significantly impact state revenue collection in Rhode Island. In anticipation of these changes, the General Assembly enacted several preemptive protections in its FY2026 Budget. First, it preserved the pre-HR-1 definitions of taxable income for tax year 2025. It also required the Department of Revenue (DOR) to do an analysis of the likely fiscal impact HR-1 would have on out-year revenue.

DOR's Analysis: The DOR issued its report in October 2025. According to the report, absent the decoupling from HR-1 definitions as directed by the FY2026 Budget as Enacted, Rhode Island would have realized a revenue loss of $65.8 million. HR-1 permanently codified the tax provisions under the federal Tax Cuts and Jobs Act (TCJA) of 2017 that had been set to sunset at the end of 2025. The report looks at the fiscal impact of the continuation of these provisions as well as all new tax changes. Of all the HR-1 provisions, the research and development expensing policy has the highest estimated fiscal impact. This and the other fiscal impact estimates from the report are summarized in the following table:

TCJA Extensions with Modifications	FY2026	FY2027	FY2028	FY2029	FY2030
Business Interest Limitation	($3.7)	($4.0)	($2.5)	($2.6)	($2.4)
Expensing Limitation	(2.9)	(3.6)	(2.5)	(2.3)	(1.8)
Miscellaneous Business	(0.2)	(0.2)	(0.1)	(0.1)	(0.2)
R&D Expensing	(22.6)	(22.6)	(10.9)	(8.0)	(2.8)
SALT Deduction Cap	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)
H.R. 1 New Provisions					
Agriculture	(0.6)	(2.1)	(1.9)	(0.9)	(0.4)
Charitable Deductions	0.9	1.6	1.8	1.7	1.6
Child Care and Adoption	(0.5)	(1.4)	(1.6)	(1.5)	0.0
Energy Efficiency	0.0	0.0	0.0	0.0	0.0
Energy Production	0.0	0.1	0.1	0.0	(0.1)
Housing	(0.4)	(0.5)	(0.3)	(0.2)	5.2
International Miscellaneous Healthcare	0.7	2.1	3.3	4.7	(1.1)
Small Business Stock Gains	(0.2)	(0.6)	(0.9)	(1.0)	(0.9)
Total	**($34.7)**	**($36.4)**	**($20.6)**	**($15.2)**	**($9.3)**

$ in millions

Source: Analysis of HR-1 Provisions - RI Department of Revenue

Decoupling from 26 USC § 174A - Research and Development Expensing: An important aspect of the federal tax code impacted by HR-1 is how a business' expenses related to domestic research and development (R&D) activity are treated when determining taxable income. Historically, the federal tax code (26 USC §174A) allows a business to deduct qualified research expenses in the year it incurred those costs. These include such costs as researcher wages, research supplies, and research facility operational expenses. The rationale is encouraging innovation, especially by smaller, newer firms. Also, the benefits of such investment can take time to be realized, if at all.

- **HR-1 Changes:** In 2017, the federal TCJA Act ended immediate deduction of R&D expenses and required businesses to amortize the expenses over a five-year period beginning in 2022. HR-1 reverses this, once again allowing the expensing of qualified R&D costs in the year they occurred, beginning in 2025. HR-1 allows taxpayers to accelerate expensing costs from tax years 2022-2024 over a one-year period beginning with tax year 2025. Smaller businesses ($31.0 million gross receipts or less) are allowed to file amended returns going back to tax year 2022.

  According to the DOR, this policy change impacts taxable income levels, and thereby state revenue, in several ways. In year 1 of HR-1, when 100.0 percent of R&D expenses are permitted to be deducted, taxable income and the related state revenue decrease dramatically compared to the previous year when only 20.0 percent was allowed. The out-year revenue is also impacted because previously amortized expenses fade away over five years.

  According to DOR's report, the change in R&D expensing policy results in the largest estimated revenue loss for Rhode Island of all the tax provisions in HR-1. In both FY2026 and FY2027, the state is estimated to lose $22.6 million (with this tapering in the out-years).

- **Article 6 Changes:** Sections 2 and 5 of Article 6 amend the State's tax statutes in a manner that formally decouples the state's tax code from 26 USC §174A. 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 6 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.

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Decoupling from 26 USC § 1202 – Small Business Stock Gains: Since 1993 the federal tax code has allowed non-corporate taxpayers to exclude gains made from the sale of "qualified small business stock" (QSBS) from taxable income. This tax policy is intended to incentivize the formation of and investment in emerging growth companies. Prior to HR-1, to be eligible for the exclusion, a taxpayer must have held the QSBS stock for at least five years prior to its sale and the exclusion was valued as follows:

Stock Issuance Date	Maximum Exclusion
1993 – 2009	50.0%
2009 – 2010	75.0%
2010 – July 3, 2025	100.0%

The exclusion was also capped at the greater of $10.0 million or 10 times the taxpayer's adjusted basis in the stock. To be classified as a qualified small business for tax purposes under Section 1202 an entity must be a C-corporation, with assets below $50.0 million at the time of stock issuance, be an active business and not a holding company, and operate in a qualified sector - technology, manufacturing, retail, or wholesale.

- **HR-1 Changes:** HR-1 expanded the QSBS exclusion in several ways. The federal legislation created a new tiered holding period with graduated exclusions. The holding period is now 3-5 years, with the exclusion increasing from 50.0 percent on proceeds held for three years, 75.0 percent at four years, and 100.0 percent at five years. HR-1 also increased the cap from $10.0 million to $15.0 million and the asset value at stock issuance of a qualified small business to $75.0 million, both beginning July 5, 2025.

Issue Date	Holding Period	Cap*	Exclusion Percentage
8/11/93 – 2/17/09	>5 years	$10.0	50.0%
2/18/09 – 9/27/10	>5 years	10.0	75.0%
9/28/10 – 7/4/25	>5 years	10.0	100.0%
7/5/25 – present	At least 3 and less than 4 years	15.0	50.0%
7/5/25 – present	At least 4 and less than 5 years	15.0	75.0%
7/5/25 – present	5 years or more	15.0	100.0%

$ in millions

**After 7/4/25 the cap amount is subject to an inflation adjustment*

- **Article 6 Changes:** Sections 2 and 6 of Article 6 amend the state's tax statutes in a manner that formally decouples the state's tax code from 26 USC §1202 in its entirety, not just the provisions of HR-1. The DOR report's estimate on the fiscal impact of HR-1's qualified small business stock gain exclusion only considered its expansion and not the decoupling from §1202 altogether. This is why the fiscal impact for this initiative is greater than the DOR report shows.

Decoupling from 26 USC § 163(j)(8)(A)(v) – Business Interest Limitations: In 2017, the federal TCJA Act limited the deduction of interest expenses of a business to 30.0 percent of "adjusted taxable income" (ATI) for a tax year. ATI was defined as "earnings before interest, taxes, depreciation and amortization (EBITDA)". This provision of TCJA expired in 2022, with ATI reverting back to its original calculation of "earnings before interest and taxes (EBIT)". This narrower definition results in increased tax liability which carries to the state income liability (thereby increasing state revenue).

- **HR-1 Changes:** HR-1 restores the TCJA ATI calculation of EBITDA. According to DOR's report, this is anticipated to result in a revenue loss of $3.2 million in FY2027 and $4.7 million in FY2027.
- **Article 6 Changes:** Sections 2 and 5 of Article 6 amend the state's tax statutes in a manner that formally decouples the state's tax code from 163(j)(8)(A)(v).

Fiscal Impact: The Office of Revenue Analysis (ORA) based its fiscal impact estimate on the October 2025 DOR report and that the sections take effect upon passage. According to ORA the report utilized the revenue

loss estimates for the various policy changes as calculated by Congress' Joint Committee on Taxation. These were proportionately reduced based on size of Rhode Island's corporate tax base and adjusted for federal and state fiscal years. The original revenue losses were included in the November 2025 revenue estimates. The ORA assumes that by reverting to pre-HR-1 treatment of the policies, the estimate would simply add back the original forecasted losses. The following shows the impact through FY2031.

Federal Tax Policy	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Decouple from R&D Expensing	$22,600,000	$22,600,000	$10,900,000	$8,000,000	$2,800,000	$2,000,000
Decouple from 26 USC § 163(j)(8)(A)(v)	-	3,228,615	4,706,187	4,646,159	4,456,627	4,701,878
Decouple from 26 USC § 1202 (pre-H.R.1 exclusion)	-	1,866,790	3,499,509	3,681,222	3,835,814	4,028,949
Decouple from 26 USC § 1202 (enhanced exclusion under H.R.1)	-	-	-	123,633	863,542	2,628,014
Total	**$22,600,000**	**$27,695,405**	**$19,105,696**	**$16,451,014**	**$11,955,983**	**$13,358,841**

Cigar Distributor Definition

Section 3 amends RIGL 44-20 to revise the definition and permitted activities of cigar dealers and distributors within the State. The legislation expands the definition of distributor to include dealers with cigar sales representing 50.0 percent or more of their annual sales. Distributors who qualify under the new definition are permitted to hold both their dealer and distributor licenses at the same address, as well as obtain pipe tobacco products from an unlicensed manufacturer, importer, or distributor.

Definitions: RIGL 44-20-1.4 defines a dealer as any person who sells or distributes cigarettes, other tobacco products, or electronic nicotine delivery system (ENDS) products directly to consumers in the State. In contrast, a distributor sells tobacco products to dealers at wholesale. Current law stipulates the qualifications necessary to be considered a distributor, such as only selling products to licensed distributors, maintaining 25 or more vending machines, or maintaining one or more places of business in the state where 75.0 percent of the cigarettes and nicotine products sold are purchased directly from the manufacturer and provide such products to 40 or more dealers.

The article amends the definition of distributor to include any in-state dealer whose annual cigar sales represent 50.0 percent or more of its overall sales.

Transaction Limits: RIGL 44-20-8.2 stipulates the type of transactions that manufacturers, importers, distributors, and dealers are able to engage in concerning the sale of cigarettes, other tobacco products, and ENDS products. Current law requires distributors to only sell such products to licensed distributors or dealers. Additionally, distributors may obtain such products only from a licensed manufacturer, importer, or distributor, whereas dealers may obtain such products only from a licensed distributor. Current law also stipulates that the transaction limits described above do not apply to cigars.

The article amends the statute to authorize distributors with annual cigar sales that represent 50.0 percent or more of their overall sales to obtain pipe tobacco products from an unlicensed manufacturer, importer, or distributor.

Licenses: RIGL 44-20-4.1 stipulates the qualifications necessary for a license as a manufacturer, importer, distributor, or dealer of cigarettes, other tobacco products, and ENDS products, to be granted, renewed, or maintained. For example, individuals who owe $500 or more in delinquent taxes, have been convicted of a crime relating to cigarettes or tobacco products, or have violated various federal laws are disqualified from licensure. The statute also excludes the issuance of new licenses or permits for businesses at a location where a license or permit already exists, unless there is a good-faith change in ownership of the business.

The article amends the statute to authorize distributors with annual cigar sales that represent 50.0 percent or more of their overall sales to hold a distributor and dealer license at the same location.

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Article 7: Relating to Education

The article returns the Central Falls School District to local control; modifies the statutes governing the school housing aid program, increases the student success factor weight in the education aid funding formula to 43.0 percent for all districts; continues the requirement for the Department of Elementary and Secondary Education (Department) to submit an estimate of education aid that uses Medicaid as a poverty measure into FY2028; extends the Hope Scholarship Pilot Program at Rhode Island College; and, expands eligibility for the Promise Scholarship Program at the Community College of Rhode Island (CCRI). In addition, the article requires the Department to submit a report comparing the Blue Ribbon Commission's education funding proposal to the current system by October 1, 2026, and adjusts the 14.0 percent cap on the reduction for local tuition to charter and state schools in FY2027.

FISCAL IMPACT

Article 7 changes to the school housing program include increasing the thresholds for requiring an owner's program manager (OPM) and a commissioning agent (Cx). The change is expected to generate program savings; however, according to the Office of Management and Budget (OMB) the variability in project completion timelines render the fiscal impact indeterminate. For illustrative purposes only, pursuant to preliminary projections OMB estimated the changes to provide $1.5 million in annual savings, including $800,000 in state savings. No savings from this proposal were included in the FY2027 Budget.

To reflect the repeal of the requirement that surplus funds appropriated to the school housing aid program be deposited into the School Building Authority Capital Fund (Capital Fund) beginning retroactively, the Budget shifts $5.9 million in surplus funds from FY2026 into FY2027.

Increasing the student success factor (SSF) weight from 40.0 percent to 43.0 percent increases education aid by $15.6 million across all the districts. The largest impact is in Providence with an additional $5.0 million, with an additional $1.8 million to Pawtucket and $1.5 million to Woonsocket.

ANALYSIS AND BACKGROUND

Central Falls School District

The article repeals the enabling statue for the Central Falls School District Boad of Trustees, RIGL 16-2-34, effectively returning the district to local control beginning in FY2027. The article provides the following terms:

Local Contribution: The City will contribute to the district the sum of:

- One percent (1%) of the prior year total tax levy,
- the city's prior year contribution, and
- $500,000 from the school district's fund balance in FY2027 reduced by $50,000 annually, in accordance with the final report of the Special Joint Commission to Study the Return of Central Falls Schools to Local Governance until balance meets target end point. The end point will meet Government Finance Officers Association's Standards and align with the Department of Elementary and Secondary Education's accountability and reporting standards.

Maximum Tax Levy: The article also enables the City to exceed the minimum tax levy under RIGL 44-5-2 as needed to meet its contribution obligations if certified by the Department of Revenue.

Review and Recommendation: A review of the funding requirements will be conducted by the City, the Division of Municipal Finance, and the Department of Elementary and Secondary Education by September 30, 2030, as preparation for the FY2032 budgeting process, and recommendations for modifications will be provided to the Governor, Speaker of the House, and President of the Senate.

School Housing Aid Program

The article makes the following changes to the school housing program.

Consolidation of Prime Contractor Prequalification: In an effort to reduce costs in the face of wide-spread school building deficiencies identified in the 2017 *State of Rhode Island Schoolhouses Report*, Article 9 of the FY2019 Budget as Enacted provided that any project in excess of $10.0 million, subject to inflation, would require the use of a prime contractor that has been prequalified by the School Building Authority (SBA). According to OMB, the prime contractor lists used by the SBA and the Division of Purchasing significantly overlap and consolidating authority for pre-qualification of prime contractors in the Division would eliminate the current duplication of effort. To this end, the article provides that, 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 to qualify for state funding.

Cost Threshold Requiring Project Manager and Commissioning Agent: Another cost saving item in the FY2019 Budget as Enacted required any project exceeding $1.5 million, subject to inflation, to use an owner's program manager (OPM) and a commissioning agent (Cx). According to OMB, the average fee for an OPM is 2.5 percent of project costs, while a Cx is 1.0 percent, and, due to high number of school construction projects, the OPMs often assign novices to the smaller projects that could otherwise be managed by the architect and facility director.

To reduce project costs, 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. According to OMB, applying the changes to projects completed after July 1, 2026, ensures the projects completed prior to July 1, 2026, and requesting state reimbursement in FY2027 are exempt from the 3.0 percent cap.

Transfer of Excess Appropriations to the SBA: 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) beginning retroactively in FY2026. In FY2026 the housing aid appropriation is projected to exceed the actual reimbursements by about $5.9 million, due primarily to project delays, the Budget shifts these funds into FY2027.

Article 9 of the FY2019 Budget as Enacted provided that any difference between the annual housing aid appropriation and housing aid commitment amounts in a given fiscal year would be deposited into the Capital Fund for distribution by the SBA. Historically, these funds have been used to provide technical assistance and guidance to school districts on the necessity of school construction application process, pay-as-you-go support to reduce borrowing costs, and, more recently, for pay-as-you-go support for high priority projects in higher-need school districts.

Prior to FY2023, the school construction program funding of $80.0 million was effectively built into the base budget; however, with the issuance of state general obligation bonds stimulating increased construction, in the FY2023 Budget as Enacted the aid projection was estimated to exceed the fixed annual appropriation at $88.5 million and the aid was estimated to increase in subsequent budgets. The FY2026 Budget as Enacted contained $119.9 million and the FY2027 budget is estimated at $102.9 million. The table to the right shows difference between annual housing aid appropriations and housing aid commitment amounts which were deposited into the Capital Fund. While funding estimates are based on the best information available at the time, project delays are an unavoidable reality of construction projects that push state reimbursement obligations into future fiscal years. OMB asserts that project delays, not permanent cost savings, are primarily responsible for the "excess" appropriations. The change in the article is intended

Transfers to the Capital Fund from the Foundation Program

FY2017 Actual	$11.0
FY2018 Actual	10.9
FY2019 Actual	14.7
FY2020 Actual	1.0
FY2021 Actual	1.0
FY2022 Actual	9.0
FY2023 Actual	3.8
FY2024 Actual	2.7
FY2025 Actual	0.4
Total	**$54.5**

Source: Budget databases. $ in millions

to ensure that funds appropriated for school construction reimbursements are available for reimbursement obligation regardless of project delays.

Education Aid Student Success Factor

Beginning in FY2012, the education aid formula established a per-pupil spending amount and allocated this funding based on student enrollment, adjusting for poverty. The poverty adjustment is a weight, known as the student success actor (SSF), applied to 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 for an increase of $15.6 million over the current law weight of 40.0 percent.

Blue Ribbon Commission

As part of the FY2028 budget submission, the article requires the Department of Elementary and Secondary Education, in collaboration with the Office of Management and Budget and the Division of Municipal Finance, to submit a report comparing the Blue Ribbon Commission's December 2025 education funding proposal to the current system, using validated FY2025 Uniform Chart of Accounts data. The report must be submitted by October 1, 2026, and include comparisons of state and local contributions, recommendations for proposed weights, and an analysis of the statutory recommendations.

Local Tuition Reduction Cap

The FY2026 Budget as Enacted capped the reduction in local tuition to charter schools and mayoral academies at 14.0 percent; however, the article removes the cap in FY2027 only for mayoral academies serving students from fewer than four sending school districts

Support and Access to Bilingual Education Act

Section 5 of the article requires the Department of Elementary and Secondary Educating (Department) to establish and maintain a bilingual support fund to provide grants to traditional public school districts, community-based organizations in collaboration with public school districts, or higher education institutions in collaboration with public school districts that establish and expand bilingual instruction program models. Under the language of the article, it does not appear that public charter schools qualify for grant funding.

The article also requires the Department, in collaboration with the Office of the Postsecondary Commissioner, to "increase and streamline" the issuance of world language and bilingual dual language certifications to increase the number of certified teachers in local education agencies (LEAs) with a high incidence of multilingual learners. The definition of "high incidence of multilingual learners" in the article is consistent with the definition in 200-RICR-20-30-3 providing for an LEA with a multilingual learner population of 250 or more students or 20.0 percent or more of the total student population.

"Qualifying languages" are defined in the article as "the most common languages other than English spoken in the local education agency according to the U.S. Census Bureau and department data sources."

Rhode Island Hope Scholarship Program

Article 7 extends the Hope Scholarship Pilot Program, a state-funded scholarship program for Rhode Island College juniors and seniors, for three more years with a sunset of June 30, 2033.

In an effort to increase the number of students enrolling and completing four-year degrees and certificates on time, Article 8 of the FY2024 Enacted Budget established the Hope Scholarship Pilot program. The pilot program began with students who enrolled in Rhode Island College (RIC) in the fall of 2023 and students enrolled in RIC as of July 1, 2021, who have attained junior status as of July 1, 2023. Students who enrolled as of July 1, 2022, and have attained junior status at RIC as of July 1, 2024, are also eligible if they are in compliance with the other requirements such as credit attainment and grade point average.

The scholarship covers the cost of up to two years of tuition and mandatory fees for the junior and senior years of the student, or for adult students who have attained at least 60 credit hours. While the eligibility

requirements are very similar to the Promise II Scholarship program at the Community College of Rhode Island, students cannot receive an award under both programs.

Since its inception, the program has been extended once. Rhode Island College reports that enrollment has grown by 7.0 percent for each of the past two fall semesters, partially attributable to the Hope Scholarship. The College has experienced difficulty recruiting in the current year as many high school seniors are unsure whether they will receive the Hope Scholarship due to the program expiration date. The College reports a 29.0 percent four-year graduation rate for the program's first cohort, which is an increase of 4.1 percentage points (24.9 percent) from the college's previous year graduates. The Budget includes $7.1 million in general revenue to support the Hope Scholarship, an increase of $1.6 million from FY2026, and $3.7 million more than FY2025.

At Rhode Island College, 67.0 percent of undergraduates receive financial aid through grants; 50.3 percent identify as White, 25.4 percent identify as Hispanic or Latino, 10.9 percent identify as Black or African American, 3.29 percent identify as Asian, and 0.6 percent identify as American Indian or Alaska Native.

Throughout all three cohorts, the Hope scholarship reflects similar demographics to what is reported for the College's student population as a whole. Hope has produced a total of 310 graduates and continues to serve 1,328 students. Most of these students are female, Pell eligible, and between the ages of 18 and 24.

Rhode Island Promise Scholarship Program

The article expands eligibility for the Rhode Island Promise Scholarship at CCRI to students who enrolled in a postsecondary institution immediately after graduating high school or receiving an equivalency diploma but only remained in that institution for one semester and enrolled in CCRI the following semester. The article also allows eligible students to defer enrollment in CCRI for one semester.

Article 3 of the FY2018 Budget established the program to provide students with two years of tuition and mandatory fees at the Community College of Rhode Island (CCRI), less federal and all other financial aid available to the recipient. The program was scheduled to sunset with the high school graduating class of 2021; however, 2021-S-0079 Sub A eliminated the sunset and made the program permanent.

Article 8: Relating to Medical Assistance

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

FISCAL IMPACT

Disproportionate Share Hospitals (DSH) payments are carried into FY2027 and capped at $38.9 million, including a limit of $12.9 million for government-owned hospitals, consistent with FY2026, and $26.0 million for other participating hospitals, an increase of $25.0 million over FY2026. The Article also increases resource limits, effective January 1, 2027, for Community Medicaid, long-term-service and supports (LTSS), and medically-needy beneficiaries to $8,000 for individuals and $12,000 for couples, for an increase of $3.9 million in general revenue ($9.2 million all funds).

Article 8 Fiscal Impact

	General Revenue	All Funds
DSH payments	$10.6	$25.0
Increased Resource Limits	3.9	9.2
AHEAD Model	-	1.4
Net Impact	**$14.5**	**$35.6**

$ in millions. Total may not add due to rounding

In addition, the Budget includes federal funding of $581,260 in FY2026 and $1.4 million in FY2027 for the Achieving Healthcare Efficiency through Accountable Design (AHEAD) initiative, reflecting a reduction of $1.4 million in FY2026 and $626,361 in FY2027 relative to the FY2026 Budget as Enacted.

ANALYSIS AND BACKGROUND

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 May 2026 Revenue Estimating Conference.

The federal government allows states to assess taxes on health care provided the taxes are broad-based, uniformly imposed throughout a jurisdiction, and do not violate the hold harmless provisions specified in federal regulation. These taxes include revenue from patient care activity but exclude non-patient enterprises such as research, academic activity, or investment earnings. Rhode Island assesses a number of provider taxes, including a hospital licensing fee (HLF) authorized by RIGL 23-17-38.1. The HLF must be authorized annually.

The FY2024 Budget as Enacted amended the HLF to bring the fee into compliance with federal Centers for Medicare and Medicaid Services (CMS) requirements. The new calculation separates inpatient and outpatient hospital license fees, providing a three-tier structure within each. Pursuant to federal requirements, the total tax revenue from the fees cannot exceed 6.0 percent of net patient services revenue for each of the in-patient and out-patient service types. This limit is often referred to as a "hold harmless" or a "safe harbor" provision. The percentages are applied to a hospital's inpatient and outpatient net patient-services revenue for the first hospital fiscal year ending on or after January 1, 2023.

Hospital Tax Tiers

Tier	Inpatient Tax Rate	Outpatient Tax Rate	Hospital Types Included in Tier
I	13.12%	13.30%	Hospitals that do not meet the description of Tiers II or III, including Bradley, Butler, Kent, Newport
II	2.63%	2.66%	• Acute care hospitals with high Medicaid/Uninsured costs, including Landmark, OLF, RIH, RWMC, and W&I • Independent Hospitals not part of a multi-hospital system, such as South County Hospital
III	1.31%	1.33%	Medicaid designated "low volume" hospitals, such as Westerly, Rehabilitative Hospitals, and the Rehabilitative

Analyst Note: In FY2027, the total aggregate revenue for in-patient and out-patient revenue is estimated at 5.81 percent. Beginning on October 1, 2027, the federal budget reconciliation bill, House Resolution-1 (HR-1), lowers the hold harmless threshold for provider taxes from 6.0 percent to 5.5 percent, resulting in a $12.2 million reduction in revenue, and continues to lower the threshold by 0.5 percentage points annually until reaching 3.5 percent in SFY2032, with an estimated $91.3 million reduction in revenue.

Increased Resource Limits Threshold

The article increases resource limits, effective January 1, 2027, for Community Medicaid, long-term-service and supports (LTSS), and medically needy beneficiaries to $8,000 for individuals and $12,000 for couples, up from $2,000 and $3,000 for non-LTSS elderly and adults with disabilities and $4,000 and $6,000 for LTSS and the medically needy. The Budget includes an additional $3.9 million in general revenue and $5.3 million in federal funds to support the change in resources limits.

Disproportionate Share Hospital (DSH) Payments

The Disproportionate Share Hospitals (DSH) payments are required under federal statute and intended to offset uncompensated care costs for hospitals in order to improve access for Medicaid and uninsured patients, as well as improving the financial stability of safety-net hospitals. The article adds a base year to allow payments in FY2027, based on financial data from 2025, in an aggregate amount not to exceed $38.9 million, including a limit of $12.9 million to government-owned hospitals and $26.0 million for other participating hospitals. This represents an increase of $25.0 million, including $10.5 million in general revenue and $14.5 million in federal funds, for nongovernment-owned hospitals over the FY2026 Budget as Enacted. Payments to both government-owned and other participating hospitals must be made by June 30, 2027. This section also removes outdated references for FFY2024 DSH payments.

The Budget increases DSH payment to hospitals by $25.0 million, relative to the FY2026 Budget as Enacted, as part of the response to the federal House Resolution-1 (HR-1) bill to offset a portion of the increased costs associated with uncompensated care. Through the narrowing of "qualified alien" categories for Medicaid and CHIP, effective October 1, 2026, and the implementation of Medicaid work and community engagement requirements, effective December 31, 2026, roughly 33,000 individuals are at risk of losing Medicaid coverage.

Achieving Healthcare Efficiency through Accountable Design (AHEAD)

The article requires the Secretary of Health and Human Services to carry out pre- planning and readiness activities and 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 the 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.

According to EOHHS, the State entered into a cooperative agreement with the Centers for Medicare & Medicaid Services (CMS); however, the terms are currently being and remain subject to amendment to account for the current federal administration's priorities. EOHHS indicated that the intent of the article is to require a detailed overview of grant activities and necessary General Assembly actions moving forward.

Analyst Note: While it is fiscal staff's understanding that the article is not intended to obligate future general revenue expenditures, it is unclear whether the language of the article could do so by requiring the Secretary to implement the AHEAD Model grant program.

In October 2024, Rhode Island was chosen to participate in the federal AHEAD model. In September 2023, the Centers for Medicare & Medicaid Services (CMS) announced this voluntary, total cost of care (TCOC) model intended to curb health care cost growth, improve population health, and promote healthier living. According to CMS, the TCOC model holds participating states "accountable for quality and population health outcomes, while constraining costs of health care services delivered in a state or specified sub-state region. As applied by the CMS Innovation Center, this process takes places across all health care payers, including Medicare, Medicaid, and private health insurers and plans."

The first state chosen to participate was Maryland, followed by a second cohort including Connecticut, Hawaii, and Vermont. As part of Cohort 3, Rhode Island began a pre-implementation and readiness period that goes from January 2025 to December 2026. The first of eight performance years will begin in January 2027. Performance years will begin following the completion of the readiness period, subject to final CMS timelines and state approvals.

Through the program, Rhode Island would analyze and plan for potential participation in the following:

- Implementation of state accountability targets, such as TCOC growth, primary care investments, and population health accountability plans;
- Hospital global budgets that provide a pre-determined, fixed annual budget;
- Primary Care AHEAD, which is the primary care component of the model; and
- Cooperative Funding Agreement which provides up to $2.0 million in annual federal funding over the first five to six years of phased implementation, contingent on CMS approval and state participation milestones.

While EOHHS is still analyzing the initiative, it is unlikely the federal funding will cover all the costs of implementation or the Medicaid hospital and primary care investments requested by stakeholders and recommended by CMS; however, initiative 11 of the Rural health Transformation Program (RHTP) has funding budgeted to transform payment and delivery systems through the federal AHEAD Model and other advanced payment models (APMs).

Family Care Community Partnerships (FCCP) Region Establishment

Through this article, the Budget formally establishes in statute the current Family Care Community Partnerships (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. As of 2026, FCCPs operate in five regions: East Bay, Northern Rhode Island, East Urban Core, West Urban Core, and Washington Kent. The goal of the model is to keep children and families out of the welfare system through wrapping around services that prevent abuse, neglect, and dependency. The FCCP model mobilizes organizations in these regions to serve families and children in their communities, minimizing barriers to

services and building trust through culturally competent interventions. Services include referrals, triage, initial needs screenings, crisis stabilization, and high fidelity wrap around services.

DCYF currently claims Medicaid reimbursement for some services associated with FCCPs. The 2022 Budget as Enacted enabled Medicaid reimbursement for community care organizations, recognizing the need to support a comprehensive set of services that support patients in managing conditions and risks through referrals and coordination of healthcare services. Community-based organizations (CBOs) receive Medicaid reimbursement through the State's fee-for-service Medicaid program, which has undergone extensive analyses through the Department of Children, Youths, and Families to increase reimbursement rates to workers. The Department specifically set out to modernize Medicaid reimbursement for child and family services through their rate setting project entitled "The Rhode Island Children's Services Rate Setting project", which creates a uniform rate setting approach to services offered through the DCYF system of care.

According to the Department, FCCPs are contractually obligated to serve a designated region and cannot provide services beyond those boundaries. EOHHS indicates the statute will be authorized under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) clause – a mandatory Medicaid benefit that ensures access to comprehensive, high quality preventative services to children under the age of 21. States are allowed to define who a qualified provider is through the Medicaid State Plan. In this circumstance, a qualified provider would be an FCCP licensed by DCYF. Since DCYF, which will serve as the licensing authority, allows for a closed network, it does not violate CMS rules. This is widely utilized across Medicaid programs around the country.

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 that EOHHS will seek federal approval for the following changes:

- **Substance Abuse Residential Services**: Elimination of annual rate increases (The SUD rates are part of the biennial OHIC rate review process.)
- **Assisted Living Tier C Rates**: Increase Tier C rates by 13.0 precent beginning January 1, 2027
- **Children Services Rate Setting**: Pursue and implement reimbursements rates resulting from the Children's Services Rate Setting project
- **Provider Reimbursement Rates**: Implement Medicaid provider reimbursement rate increases, as required by the OHIC Rate Review pursuant to RIGL 42-14.5, limited to the lower of 100.0 percent of the increase recommended or 100.0 percent of the Medicare rate
- **Change to Rates for Nursing Facility Services:** Pursue and implement and update the behavioral health per-diem add-on program for particularly complex patients, beginning April 1, 2027
- **Glucagon-like Peptide-1 (GLP-1)**: Removal of Medicaid coverage, except if prescribed to treat type 2 diabetes
- **Targeted Case Management**: Reimbursement for targeted case management for children and youth, up to 21 years of age, by qualified staff at the Department of Children, Youth and Families
- **Graduate Medical Education for Federally Qualified Health Centers**: Review and assess Medicaid waiver or state plan opportunities to support accredited primary care-focused physician residency programs and report options, recommendations, and estimated fiscal impact to the General Assembly and Governor by November 1, 2026

- **Increase Resource Limits**: Increase resource limits, effective January 1, 2027, for Community Medicaid, long-term-service and supports (LTSS), and medically-needy beneficiaries
- **Federal Financing Opportunities**: 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.

Acute Hospital Care at Home Program

Article 8 includes a Joint Resolution authorizing the Secretary of the Executive Office of Health and Human Services to establish and maintain a program for "eligible medical assistance enrollees and managed Medicaid enrollees" to cover hospital at home services and to apply for any State Plan amendments or waivers necessary to implement the initiative.

The CMS Acute Hospital Care at Home (AHCAH) Initiative was launched in November 2020 in response to the COVID 19 Public Health Emergency and has been extended through September 1, 2030, and, while the Initiative applies to Medicare beneficiaries, states can extend the coverage to Medicaid beneficiaries.

Kent Hospital's Hospital-at-Home (HaH) program was established in January 2022 and is currently the only hospital in Rhode Island approved to participate in the CMS initiative. According to the Department, the Kent HaH program was established as a pilot program limited to Kent Hospital. Currently, the State Plan limits authorization for Medicaid reimbursements through hospital at home programs to Kent Hospital; consequently, the new resolution language in the Budget is needed to allow other hospitals that obtain waivers from Medicare to participate. The Secretary of EOHHS is responsible for adopting rules and regulations to implement the resolution.

Under the AHCAH program, hospitals apply to Medicare to provide inpatient acute care services at home. If approved for the program, Medicare waives certain hospital condition requirements and adds others. According to the American Hospital Association, hospital at home programs have been shown "to reduce costs, improve outcomes, and enhance the patient experience."

The resolution requires the Secretary to report to the Governor and the General Assembly on the cost of the program; however, the article does not include any language on what details would be included in the report, when the first report is due, or whether the reporting requirement is ongoing.

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Article 9: Relating to Leases

This article authorizes five lease agreements for office and operating spaces, effective upon passage. Pursuant to RIGL 37-6-2(d), approval from the General Assembly is required for any new or extended lease agreements with a term of five years or more and with aggregate rent exceeding $500,000. Of the proposed leases, three are renewals of existing leases and two are new leases on specified properties.

FISCAL IMPACT

State Agency	Type	Location	Sq. Ft.	Term	Aggregate Rent	Max. Annualized	Current Lease Expires
Rhode Island Dept. of State	Renewal	146-148 West River St, PVD	12,152	10 yrs	$2,927,085	$261,268*	July 31, 2026
Dept. of Environmental Management	New	235 Promenade St, PVD	115,733	10 yrs	28,571,955	2,761,716†	July 7,2026
Office of the Public Defender	Renewal	160 Pine St, PVD	19,777	5 yrs	2,418,095	483,619	July 31, 2026
Dept. of Human Services	Renewal	77 Dorrance St, PVD	25,812	5 yrs	2,503,765	500,753	August 31, 2026
Office of the Postsecondary Commissioner	New	83 Tower St, Westerly	2,385	10 yrs	2,000,000	50,000‡	N/A

* *Rent is not to exceed $261,268 in the first year, increasing annually by 2.5% for years 2-10. Year 10 is not to exceed $326,287.93.*

† *Rent is not to exceed $2.8 million in the first five years and shall not exceed $3.0 million in the remaining 5 years.*

‡ *Base rent of the lease agreement includes a lump-sum prepayment of $1.5 million and additional annual base rent not to exceed $50,000 per year.*

ANALYSIS AND BACKGROUND

The article authorizes three lease agreements pursuant to RIGL 37-6-2(d), which requires the approval of the General Assembly for any new or extended lease or rental agreements with a term of five (5) years or longer where the State is the tenant and the aggregate rent during the proposed term is more than five hundred thousand dollars ($500,000).

For agreements meeting these specifications, the law requires that the State Properties Committee must submit a resolution including the following information: the purpose of the lease or rental agreement, the agency's current lease or rental costs, the expiration date of the present lease or rental agreement when applicable, the total range of costs of a new lease or rental agreement, the proposed term length of a new agreement, and the location and current owner of the property.

The article authorizes the following 5 lease agreements.

Rhode Island Department of State – 146-148 West River Street, Providence

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 Department first leased this space in 2005. 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's Finance and Personnel staff, the Corporations program, and the Elections and Civics program. The article stipulates that the aggregate fixed rent is not to exceed $2.9 million over the ten-year period.

The Division of Capital Asset Management and Maintenance (DCAMM) conducted the negotiations on behalf of the Department of State with EGMP and provided the Department with some alternative sites in the event EGMP was not going to provide an acceptable lease cost. In conclusion, the renewal cost was acceptable by the Department and DCAMM.

Department of Environmental Management – 235 Promenade Street, Providence

The article provides General Assembly approval of a new, ten-year lease for 115,733 square feet at 235 Promenade Street that is currently occupied by the Department of Environmental Management (DEM). This is a decrease in space from the existing rent agreement which provides 126,184 square feet and expires on June 30, 2026. The new lease agreement will provide for annual, fixed rent for the first 5 years that will not exceed $2.8 million or $3.0 million for the remaining five years. For the current fiscal year, the annual rent is slightly under $2.6 million. The term of the lease may not exceed 10 years, and the aggregate rent may not exceed $28.6 million. As part of the lease renewal, DEM will be reconfiguring office space to be

more efficient, and customer-facing. Consistent with the current agreement, the new lease agreement includes all improvements, parking, security, cleaning, shuttle service, and gas/water/sewer. The decrease in square footage increases the cost per square foot from $20.50 to about $23.86, or 16.4 percent.

When asked whether other lease options were considered, the Department of Administration responded that "a combination of cost and utility drive lease process" and "DEM requires a significant amount of square footage not otherwise available at one State-controlled location. As a result, you'll recall that DOA explored the acquisition of a new State office building in the preceding two fiscal years. The rejection of that proposal resulted in the evaluation of a few potential commercial office buildings."

According to the Office of Management and Budget, the increase over the Governor's budget recommendation reflects an increase of 405 square feet but is primarily due to the finalization of the tenant improvement costs which were higher than anticipated and triggered additional borrowing costs. The renovations will allow DEM to move the Boating Division and Human Resources Department from the third floor to the second floor, which is the ground floor, with the other customer-facing operations.

Office of the Public Defender – 160 Pine Street, Providence

The article authorizes the Office of the Public Defender to renew a lease agreement with PK Lamb Properties, Inc. for approximately 19,777 square feet of office space at 160 Pine Street, Providence. The property serves as the agency's main office with a long-term lease set to expire on July 31, 2026. The article stipulates that the aggregate fixed rent is not to exceed $2.4 million for a term not to exceed five (5) years. The annual rent during the renewal term is not to exceed $483,619.

Department of Human Services – 77 Dorrance Street, Providence

The article authorizes the Department of Human Services to renew the lease with 77 Dorrance Street LLC in Providence for a five-year period. DHS currently holds a lease agreement at 77 Dorrance Street for office space to be administered by the Office of Child Support Services. Annual rent for 2026 is $412,992. The article provides for the aggregated base rent for a five-year period, inclusive of janitorial services, not to exceed $2.5 million, with annual fixed rent not to exceed $500,753.

Office of Postsecondary Commissioner – 83 Tower Street, Westerly

The article authorizes a new lease agreement for education space to be administered by the Office of the Postsecondary Commissioner (OPC). The article authorizes the lease of 2,385 square feet of space at the Tower Street Community Center, for a period of 10 years with three optional extensions of 10 years each. The article stipulates that the aggregated base rent is not to exceed $2.0 million. The lease requires a one-time lump sum pre-payment of $1.5 million, and additional base rent of $50,000 a year. Funding for the pre-payment is supported through the Consolidated Appropriations Act of 2023, which had been administered by the U.S Department of Housing and Urban Development (HUD) to be used to support economic development. The remaining payments for the base rent will be made from funds available to the Office based on annual appropriations made by the General Assembly. According to the Office, the base rent payment will be funded through the Higher Education and Industry Centers restricted receipt account.

Article 10: Relating to Health and Human Services

Article 10 makes changes to several health and human services programs. Specifically, the article:

- **988 Suicide & Crisis Lifeline:** Codifies the state's 988 National Suicide Prevention Hotline program and provides the Department of Behavioral Health, Developmental Disabilities, and Hospitals (BHDDH) with the statutory authority to administer it.
- **Early Intervention Program:** Shifts responsibility for the Early Intervention program from the Department of Human Services (DHS) to the Secretary of the Executive Office of Health and Human Services (EOHHS) and amends general laws to continue early intervention services for eligible children and require public and private health insurers to cover this extension.
- **Pay for Success Pilot:** Extends the state's Pay for Success pilot program from five to six years, ending the pilot program in 2027, and allows EOHHS to collaborate with certain qualified organizations to assist in providing annual reports.
- **Child Care Assistance Program (CCAP) Changes:** Increases the income limit for childcare eligibility, as well as establishing a new "protective services" category. Also increases reimbursement rates for infants at center-based childcare providers, as well as the child support pass-through payment.
- **SSI Benefits for Children in State Care:** Adds language requiring the conservation of benefits for eligible youth under the temporary custody or guardianship of the Department of Children, Youth, and Families (DCYF).

FISCAL IMPACT

The Budget includes an additional $977,331 in general revenues ($1.3 million all funds) within the Department of Children, Youth, and Families (DCYF) to account for the new requirement that DCYF conserve benefits for eligible youth in state care. Previously, approximately 91.75 percent of federal benefits received for youth in temporary custody or guardianship of DCYF were used towards the cost of the youth's care.

The increased child support pass-through payment results in a general revenue reduction of $167,389, and a corresponding federal funds increase of $228,611.

988 Suicide & Crisis Lifeline

Sections 8 and 9 of Article 10 establish the Rhode Island 988 Suicide & Crisis Lifeline in statute and authorize BHDDH to administer it.

Background: The 988 Suicide & Crisis Lifeline is a federally mandated network of certified state and local crisis centers across the United States (and Canada) that takes voice calls, text messages, and web-based communications from people experiencing suicidal thoughts or other mental health crises. The lifeline is a part of a national strategy led by the federal Substance Abuse and Mental Health Services Administration (SAMHSA) to reduce the overall incidence of suicide and mental health emergencies.

When the lifeline was first implemented in 2005, it consisted of a toll-free 10-digit telephone number. Federal legislation in 2018 and 2020 directed the Federal Communications Commission (FCC) to identify a 3-digit alternative (similar to 911) and require telecommunication companies to route all 988 calls to the network of crisis centers by 2022. Importantly, the federal legislation and FCC rules specifically permit states to assess a surcharge on telecommunication services to help pay for lifeline operational costs.

Rhode Island's 988 Suicide & Crisis Lifeline: Rhode Island's 988 Lifeline is the phone line individuals can call or text when they are in emotional distress or experiencing a behavioral health crisis. The 988 Lifeline is staffed by certified professionals that can provide a limited number of follow-up services. If a caller

requires more behavioral health services beyond the call itself, 988 Lifeline staff refer that individual to an appropriate service for assistance. Rhode Island also maintains a 24/7 mental health and substance use walk-in crisis triage center in East Providence. Known as BHLink, the program is administered by BHDDH through several partners and houses the 988 Lifeline operations unit and its certified staff.

Funding: The 988 Lifeline has historically been funded through various federal grants, primarily from SAMHSA and the American Rescue Plan Act. The following table shows the funding history of the program.

RI Suicide & Crisis Lifeline Funding

Grant/Appropriation	Source (Fed,GR, RR)	FY2022	FY2023	FY2024	FY2025	FY2026 Projected	FY2027 Projected
SFRF	Federal	-	426,432	1,421,200	1,126,371	2,375,997	-
SAMHSA 9-8-8 Connect to Care Grant	Federal	-	-	16,500	595,771	803,231	214,761
ARP DIRECT: Mental Health Block Grant	Federal	-	-	-	625,000	96,971	-
Community Mental Health Services Block Grant	Federal	-	-	-	-	267,668	1,167,117
Substance Abuse Block Grant	Federal	-	-	-	-	26,473	115,429
Transformation Transfer Initiative Grant	Federal	-	-	-	114,054	125,000	90,000
EOHHS SAMHSA Grant	Federal	-	-	-	-	350,000	-
Opioid Stewardship Fund Allocation (BHDDH)	Restricted Receipts	-	-	-	-	92,921	150,005
MMIS IAPD State Share*	General Revenue	-	-	-	-	-	-
MMIS IAPD Federal Share	Federal	-	-	-	-	746,189	553,886
988 Medicaid Admin State	General Revenue	-	-	-	-	244,084	1,678,752
988 Medicaid Admin Federal	Federal	-	-	-	-	244,084	1,678,752
Marijuana Trust Fund	General Revenue	-	-	-	-	-	-
Private Donations		-	-	-	-	-	-
Total		**$0**	**$426,432**	**$1,437,700**	**$2,461,196**	**$5,372,618**	**$5,648,702**

**MMIS IAPD State Share is expected to be covered by OSF allocation.*

***Analyst Note**: This table includes projections rather than actuals for FY2026 and FY2027 in order to more accurately reflect the Department's third quarter reporting.*

Article 10 Changes: Article 10 codifies the 988 Suicide & Crisis Lifeline within Rhode Island General Laws. It does so specifically, by:

- **BHDDH Authority:** Providing BHDDH with the authority to "establish, operate, and/or designate a RI 9-8-8 Suicide & Crisis Lifeline center or centers" to provide intervention and crisis care services. It does this by amending RIGL 40.1-1-13.
- **Codification of Rhode Island 9-8-8 Suicide & Crisis Lifeline (Section 2):** Codifying the State's 988 system by creating a new chapter under RIGL 40.1.
  - **Definitions:** A new statute, RIGL 40.1-8.6-1, sets forth relevant definitions for the 988-system to be used throughout the chapter. These include the "9-8-8 Suicide & Crisis Lifeline", "National Suicide Prevention Lifeline (NSPL)", and "Rhode Island (RI) 9-8-8 Suicide & Crisis Lifeline Center".
  - **Establishment of Lifeline:** A new statute, RIGL 40.1-8.6-2, formally establishes Rhode Island (RI) 9-8-8 Suicide & Crisis Lifeline centers in law. It does so by:
    - Directing BHDDH to establish, operate, and promulgate regulations to support the program.
    - Requiring the centers to have active agreements with the administrator of the SAMHSA's National Suicide Prevention Lifeline (NPSL).
    - Requiring centers to meet SAMHSA's requirements and best practices.
    - Requiring centers to report relevant data and participate in evaluations as required by BHDDH.

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- Requiring centers to make referrals to follow-up services for individuals accessing the Lifeline.
- Requiring BHDDH to consult with the Department of Children, Youth, and Families regarding services for relevant clientele.

- **Implementation:** A new statute, RIGL 40.1-8.6-4, requires BHDDH to designate a RI 9-8-8 state administrator. This administrator may be a state employee within BHDDH or a contractor with the Department. The new statute also requires all Rhode Island state public agencies to provide BHDDH with data/information required to comply with federal and state mandated reporting requirements.
- **Funding:** A new statute, RIGL 40.1-8.6-3, provides BHDDH with the authority to expend all funds allocated to support the operations of the 9-8-8 Suicide & Crisis Lifeline. The article does not establish a funding source for the Lifeline.

Early Intervention Program for Developmentally Disabled Infants

Sections 1 through 5 of Article 10 amends general laws to permit children with diagnosed developmental disabilities whose third birthday is between May and August 31 to continue early intervention services through September 1 after the child's third birthday beginning January 1, 2028, and requires public and private health insurers to cover the extended EI option. The article also shifts responsibility for the Early Intervention program from the Department of Human Services (DHS) to the Secretary of the Executive Office of Health and Human Services (EOHHS).

Background: The Early Intervention (EI) program, established pursuant to RIGL 23-13-22 and managed by Department of Human Services (DHS), provides services for developmentally disabled infants and toddlers, and is partially funded through Part C of the federal Individuals with Disabilities Education Act (IDEA). Under current law in Rhode Island, Part C EI services are terminated on a child's third birthday, and the child is considered school age; however, federal law does allow states to extend EI beyond a child's third birthday.

Part B of the IDEA partially funds special education and related services for school-aged children, ages three to 21 that are provided through the resident school district. Rhode Island Department of Education (RIDE) oversees early childhood special education services for children aged three to five with developmental delays and disabilities ensuring a free, appropriate, public education to eligible children with partial funding through Part B, section 619 of the IDEA.

While the EI beneficiaries often continue into a special education program, the two programs have different goals. The EI services are designed to attain appropriate developmental goals, while the services for school-aged children are geared more toward making progress in educational goals. Also, since special education services are provided through the school district, the programs and individual experiences around referrals, evaluations, and eligibility determinations can vary significantly based on the residence of the family. EI services are provided from a state level.

Section 1 of the article requires EOHHS and RIDE to create a plan to allow children to remain in EI until September 1 after their third birthday. In developing and implementing the extension plan EOHHS must convene an 11-member advisory committee comprised of the following:

- The state coordinator for Part C services from EOHHS
- The coordinator for services provided through Part B, section 619 of the IDEA from RIDE
- At least three representatives from early intervention provider agencies
- At least two representatives from local education agencies (LEAs)
- At least two advocates or experts in early intervention or early childhood special education, and

- At least two parents of children who have received EI services and transitioned to early childhood education within the last three years.

The advisory committee must complete the following

- Meet for period of at least one year following the effective date of the extension plan
- Identify strategies to reduce administrative burdens on families, providers, LEAs, and the State including the use of federal funds identified for EI extensions
- Earmark federal early intervention funding
- Develop shared resources to support training and development for EI providers and LEAs around the extension option, and
- Develop strategies to maximize the ability of providers to support the new three-year-old population during spring and summer months.

All meetings of the advisory committee must be open to the public and conducted pursuant to state open meetings laws. , EOHHS is required to submit a report to the Speaker of the House and the President of Senate evaluating the implementation of the extension plan by September 30, 2031. The report must include, at a minimum, data on the number of families electing to extend EI services, the number of families declining the extension, and an assessment of the impact of the extension on children, families, EI providers, LEAs, and the State.

Based on information received from EOHHS, six states, including Colorado, Connecticut, Illinois, Maryland, Missouri, Tennessee, and the District of Columbia provide EI services beyond age three. In Connecticut, a family has a one-time choice to remain in EI until the beginning of the school year after the child turns three. In Massachusetts, a developmental specialist is assigned to the family receiving EI services when the child is two years and six months of age. The specialist works with the family to determine if the child needs to transition to an Early Childhood education program when the child turns three.

According to EOHHS, there can be unintended consequences for the providers and the beneficiaries when extending EI services. Some of the reasons states have chosen not to pursue the EI extension include

- Avoiding the creation of a parallel system serving the same age group,
- The more sustainable funding that comes from Part B, preschool special education, than Part C which is funded through Medicaid,
- Investments in preschool special education build expertise within LEAs for all children, and
- Preschool special education is designed to enhance peer interactions and classroom-based learning, while EI is on the individual/family level.

In addition, EOHHS indicated that a State Plan Amendment (SPA) will be needed for Medicaid to pay for services beyond the third birthday and the Part C related regulations will be reviewed to identify necessary changes.

Article 10 Changes*:* Article 10 transfers responsibility for the Early Intervention Program from the DHS to EOHHS. It also requires EOHHS and RIDE to create a plan to extend eligibility for services under the Early Intervention Program for beneficiaries whose third birthday is between May and August 31 to continue early intervention services through September 1 after the child's third birthday beginning January 1, 2028. In addition, the article requires all public and private health insurers to cover the extended EI option.

Pay for Success Pilot Program

Section 3 of Article 10 makes changes to the State's Pay for Success (PFS) supportive housing program, including extending the pilot and expanding the organizations with whom EOHHS can collaborate in

providing annual progress reports. According to EOHHS, the language to allow EOHHS to collaborate with other organizations was intended to be broader than for reporting and to ensure continuity should circumstances with Rhode Island Coalition to End Homelessness (RICEH) change their ability to participate.

Background: The FY2022 Budget as Enacted authorized a five-year pay-for-success pilot program within EOHHS to provide supportive housing and additional wraparound services to a cohort of 125 individuals experiencing homelessness. In addition to $875,000 in federal grant funds, the article limited the State's investment to $6.0 million in one-time general revenues to capitalize a new restricted receipt account within EOHHS for the program. EOHHS must submit annual progress reports to the General Assembly. The first report was submitted January 31, 2023, although the statute required the report by January 30, 2022.

Pay-for-success models provide a method to fund innovative programs while mitigating financial risk. Instead of paying for services directly as they are provided, the State issues social impact bonds to private investors who, in turn, provide upfront capital to non-profits to provide the services. The State then executes a contract which specifies expected program outcomes and associated evaluation and repayment processes. The State repays investors for the upfront investment plus interest only if the performance metrics are met, i.e. the State only pays for the program if it is successful.

The FY2022 Budget assumed the program would support $10,000 in housing voucher costs per individual per year, with 60.0 percent paid through existing housing voucher resources and 40.0 percent through pay-for-success dollars. In addition, the program was projected to support an estimated $8,000 per individual per year in wraparound services, of which 60.0 percent will be paid through pay-for-success and the remainder through existing resources. Therefore, for 125 individuals, pay-for-success would support approximately $500,000 in housing costs and $600,000 for wraparound services per year, plus $315,000 in other costs, including legal support and program evaluation.

While the FY2022 Budget did not assume savings from the program, it was asserted that providing supportive housing will ultimately reduce the State's overall spending, while improving outcomes for individuals in need. The State completed a pay-for-success feasibility study in 2017, funded by a grant from the federal Departments of Housing and Urban Development (HUD) and Justice (DOJ), which concluded that a successful intervention could reduce shelter days by 70.0 percent, criminal justice days by 40.0 percent, and Medicaid costs by 27.0 percent, for estimated savings of $10,000 to $20,000 per person.

According to the Annual Report, dated December 23, 2025, EOHHS contracted with RICEH to execute the program as lead implementation partner and Faulkner Consulting Group is the independent evaluator. In addition, four service providers have been engaged including Crossroads Rhode Island, East Bay Community Action Program, House of Hope Community Development Corporation, and OpenDoors Rhode Island. Due to a lag in implementation, in 2025 the program "almost completed its second full year of program operations"; consequently, 2026 is the third year of operations, not the fourth. As of December 12, 2025, 88 people were enrolled in the PFS program with 44 housed. EOHHS has transferred three-years' worth of payments to RICEH totaling $4.0 million and RICEH has made eight outcome payments to the lead investor. The five made in 2025 total $1.2 million. According to the annual report dated January 30, 2024, three previous payments were made between December 2023 and June 2024 totaling $392,395 and the lead investor's total funding commitment is $5.0 million.

Article 10 Changes: Section 3 of Article 10 extends the State's Pay for Success (PFS) program from five to six years, ending the pilot program in 2027, adds "person-centered" to describe the housing the pilot program provides, and allows EOHHS to collaborate with other qualified organizations, in addition to the RICEH, in providing annual reports to the General Assembly

Child Care Assistance Program (CCAP) Changes

Article 10 amends the Child Care Assistance Program (CCAP), increasing CCAP eligibility from 261.0 percent to 285.0 percent of the federal poverty level (FPL), aligning the State's policy with child support

pass-through costs with federal policy, and increasing infant reimbursement rates for center-based providers by 5.0 percent. Rhode Island's CCAP program subsidizes the cost of childcare for families that are residents of Rhode Island. The General Assembly estimates that these changes will result in an additional 237 subsidies in FY2027 and a $61 increase to the costs per subsidy.

- **Child Care Eligibility to 285.0 Percent:** Beginning January 1, 2026, the article increases the income limit for eligible families from 261.0 percent to 285.0 percent of the federal poverty level (FPL). According to the U.S. Department of Health and Human Services, for a family of 3 in 2026, 261.0 percent of the FPL is $71,305 and 285.0 percent of the FPL is $77,862 annually, which is $9,709 more than the State Median Income ($68,253 for a family of 3). The article also establishes a new 'protective services category' which includes foster or kinship children served through DCYF.

  In 2025, the Department of Human Services (DHS) asserted that despite wage increases across the State, the cost of living and the cost of childcare has increased at a faster pace. According to the Department, a family with two individuals earning minimum wage cannot afford childcare but are still not eligible for CCAP. Additionally, RI families report that accessing and maintaining childcare continues to be a challenge to reentering the workforce.

- **Child Support Pass-Through Payments:** The article increases the child support passthrough to $100 for families with one child and $200 for families with more than one child, an increase from $50 per family.

  Federal Child Support Services Program (CSS): The Child Support Enforcement Program, now titled the Child Support Services Program, has been closely intertwined with cash assistance benefits since its inception in 1975, by essentially acting as a mechanism for public assistance cost recovery. Under the Child Support Services Program, which is established under Title IV-D of the Social Security Act, States are required to recoup funds distributed to families participating in the federal Temporary Assistance to Needy Families (TANF) program through the collection of child support payments from the non-custodial parent. In order to receive TANF, applicants must assign their right to child support to the government.

  According to the Congressional Research Service, the primary purpose of the program was to reduce public expenditures for recipients of cash assistance by obtaining ongoing support from noncustodial parents that could be used to reimburse the state and federal governments for part of that assistance – this purpose is referred to as public assistance cost recovery. The program also seeks to strengthen families by securing financial support for children from their noncustodial parents on a consistent basis.

  Deficit Reduction Act (DRA): The Department of Health and Human Services National Child Support Enforcement Strategic Plan for FY2005-2009 recognized that child support no longer served as a welfare reimbursement for federal and state governments, but evolved to a family first program, ensuring self-sufficiency by making child support a reliable source of income. This change in scope was echoed by Congress in 2005, when TANF was reauthorized through the Deficit Reduction Act. Specifically, Title VII Subtitle C amended the child support program, and introduced a number of pathways to incentivize work, increase family income, and reduce child poverty. The DRA changed pass-through and distribution policy to improve child support compliance, complement broader work and poverty reduction strategies, and increase benefits to the government by minimizing costs to the states.

  - **DRA Changes for Families Receiving Assistance:** Under the DRA, States maintained the same flexibility provided under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) related to retaining or eliminating the pass-through, enabling states to keep some of the support, all of it, or pass it all through. The DRA also amended the federal cost sharing arrangement, waiving the federal share ($100 for one child, $200 for two or more children), for states that begin, or have been providing pass-throughs and disregarding the income.

- **DRA Changes for Families Leaving Assistance:** The DRA eliminated the requirement that families assign their rights to pre-assistance supports to the Government. Now states may only claim support payments during the time in which a family is receiving cash assistance. Furthermore, the DRA provides an option to eliminate rules related to federal tax offset collections and implement the federal tax offset procedure for past due support payments. If a state chose to implement this policy, the federal government will waive its share of supports.

The changes in the DRA enable states to expand child support pass-through and distribution policies with three major options:

1. **Pass Through and Disregard Policy for Current TANF Families:** States may keep all support, pass it all through, or pass through a portion, while also setting a disregard policy that can either disregard the entire passthrough, a portion of it, or count it all against a TANF beneficiary.
2. **Full Family First Policy for Former TANF Families**: Distribute past-due child support to former TANF families first when money is collected through the federal income tax offset procedure.
3. **Full Distribution Policy, Regardless of TANF Status**: Under the DRA, states have the option to distribute all child support to families first- choosing to disregard either a portion, or the total amount of the child support payment.

Rhode Island: Child Support Policy: In Rhode Island, the child support program is managed by DHS's Office of Child Support Services (OCSS) and granted authority under title IV-D of the Social Security Act. Both federal and state law require a custodial parent participating in the Rhode Island Works (RIW) program to assign to the state any rights to support from any other person, these supports act as public assistance cost recovery to the state. Pursuant to RIGL 40-5.2-10, beneficiaries receive a $50 passthrough, which is disregarded as income. As the state allows the $50 passthrough, provisions outlined in the DRA forfeit any federal share of the public assistance cost recovery.

- **Child Care Rate Increase:** The article increases infant/toddler reimbursement rates for center-based childcare providers by 5.0 percent. The maximum reimbursement rates for infants, toddlers, preschool, and school-aged care for licensed childcare centers will continue to be paid on a tiered rate based on the quality rating the provider has achieved within the State's Quality Rating system. The following table illustrates the changes in reimbursement rates for infants/toddlers, preschool-aged, and school age children since FY2025.

Licensed Child Care Centers Infant Rates	Current Rate	Article 10	*Changes from Current Rate*	
Tier 1	$334.00	$351.00	*$17.00*	*5.1%*
Tier 2	341.00	358.00	*17.00*	*5.0%*
Tier 3	355.00	373.00	*18.00*	*5.1%*
Tier 4	364.00	382.00	*18.00*	*4.9%*
Tier 5	378.00	397.00	*19.00*	*5.0%*

During the May 2026 Caseload Estimating Conference (CEC), DHS asserted that there was an overall decline in CCAP Enrollment, however, their program is experiencing increases in the number of infants and toddlers served. Additionally, according to the RIght from the Start Campaign, increasing infant rates addresses the infant care shortage by accounting for increased staffing requirements and high costs associated with infant care.

SSI Benefits for Children in State Care

Section 10 of Article 10 amends Chapter 42-72 of RIGL to require the conservation of benefits for eligible youth under the temporary custody or guardianship of the Department of Children, Youth, and Families.

Background: In December of 2025, the Administration for Children and Families (ACF) at the U.S. Department of Health and Human Services (HHS) issued a notice to 39 states calling for the end to the practice in which state child welfare agencies were utilizing federal benefits, such as supplemental social security income, for youth in care to offset agency expenses for foster care payments and other services.

DCYF reported 114 youths in care between the ages of 4 and 20 who were receiving federal benefits with the Department as the representative payee as of May of 2026. Of these, 45 were receiving supplemental security income (SSI) and 67 were receiving retirement, survivors, or disability insurance (RSDI), with 2 youths receiving both types of benefits. DCYF estimated that of the federal benefits received for these youth, approximately 91.75 percent of the funds were directed towards the cost of the youth's care.

Article 10 Changes: Article 10 includes language requiring the conservation of certain federal benefits for youth in state care. Specifically, the article does the following.

- **Definitions:** Defines the benefits to be conserved for youth in care as social security benefits, supplemental security income, veterans benefits, and railroad benefits. Also defines "youth's attorney" and "guardian ad litem" as the person appointed to be a youth's attorney or guardian in proceedings when DCYF is designated as a youth's guardian or custodian.
- **Application for Benefits:** Provides the following guidelines for eligibility assessment and application for federal benefits for youth in care:
  - **Assessment:** Requires DCYF to conduct an assessment upon receiving temporary custody or guardianship of a youth in care in order to determine if the youth is eligible for benefits as defined. Additionally requires that cases for youth in care are reviewed at regular intervals to determine if a youth has become eligible for benefits after the initial assessment is complete.
  - **Application:** Requires DCYF to ensure that relevant benefits applications are filed on behalf of a qualifying youth in care. Language is also included to ensure that DCYF make a reasonable effort to assist eligible youth in care over the age of eighteen (18) to apply for benefits themselves.
  - **Conservation:** Instructs DCYF to conserve eligible youth's benefits, including Social Security Disability Insurance (SSDI), inheritance, pensions, life insurance, and other benefits. If a youth is determined to be eligible for an ABLE account, DCYF is instructed to conserve benefits in such an account and to ensure that benefit conservation avoids federal asset or resource limits.
  - **Representative Payee:** Requires DCYF to identify a representative payee when applying for benefits for a youth in care, and to request a court order and consider input from the youth's attorney and guardian ad litem in the event that DCYF seeks to be appointed as the representative payee themselves.
  - **Communication:** Requires DCYF to notify youth over the age of sixteen (16), the youth's attorney and guardian ad litem, and the youth's parent or legal guardian or responsible adult of any application to become a representative payee; any communications from the Social Security Administration, U.S. Department of Veterans Affairs, or Railroad Retirement Board in relation to the acceptance or denial of benefits; or any appeal or other action requested by DCYF relating to an application for benefits.
- **Implementation:** Requires the following in cases where DCYF is determined to be the representative payee for a youth receiving benefits in state care:
  - **Fund Conservation:** Beginning January 1, 2027, requires that the entirety of a youth in care's benefits are conserved until DCYF is no longer the youth's representative payee or unless provided in a request for disbursement of funds.

- **Fund Management:** Requires DCYF to seek advisement from the Office of the General Treasurer when making decisions to use or conserve the youth's benefits. Additionally, requires DCYF to monitor federal asset or resource limits for eligible benefits and ensure that the youth's best interests are served and no decisions are made which would impact the youth's eligibility to receive their benefits.
- **Reporting:** Requires an annual account of how benefits have been used to the youth's attorney and guardian ad litem. This account must also be produced within ten (10) business days of a request from a youth or youth's attorney or guardian ad litem. A final account to the Social Security Administration, youth's attorney and guardian ad litem, and to the youth if over eighteen (18) or the person assuming guardianship of the youth if under eighteen (18) is required when DCYF's guardianship of the youth is terminated.
- **Financial Literacy:** Requires that DCYF provides youth with financial literacy training and support, including information specific to these benefits, beginning by age fourteen (14). Also instructs DCYF to provide information on becoming a representative payee to parents, guardians, or youth.

- **Reporting:** Requires DCYF to provide a report to the General Assembly no later than January 1, 2029, and annually beginning January 1, 2030, for the previous year including the following data:
  - Number of youth entering care
  - Number of youth entering care receiving social security benefits, supplemental security income, veterans benefits, and/or railroad retirement benefits
  - Number of youth entering care where the DCYF has filed an application for each of the above listed benefits
  - Number of youth who were awarded each type of the above listed benefits

  The article also requires an annual report beginning January 1, 2029, including the number of conserved accounts established and maintained for youth in care, the average amount conserved by age group, and the total amount conserved by age group.

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Article 11: Relating to Affordability

Article 11 establishes and updates State energy laws to address affordability while supporting emissions reduction and clean energy efforts.

- **Green Buildings Advisory Council:** Amends RIGL 37-24-3 and 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).
- **Roadway Repair:** Amends RIGL 39-2-2 to revise the responsibilities of public utilities and public facilities that alter, disrupt, or excavate a roadway. The legislation shifts the paving requirement from curb-to-curb to just the full width of the affected lane. The amendment also directs the utility to follow generally accepted accounting principles that require paving costs associated with utility infrastructure projects to be capitalized instead of the current practice of expensing those costs.
- **ISO New England Membership:** The article requires all eligible electric distribution companies located in Rhode Island to join or be a member of Independent System Operator (ISO) New England.
- **Long-Term Contracting Requirements:** Repeals RIGL 39-26.1-4 eliminating a financial incentive to the electric distribution company for executing contracts for renewable energy. The incentive provides compensation to energy utilities to take on the financial obligation for long-term renewable energy contracts.
- **Net Metering:** Revises the State's virtual net metering (VNM) program for large scale solar projects. VNMs are offsite solar-power systems that provide energy into the electric grid. They are large solar farms with limits of 10 megawatts per site.
- **Renewable Energy Standards:** Modifies the Renewable Energy Standard (RES) in Rhode Island, maintain the requirement that electricity providers supply 100.0 percent of their retail electricity sales from renewable resources and zero-emission sources by 2033. The article expands the pool of eligible zero-emission energy sources to include nuclear and large-scale hydroelectric generation. Zero emission sources are not to exceed 20.0 percent by year 2033.
- **Legislative Report:** The article requires the Public Utility Commission (Commission) to commence a comprehensive review on or before January 1, 2027, on the State's progress in meeting the renewable energy standard, the progress of meeting the greenhouse gas reduction requirements and carbon reduction goals, and report on the estimated cost of complying to the renewable energy standard. The Commission is to report its findings to the Governor, President of the Senate, Speaker of the House and to the Chair of the Senate and House committees on finance, environment and agriculture, and commerce, on or before December 31, 2027.
- **Financial Incentives for Electric Distribution Companies:** Repeals RIGL 39-31-11 of the Affordable Clean Energy Security Act and terminates a public utility's authority to approve an incentive to a distribution utility for executing a regional purchased power agreement.
- **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 (DHS) to the Office of Energy Resources (OER).
- **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 31, 2029, and recurring annually afterwards, state departments shall report to the 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.

FISCAL IMPACT

Green Buildings Advisory Council

The DOA is required to commission a report to analyze costs and benefits of Leadership in Energy and Environmental Design (LEED) certification compared to equivalent standards and includes an appropriation of $50,000 in general revenue within DBR to fund the report.

Ratepayer Relief

Passage of Article 11 is projected to produce $68.4 million in ratepayer savings in CY2027, including $65.7 million from energy savings initiatives and $2.6 million from a reduction in utility companies' gross earnings tax.

The following table summarizes the proposed savings to ratepayers for each initiative, which projects state ratepayer savings of $539.5 million over the next 5-years.

Energy Affordability Initiatives

Energy Initiative	CY2027 Ratepayer Savings	CY2028 Ratepayer Savings	CY2029 Ratepayer Savings	CY2030 Ratepayer Savings	CY2031 Ratepayer Savings	Projected 5-year Savings
Renewable Energy Standard	$21.8	$31.3	$48.2	$44.0	$49.7	$195.0
Net Metering Program	25.3	30.4	47.3	65.4	82.2	250.6
Paving Expenses	16.0	11.0	11.0	11.0	11.0	60.0
Long Term Contracting Incentive	2.5	2.5	2.5	2.5	2.5	12.3
ISO New England Incentive	0.2	0.2	0.2	0.2	0.2	0.9
Total Initiatives	**$65.7**	**$75.3**	**$109.2**	**$123.0**	**$145.5**	**$518.8**
Gross Earnings Tax Savings	2.6	3.0	4.4	4.9	5.8	20.8
Total Ratepayer Savings	**$68.4**	**$78.4**	**$113.5**	**$127.9**	**$151.3**	**$539.5**

$ in millions

State Tax Revenue

The Budget includes several energy affordability initiatives in FY2027 resulting in a net $841,830 loss in public utilities gross earnings tax revenue from electricity charges.

ANALYSIS AND BACKGROUND:

Green Buildings Advisory Council

The administrative authority for the Green Buildings Advisory Council (GBAC) and the Green Buildings Act (GBA) is transferred 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 DOA but has since transferred to the DBR. The DOA no longer possesses staff to facilitate the needs of the GBAC.

Roadway Repair

The Budget amends RIGL 39-2-2 to revise the responsibilities of public utilities and public facilities that alter, disrupt, or excavate a roadway. The legislation requires utilities and facilities to repave, repair, or restore the full width of the affected travel lane for the entire length of the excavation. Current law requires utilities and facilities to repair the roadway from curb-line to curb-line, which historically has been a more expensive option. The legislation also directs the public utility or facility to recover all costs in accordance with generally accepted accounting principles.

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ISO New England Membership

Section 3 requires all eligible electric distribution companies located in Rhode Island to join or be a member of the Independent System Operator (ISO) New England organization. According to the Budget Office, this change should 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 and $875,000 over 5 years.

Long-Term Contracting Requirements

Section 4 repeals RIGL 39-26.1-4 eliminating a financial incentive to the electric distribution company for executing contracts for renewable energy. The incentive provides compensation to energy utilities to take on the financial obligation for long-term renewable energy contracts. The incentive allows an electric distribution company to charge 2.75 percent above the actual annual payment made by the company for the long-term contracts made prior to January 1, 2022, and charge 1.0 percent above the actual cost for contracts made after January 1, 2022, through December 31, 2026. Preliminary third-party estimates prepared for OER and provided to the Budget Office suggest that the repeal of this general law could reduce annual ratepayer costs by approximately $2.5 million in CY2027 and by $12.3 million over five years.

Net Metering

Section 5 revises the State's virtual net metering (VNM) program for large scale solar projects. VNMs are offsite solar systems that provide energy into the electric grid. They are large solar farms with limits of 10 megawatts per site.

- **Tariff System Changes:** All operating and non-operating VNM projects will be given a choice to opt into a new alternate fixed-rate tariff system within 90 days after the Public Utilities Commission (PUC) approves a tariff (the term that the PUC uses for rates and terms for utility services), or 60 days after the execution of an interconnection agreement (the contract between a renewable energy generator and Rhode Island Energy); or remain on the current "C-06" retail rate tariff for their compensation term.
  - The option to go into the new alternate tariff system is a voluntary one-time irrevocable election.
  - The current C-06 tariff is a PUC approved rate schedule that is subject to future regulatory changes including the restructuring of rate components
  - The new fixed-rate tariff system schedule will be set by statute at $0.19 per kWh in 2027 (equivalent to the 2025 rate) and will increase by 2.75 percent annually over a 25-year term. This option will provide developers with the certainty of receiving a fixed rate fee for the full term that cannot be altered by future revisions through the PUC rules process.
- **VNM Cap:** The VNM cap that was set in 2023 is lowered from 275 megawatts to 175 megawatts to shift future projects to the Renewable Energy Growth Program. The State is running two separate compensation programs for large scale solar projects. Currently there are approximately 90 to 99 megawatts of production in the interconnection queue.
  - The average large scale solar development project size is 3 to 5 megawatts.
  - This change would leave approximately 82.8 megawatts available
- **Deadlines:** Extends the construction deadline to be within the VNM cap from July 1, 2030, to December 31, 2032.
- **Ratepayer Savings:** The third-party estimates provided by OER suggest the proposed amendment changes to the State's Net Metering Program could reduce ratepayer costs by approximately $25.3 million in calendar year 2027, and $250.6 million over five years.

Renewable Energy Standards

Sections 6 and 7 modify the State's Renewable Energy Standard (RES) in Rhode Island, maintaining the requirement that electricity providers supply 100percent of their retail electricity sales from renewable resources and zero-emission sources by 2033. The article expands the pool of eligible zero-emission energy sources to include nuclear and large-scale hydroelectric generation. Zero emission sources are not to exceed 20.0 percent by year 2033.

- **Alternative Compliance Payments:** The article alters the alternative compliance payment (ACP). Adjusted for inflation, the ACP is currently in the $85-90 per megawatt hour range for renewable energy obligation and that is deposited in the Renewable Energy Fund. Article 11 provides tiered fee per megawatt hour of $40 for new renewable energy and zero emission sources and $11 per megawatt hour for existing renewable energy and zero emission sources. All ACPs will be deposited into the Renewable Energy Fund.
- **Ratepayer Savings:** The third-party estimates provided by OER suggest the proposed amendment changes to the State's RES could reduce ratepayer costs by approximately $21.8 million in calendar year 2027, and $195.0 million over five years.

Legislative Report

Section 8 requires the Public Utility Commission (Commission) to commence a comprehensive review on or before January 1, 2027, on the State's progress in meeting the renewable energy standard, the progress of meeting the greenhouse gas reduction requirements and carbon reduction goals, and the estimated cost of complying to the renewable energy standard. The Commission is to report its findings to the Governor, President of the Senate, Speaker of the House and to the Chair of the Senate and House committees on finance, environment and agriculture, and commerce, on or before December 31, 2027.

Financial Incentives for Electric Distribution Companies

Section 9 repeals RIGL 39-31-11 of the Affordable Clean Energy Security Act and terminates a public utility's authority to approve an incentive to a distribution utility for executing a regional purchased power agreement. This is a mechanism to reign in utility profits by eliminating the utility distribution company to collect the 1.0 percent incentive fee (a bonus) to enter into long-term renewable energy contracts. The utilities argue that such long-term contracts hurt their investors and could possibly hinder their ability when issuing bonds. The PUC has previously rejected this claim as such costs are always passed on to the ratepayer.

Weatherization Assistance Program

Article 11 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.

OER manages and implements all the U.S. DOE energy grant programs except for WAP. This initiative shifts the U.S. DOE WAP program and 4.0 WAP FTE positions to OER. OER's goal and objective with the WAP (also proposed and supported by DHS) is to have a wholistic energy program structure for income eligible households with the federal Home Efficiency and Appliance Rebate Program, federal Home Efficiency Rebate Program, RGGI and Clean Heat RI (heat pump rebates) program that OER administers. There are only six states in the U.S that administer WAP in a state Department of Human Services type agency.

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.

This proposal reflects a transfer of $10.9 million in federal funds and 4.0 federally funded FTE positions to OER.

Programs	Federal Funds
Weatherization Assistance Program	$4.8
LIHEAP	4.6
DOE/DHS Weatherization	1.5
Total	**$10.9**

$ in millions

Energy Benchmarking

The Budget 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 31, 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.

Section 13 establishes the State Facilities Benchmarking and Performance Standards Program to measure and report energy usage for state-owned state-occupied facilities. It defines these as state-owned buildings primarily used as offices for state employees that have at least 25,000 square feet of space. The Office of Energy Resources and the Department of Administration are authorized to determine which state-owned state occupied facilities are not suitable for achieving greenhouse gas emission reductions because of operational or physical limitations. This section also establishes a Voluntary Energy Benchmarking Program for municipal properties and requires an annual report on its progress, submitted to the Governor and the General Assembly by May 1, 2028.

It also requires an annual report on the energy usage of state facilities, beginning March 31, 2029. The Office of Energy Resources would be responsible for compiling and publishing the report, which must include each facility's energy use by fuel and total emissions. It requires the Office, in consultation with agencies, to develop performance standards by March 31, 2030, which agencies must meet.

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Article 12: Relating to Health

Article creates and modifies laws related to the accessibility, delivery, and transparency of health care.

Rural Health Transformation Program: The article amends numerous statutes related to the regulation and delivery of health services to align with the objectives of the federal Rural Health Transformation Program (RHTP), including improving access, healthcare worker skills, and advancing innovative healthcare service delivery. Rhode Island has been awarded $156.2 million in federal funds to implement these changes. This funding represents the first installment of a five-year award and includes $100.0 million in base funding available to all participating states, as well as an additional $56.2 million that is contingent upon Rhode Island's implementation of the policy initiatives established in Article 12. Specific state initiatives include:

- **Pharmacist Authority to Test, Treat, and Prescribe:** Providing pharmacists with the authority to prescribe drugs, devices, and laboratory tests that are critical to public health improvement and amending RIGL 5-19.1-2 to allow pharmacists to perform clinical laboratory tests beyond "limited function tests".
- **Dental Hygienist Practice:** Expanding the range of preventative dental services that a dental hygienist may perform, allowing dental hygiene assessments, diagnostic treatment, and prescriptive authority without a Doctor of Medical Dentistry (DMD) present. The article also allows supervisory authority over dental assistants.
- **Licensure Compacts:** Extending Rhode Island's participation in the multistate nurse licensure compact for two years, until January 1, 2029, and authorizing the state's participation in a new physician assistant licensure compact.
- **Nutrition Education:** Requiring one hour of nutrition education for physicians biennially.
- **Dissemination of Criminal Records:** Prohibiting the dissemination of federal and state criminal records received by the Rhode Island Department of Health or Board of Medical Licensure and Discipline to the Interstate Medical Licensure Compact.
- **Certificate of Need (CON)**: Amending the state's certificate of need (CON) process by removing various outpatient services and low-cost alternatives to traditional care from review; raising the capital expenditure threshold; eliminating the reapproval requirement for minor cost increases; adding exemptions for state projects; and limiting procedural delays by competitors' post-approval. The article removes home nursing care providers, home care providers, hospice providers, and drug and alcohol abuse treatment centers from the definition of providers covered by the CON process. According to the state Budget Office, these changes align Rhode Island's policy with other States, reduce regulatory burdens, foster new healthcare entrants, and expand access to underserved communities.

Psychiatric Resource Network (PRN): The article repeals language that requires the Department of Health's (RIDOH) Psychiatric Resource Network (PRN) to be funded through the health insurance assessment and instead mandates the Department to direct all available funds to support the PediPRN and MomsPRN programs.

Birthing Centers: The article sets forth legislative findings that establish a review and information disclosure process to avoid the closure of a birthing center.

Rhode Island Birthing Center Access, Transparency, and Financial Accountability Act of 2026: The article amends the hospital conversion act, establishing the Rhode Island birthing center access, transparency, and financial accountability act of 2026, which prohibits the closure or significant reduction of services of a birthing center without a review process to determine whether the closure was unavoidable.

Pharmacy Benefit Managers: The article establishes the Pharmacy Benefit Manager Transparency Reporting and Study Act which requires pharmacy benefit managers (PBMs) to provide the Office of the Health Insurance Commissioner (OHIC) with a transparency report detailing financial business information related to practices amongst pharmacy benefit managers in RI. OHIC is charged with using this information to conduct its own study on PBM's and make recommendations related to industry regulations to the General Assembly.

Primary Care Assessment: The article sunsets the primary care assessment on October 1, 2026.

Health Spending and Transparency Program: The article establishes the Health Spending and Transparency Program within OHIC 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, OHIC has reviewed other State's cost target programs and found that successful cost growth target programs share common statutes.

Rhode Island Marketplace Affordability Program Act: The article establishes the Rhode Island Marketplace Affordability Program, which is a state-based subsidy program, appropriating $9.5 million in general revenue which will partially replace the expired federal 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.

Ladders to Licensure: The article loosens restrictions on the use of funds for the state's Ladders to Licensure program 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.

FISCAL IMPACT

The article amends various statutes related to the delivery and oversight of health care and leverages those amendments to secure $132.4 million in federal funding through the Rural Health Block Grant. The state received a total of $156.2 million in funding; however, the remaining $10.8 million will be appropriated in FY2026, and $13.5 million in FY2028.

In addition, the Budget provides $1.6 million to Newport Hospital to help minimize the hospital's birthing center deficit. The article also mandates that the RIDOH support the PRN programs. To address a funding shortfall in PediPRN, the Budget includes $450,000 in general revenue for this purpose within RIDOH.

Because of restrictions in HR-1 on new provider taxes, the Budget sunsets the Primary Care Assessment enacted in the FY2026 Budget effective October 1, 2026. The May CEC included $9.2 million in state-only costs associated with the assessment after the budget submission deadline. Accordingly, the Budget removes these funds to reflect the discontinuation of the assessment. The assessment was estimated to generate $22.5 million in FY2027 to support primary care and other critical healthcare programs.

The article decreases state revenue by $22.5 million and increases costs by $126.3 million, including a reduction of $7.1 million in general revenue.

Article 12: Relating to Health Fiscal Impact

	Revenues	Expenditures			
	General Revenue	General Revenue	Federal Funds	Restricted Receipts	Total
Rural Health Transformation Program		-	$132.4	$1.0	$133.4
Birthing Centers		1.6	-	-	1.6
Primary Care Assessment	($22.5)	(9.2)	-	-	(9.2)
Psychiatric Resource Network's		0.5	-	-	0.5
Total	**($22.5)**	**($7.1)**	**$132.4**	**$1.0**	**$126.3**

ANALYSIS AND BACKGROUND

Rural Health Transformation Program

The article amends numerous statutes related to the regulation and delivery of health services to align with the objectives of the federal Rural Health Transformation Program (RHTP), including improving access, healthcare worker skills, and advancing innovative healthcare service delivery. Specific initiatives include:

Pharmacist Authority to Test, Treat, and Prescribe: Sections 1 and 2 of the article amend RIGL 5-19.1-36.1 to empower pharmacists to voluntarily and independently prescribe drugs, drug categories, or devices critical to the improvement of public health with the intent to increase healthcare access, better manage chronic diseases, and improve delivery of services. Section 1 allows pharmacists to test for infectious diseases and provide Food and Drug Administration (FDA) approved medication for treatment of the following ailments:

- Opioid use disorder
- Nicotine and tobacco addiction
- Hyperlipidemia
- COPD and Asthma
- Diabetes
- Other conditions approved by the Director of Health in conjunction with the Board of Pharmacists

The Article also allows Pharmacists to test for the following infectious diseases:

- Influenza
- COVID-19
- Group A Strep
- Other infections approved by the Director of Health in conjunction with the Board of Pharmacists.

Section 1 also provides pharmacists with the authority to charge fees in line with other practitioners for services or submit fees to insurance in accordance with all state and federal laws governing insurance coverage; however, the article does not require health insurers, including Medicaid, to reimburse pharmacists for the expanded drugs, devices, or lab test.

Dental Hygienist Practice: Section 3 of the article amends RIGL 5-31.1, increasing the scope of practice for dental hygienists and public health dental hygienists employed and supervised by a licensed dentist.

- **Practice of Dental Hygiene:** The article amends RIGL 5-31.1-1, codifying duties that any dental hygienist may perform, while also adding the ability to provide dental hygiene diagnoses and treatment plans. Currently, state regulations (216-RICR-40-05-2) stipulate the duties that a hygienist may perform, authorizing dentists to delegate duties to an educated hygienist, so long as it is performed under the general supervision of a dentist. However, the article removes language that prevents hygienists from performing diagnostic and treatment planning.

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- **Public Health Dental Hygienists:** The article also amends RIGL 5-31.1-39, expanding public health hygienists' authority, now allowing them to supervise dental assistants in public health settings.

Licensure Compacts: Sections 4, 6, and 7 make several changes to Rhode Island's clinician licensure compacts, amending both the nurse licensure compact and the interstate medical licensure compact, and establishing the physician assistant licensure compact. These multistate compacts allow clinicians from participating states who are properly licensed in one state to practice in other compact states without obtaining additional licensure. These reciprocal compacts have been established to mitigate the effects of healthcare worker shortages.

- **Nurse Licensure Compact Renewal:** Section 4 of Article 12 extends the Nurse Licensure Compact (NLC) to January 1, 2029, extending the compact two more years. The NLC went into effect January 1, 2024, to address nationwide healthcare worker shortages. RIDOH stated in the FY2027 budget request that they have successfully implemented the nursing compact.
- **Physician Assistant Compact:** Section 6 of Article 12 establishes the Physician Assistant Licensure Compact (PALC), enabling physician assistants from participating states to practice in Rhode Island. In order to participate in the compact, the General Assembly must pass the most up to date model language imposed through the compact, which includes:
  - Requiring states to enact a new statute to withdraw from the compact.
  - Establishing a 180-day withdrawal period.
  - Establishing the United States District Court for the District of Colombia or the federal district where the commission has its principal office as the authority to pursue litigation.

Analyst Note: The compact appears to contain conflicting, contradictory, or vague language regarding scope of practice, oversight, and adverse actions. It allows both participating States and home States to maintain oversight, restricts participating states from seeking legal and disciplinary action for behavior that is lawful in the home state, and enforces participating state laws when establishing scope of practice. These complex supervisory structures may be cause for concern when considering impacts to areas with regulatory inconsistency, such as women's health and medical spas. Furthermore, under current law, Rhode Island Physician Assistants must practice under the supervision of a Physician. However, other states allow PAs to practice independently. The compact will require PAs who want to work in Rhode Island to obtain sponsorship from a RI licensed physician.

RIDOH has been slow to implement seven of the nine health compacts enacted by the General Assembly, stating that they require additional funding to support IT infrastructure and FTE positions to successfully implement the compacts. As of September 2025, social work, occupational therapy, counseling, audiology, and speech language pathology compacts were not yet operational. In FY2027, RIDOH requested $334,951 in general revenue to support implementation of seven other health compacts but were not awarded these funds in the budget. It is unclear whether simply enacting the compact language will meet CMS's criteria for RHTP funds.

- **Medical Licensure Compact:** Section 7 prohibits the dissemination of state and federal criminal history information received by RIDOH or the Board of Medical Licensure and Discipline to the Interstate Medical Licensure Compact (IMLC).

Analyst Note: To participate in the IMLC, physicians must not have any disciplinary or criminal history. In an April 2025 letter to the Senate Commission on Health and Human Services, Director Larkin stated that a primary delay in implementing the IMLC is meeting the requirements to perform national fingerprint/biometric criminal background checks on applicants, jeopardizing Rhode Island physicians abilities to enter the compact to obtain licensure in other compact states.

According to the state's Executive Office of Health and Human Services (EOHHS), to run the appropriate background check, an entity must have access to the Federal Bureau of Investiagation's (FBI) national database; however, the FBI will not approve a unit at the RI Attorney General's Office to run the background checks unless the state enacts a statute prohibiting the sharing of the information with the relevant compact commission. This is a national issue that

prompted the introduction of the federal SHARE Act (S1101) in March 2025 to create a limited exemption under federal law allowing states to share the fact of the completion of criminal history background check with compact commissions to receive; however, the Act has not passed.

Nutrition Education: Section 5 of the article amends RIGL 5-37-2.1, relating to continuing medical education by requiring at least one hour of education credits related to nutrition every two years. The Centers for Medicare and Medicaid (CMS) incentivizes prevention-focused initiative based on nutrition, diet, and exercise. CMS asserts that rural populations are disproportionately impacted by chronic diseases like obesity, diabetes, and heart disease, with one of the drivers being food and diet. Rural communities can benefit from initiatives promoting prevention through physical activity and proper nutrition, which has been connected to reduced overall cost of care and improve health outcomes. Rhode Island is one of 31 states that have proposed enhanced nutrition education.

Certificate of Need (CON): Prior to the introduction, development, operation, and/or provision of new healthcare facilities, services, and/or techniques, RIDOH is required to formally evaluate whether they are needed within the state. This evaluation and authorization process is known as the "certificate of need" or CON process. Article 12 makes multiple amendments to the CON process, including:

- Increasing the application fee from $20,000 to $50,000,
- Establishing exemptions for projects with funding approved by either the General Assembly or voter referendum,
- Removing the requirement that RIDOH must provide written notification and rationale as to why an expeditious review was denied,
- Repealing the definition of "new healthcare equipment" and, instead, deferring to RIDOH's rules and regulations for procedures related to expeditious reviews,
- Increasing the timeline in which the Director shall issue their decision from five to ten days,
- Expanding notification requirements to healthcare facilities that provide institutional health services prior to public hearings.

- **Regulated Facilities and Activities:** Article 12 also makes amendments to facilities and activities subjected to CON process. The following table illustrates the changes to facilities regulated under the CON process.

Facilities Regulated Under Certificate Of Need Process

RIGL 23-15-2	Article 12 Change
Hospitals	No Change
Behavioral Health Hospitals	No Change
Nursing Facilities	No Change
Inpatient Rehabilitation Centers	No Change
Free-standing Emergency Care Facilities	No Change
Hospice Provider	No Change
Home Care Provider	Removed
Drug/alcohol Abuse Treatment Centers	Removed
Certain facilities providing surgical treatment to patients not requiring hospitalization (surgi-centers, multi-practice, physician ambulatory-surgery centers and multi-practice, podiatry ambulatory-surgery centers)	Removed
Inpatient Hospice Care	Removed
Home Nursing Care Provider	Removed

- **Regulated Activities:** The article limits CON regulated activities to:
  - Construction, development, or establishment of a new healthcare facility
  - Any capital expenditure exceeding $50.0 million
  - Any increase in bed capacity in a licensed hospital
  - Any new or expanded service in the following areas: cardiac catheterization, obstetrics, open heart surgery, organ transplant, and neonatal intensive care services.

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- **Removed Activities:** The article repeals the following activities from review:
  - Acquisitions by or on behalf of health maintenance organizations
  - Bed reclassifications in nursing homes
  - Any health services that are not offered on a regular basis
  - Predevelopment activities.
- **Regulated Services:** The article now regulates any new or expansion of the following services:
  - Cardiac catheterization
  - Open heart surgery
  - Organ transplant
  - Particle accelerator-based radiation therapy
  - Neonatal intensive care services
- **Capital Threshold:** The article establishes a minimum capital threshold value of $50.0 million for CON review. Currently, RIGL 23-15-2 lists four different capital expenditure thresholds which are dependent on the project in which a healthcare facility invests. The amendment will simplify the statute by establishing one threshold of $50.0 million for every regulated activity.
- **Review and Approval Process:** The amendment restructures the review and approval process, changing the criteria the health services council previously used for recommendations. Under Article 12, the process would focus on criteria related, but not limited to, affordability, accessibility, innovation, and quality standards - all of which can be defined in regulations adopted by RIDOH. Amending the criteria aligns with policy initiatives outlined in the RHTP.

Psychiatric Resource Network (PRN)

The state's Psychiatric Resource Network consists of two statewide teleconsultation programs - MomsPRN and PediPRN - that support healthcare practitioners by providing same-day psychiatric consultations, clinical guidance, and mental health resource and referral services related to children and moms.

These programs have historically been funded through a combination of federal and state resources, but recent federal policy changes have put funding at risk. In 2025, the General Assembly established a new insurance assessment to support initiatives intended to improve and increase access to primary healthcare. One of these initiatives involves earmarking a portion of the primary care assessment revenue to provide a dedicate state match for the PRN teleconsultation programs. Federal policy on the amount states are permitted to assess insurers has since changed and effectively prohibits the new primary care assessment from being charged after October 1, 2026. Additionally, the federal grant RIDOH uses to support the PRN is set to expire at the same time. According to RIDOH it intends to apply for a renewal of the grant, but funding is uncertain, and awards won't be known until September 2026.

To address concerns around the long-term sustainability of the popular PRN programs, Article 12 makes certain changes to state policy. First, in response to the new federal cap on assessment amounts, the article repeals statutory language requiring the PRN to be funded through the new primary care assessment (Section 15 of the article eliminates the assessment in its entirety after October 1, 2026). Secondly, the article codifies the PRN telecommunication programs, thereby requiring them to exist in the absence of funds from the federal grant program that established them. The article also authorizes RIDOH to manage any and all funds appropriated for the PRN programs. The Budget includes $1.2 million in general revenue in FY2027 for the PRN, including an additional $450,000 for the PediPRN.

Birthing Centers

In 2026, Newport Hospital, owned by Brown University Health, approached the General Assembly with a request for $4.9 million in general revenue to assist in the continuing the operation of Aquidneck Island's only birthing center. The hospital cited significant operating deficits as the reason for the request. Following this request, the General Assembly conducted hearings to receive testimony from hospital leadership and

other stakeholders regarding the hospital's financial condition and the continued availability of maternity services on Aquidneck Island.

According to reports, the Noreen Stonor Drexel Birthing Center at Newport Hospital recorded 479 births in 2024 (compared to 729 at South County Hospital, 450 at Kent County, and 8,229 at Women and Infants). The birthing center is oriented primarily towards lower-risk pregnancies, employs midwife practices, and supports are more home-like and intimate compared with the more clinical setting of a hospital. Newport's birthing center appears to be a blend of the two approaches.

In July of 2025, Brown University committed to keeping the birthing center open through September of 2026 (link) but that a task force would need to look at continued operations beyond that date. It was out of this task force's work that the $4.9 million request was derived.

In response to the potential closure of significant childbirth healthcare facilities in the state due to financial strain and the negative impact it could have on healthcare access, Article 12 undertakes several measures. First it sets forth legislative findings and establishes a review and information-disclosure process intended to ensure transparency and accountability in circumstances involving the potential closure of a birthing center. The section requires the disclosure of financial and operational information to facilitate review of any proposed closure and to assess the necessity of such action.

Section 12 of the article further advances these objectives by establishing the Rhode Island Birthing Center Access, Transparency, and Financial Accountability Act of 2026. The act prohibits the closure of, or a significant reduction in services provided by, a birthing center unless a meaningful review process has been completed and a determination has been made that the closure or reduction in services is unavoidable.

Lastly, the Budget appropriates $1.6 million to the birthing center in FY2027, providing one third of the required funding with the expectation that Brown University Health and philanthropic contributions provide the remaining $3.3 million in necessary funding. Pharmacy Benefit Managers

Section 12 of the article establishes the Pharmacy Benefit Manager Transparency Reporting and Study Act which requires Pharmacy Benefit Managers (PBMs) to provide OHIC with a transparency report detailing financial business information related to practices amongst PBMs in RI. OHIC will use this information to conduct its own study on PBMs and make recommendations related to industry regulations to the General Assembly.

According to OHIC, PBMs are often referred to as the 'middlemen' in the prescription drug supply chain, because they manage prescription drug plans, negotiate rebates and discounts, and process pharmacy claims. These roles allow PBMs to influence the markets, having a direct impact on the which drugs are utilized and the costs of them.

The article requires OHIC to publish the PBM transparency reports within 60 days of receipt. The article also requires OHIC to provide the Governor and General Assembly with an analysis of the reporting information on or before October 1, 2027. The report shall include a review of the role of PBMs in the structure and cost of health insurance; review of approaches to PBM regulation in other states; and, include any recommended actions to improve the oversight of PBMs doing business in Rhode Island. The article allows OHIC to partner with actuaries and subject matter experts to assist in the study and requires health insurance companies doing business in the state to assume the costs, which shall not exceed $175,000.

While Article 12 does not establish any laws regulating PBMs, it does require them to provide information related to:

- Rebates received from all pharmaceutical manufacturers
- Administrative fees received from all manufacturers
- Aggregate retained rebates that PBMs received from all pharmaceutical manufacturers that did not pass through to health carriers

- Retained rebate percentage
- The highest, lowest, and mean retained rebate percentage for all health care carriers and for each health carrier client
- Additional questions developed by OHIC regarding business practices, including, but not limited to, rebate pass through practices, spread pricing, pharmacy network development, and utilization management.

Rhode Island's three largest pharmacy benefit managers, - CVS Caremark, Express Scripts, and OptumRx - control 80.0 percent of Rhode Island's market, and control 56.6 percent of the national market.

Critics of PBMs argue their practices limit consumer choices and may drive up pharmaceutical costs for patients. Over the past several years, legislation has been introduced in Rhode Island to regulate PBMs, focusing on transparency, accountability, and ending spread pricing – a practice where PBMs keep the difference between what they charge insurers and what they pay pharmacies. As of 2025, the Office of the Attorney General had filed suits against the three largest Pharmacy Benefit Managers in the country, accusing them of unfair and deceptive conduct that has caused drug prices to increase. Furthermore, the Federal Trade Commission found that the 'big-three PBMs' have begun increasing the costs of lifesaving drugs, producing an additional $7.3 billion in revenue between 2017 and 2022.

Other states have begun to regulate PBM's more aggressively, resulting in cost savings for consumers. According to the National Academy for State Health Policy, 27 other states require PBMs to report rebate or other information to the state. However, states have also chosen to enact laws that limit patient-cost sharing, require licensure and regulation, prohibit discrimination against non-affiliated pharmacies, require reporting on rebates, establish maximum allowable costs, prohibit discrimination against 340B-covered entities, prohibit claw backs, and establish reimbursement requirements.

Analyst Note: On June 11, 2026, the General Assembly passed S-3059 Substitute B and S-3060 Substitute B. These bills establish new requirements for pharmacy benefit managers (PBMs), including enhanced transparency, accountability, and operational duties, and require PBMs to obtain a certificate of authority from OHIC. The legislation takes effect on January 1, 2027, and supersedes the Pharmacy Benefit Manager Transparency Reporting and Study Act.

Implementation of these measures is expected to require 2.0 additional full-time equivalent (FTE) positions and approximately $450,000 in general revenue funding. These costs are not reflected in the fiscal impact section of this report.

Primary Care Assessment:

Due to the restrictions in HR-1 on new provider taxes, the Budget sunsets the Primary Care Assessment on October 1, 2026.

Article 10 of the FY2026 Enacted Budget established an assessment on health insurers, generating approximately $30.0 million annually to support primary care and other critical health care programs. The assessments are based on per-member-per-month fee applied to all insured individuals, including those who are self-insured. The fee is estimated to be about $4.0 per person per month.

The assessment functions similarly to the child and adult immunization program assessment, which was established in 2015. The vaccine assessment ensures that vaccines are purchased through funds collected through health plans, and has ensured vaccine availability, lowered costs to both individuals and providers, and improved overall public health. The Healthcare Services assessment has been implemented to have similar effects to primary care availability.

Rhode Island has experienced significant difficulties related to access and costs of providing primary care services to both individuals and providers. Many practitioners are experiencing an overwhelming caseload, which leads to burning out, causing practitioners to leave primary care. In addition to a primary care

shortage, Rhode Island is struggling to provide competitive reimbursement rates, which prevents primary care providers from coming to practice in the State. This assessment aims to increase reimbursement rates to primary care providers to incentivize them to continue or begin practicing in Rhode Island, subsequently increasing access of care by increasing the number of providers.

Health Spending and Transparency Program

Article 12 codifies the Health Spending and Transparency Program within OHIC which addresses health care affordability through the utilization of a cost growth target program. The program was originally launched in 2019 by Executive Order 19-03 and represents a voluntary commitment by healthcare stakeholders to take all steps to annually keep cost growth below the target while maintaining quality and accessibility. In addition to codifying the program, the article also includes new powers to the office, such as:

- Placing an insurer under performance improvement plan if they exceed the growth target for two of three performance years and imposing a fine on the insurer if they do not meet the requirements of the performance improvement plan.
- Convening public meeting where insurers who have exceeded the growth target or failed to meet the all-payer primary care investment target to participate, testifying on issues identified by OHIC and providing actions to reduce spending. The article allows representatives from organized labor, consumer groups, employers, community organizations, and other interested parties to provide testimony in said hearing.

Article 12 also formally establishes the affordability advisory committee, which is comprised of officials without direct financial interests in the healthcare system. The article requires the following.

- 2.0 independent health policy experts appointed by the Governor,
- 1.0 consumer representative and 1.0 organized labor representative appointed by President of the Senate
- 1.0 consumer representative and 1.0 organized labor representative appointed by the Speaker of the House
- The Secretary of Health and Human Services
- The Health Insurance Commissioner

Article 12 also requires a stakeholder advisory council comprised of representatives of hospitals, health insurers, providers, pharmaceutical manufacturers, independent healthy policy experts, consumers or consumer representatives, employers or employer representatives, and representatives or organized labor.

Cost growth target models, also referred to as benchmarking models, are cost containment strategies that limit how much health care spending can grow each year. The overall goal of cost-growth targets is to slow the growth of healthcare spending, making it more affordable. According to OHIC, cost-growth analysis offers transparency to clinicians, payers, policy makers, and the public on healthcare cost drivers, opportunities to engage stakeholders, introduces shared accountability, and the opportunity to leverage the strengths of various organizations to impact costs.

According to OHIC, the Health Spending Accountability and Transparency Program has three goals to curb health care spending growth:

- Understand and create transparency around healthcare costs and drivers of cost growth,
- Create shared accountability for health care costs and cost growth among insurers, providers, and government by measuring performance against a cost growth target tied to economic indicators,
- Lessen the negative impact of rising health care costs on Rhode Island residents, businesses, and government.

Rhode Island is one of eight states that has a cost growth-target program. As of 2021, only four other States have codified their cost-target programs. According to the OHIC, codifying the program will provide continuity and independence needed to support long-term efforts to make health insurance affordable. It will also ensure that the program is recognized as part of the State's health care affordability policy framework. Ultimately, codifying the program will strengthen its ability to deliver on the program goals as defined above.

From 2019 through 2022, Rhode Island's Cost Trends Steering Committee set a spending growth target of 3.2 percent per year. The Committee increased the target to 6.0 percent per year for 2023-2027 in anticipation of the lagged impact of the 2021/2022 inflation. In 2023, Rhode Island exceeded the target of 6.0 percent by 1.8 percentage points (7.8 percent) and had total healthcare expenditure cost of $9,892 per person. In Rhode Island, 2023 was the highest it has been since the state began tracking the expenditures.

Rhode Island Marketplace Affordability Program Act:

Section 17 of the article establishes the Rhode Island Marketplace Affordability Program, a state-based subsidy program created to partially replace the recently expired federal enhanced advanced premium tax credits (eAPTCs). The Budget appropriates $19.0 million in general revenue to partially replace the eAPTCs, prioritizing households with incomes below 200.0 percent of the federal poverty line in the first year of the program. The program protects individuals from the financial and health-related costs of uninsurance and underinsurance, protects the stability of the market, and protects the healthcare system from costs associated with rising rates of uninsurance and underinsurance.

Enhanced Advanced Premium Tax Credits (eAPTCs) expired on December 31, 2025, causing significantly higher health insurance premiums in 2026. In 2021, APTCs were temporarily enhanced as part of the American Rescue Plan Act, lowering the amount Rhode Island residents must spend towards their health insurance premiums when purchasing through HSRI. The eAPTCs also offered eligibility to households earning more than 400.0 percent of the federal poverty level. The Inflation Reduction Act, passed in 2022, extended the tax credits to 2025.

According to HSRI, Rhode Island's health exchange and marketplace, nearly all consumers will experience a premium increase, with the average increase being 101.0 percent more than the prior year premium cost. HSRI anticipates a reduction in user fee revenue due to enrollment losses as they expect people not to re-enroll in the upcoming periods, increasing the uninsured rates and adding additional stress to Rhode Island's healthcare infrastructure. The Budget does not include an updated penalty revenue estimate based on enrollment changes.

Analyst Note: The General Assembly included additional funding for RIMAP. However, HSRI asserts that they are unaware of how the program will be adjusted with the additional funding. There is a possibility that the Exchange will use only $9.5 million from the funds received in FY2027, resulting in the estimated aid of approximately 20,000 individuals, and will allow Rhode Island to retain $44.0 million in base tax credits that current customers remain eligible for. If the Exchange chooses to utilize more funding in FY 2027, the Fiscal Office assumes that more individuals will receive aid and Rhode Island will retain more in base tax credits.

Ladders to Licensure

Section 18 of the article loosens restrictions on the use of funds for the Ladders to Licensure (LTL) program 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. According to budget documents, the current statutory language is too restrictive, and the amendment is intended to allow EOHHS to make the program more responsive to the state's changing workforce needs through targeted investments for healthcare providers, workers, and patients.

The FY2025 Budget as Enacted included $750,000 in general revenue to fund the first year of the LTL, a three-year, $5.0 million grant program, as part of the Rhode Island Health and Human Services Workforce Initiative. This program was requested by EOHHS to support partnerships between healthcare and

education providers to address critical workforce shortages by increasing the supply and diversity of the health profession workforce.

Article 12 directs EOHHS to establish the LTL Grant Program, as a public-private partnership, to increase the number and diversity of health professionals by providing academic, financial, and wrap-around supports to enable working adults to become licensed health care professionals. The partnerships will consist of private sector health and human services employer organizations and education providers, with at least one focused on behavioral health and one on nursing. Employers will be required to contribute a 25.0 percent in-kind match and a 10.0 percent cash match.

The program, as described by EOHHS in the FY2025 Budget Request, is a three-year, $5.0 million program where EOHHS will collaborate with the Department of Labor and Training and the Office of the Postsecondary Commissioner in the development, implementation, and oversight of the program. EOHHS will provide quarterly reports to the Speaker of the House and the Senate President to document the progress of the program implementation.

It is expected that the average grant will be $1.0 million to $1.3 million over three years, including up to 10.0 percent administrative costs. Each partnership is expected to include three or more employer partners and two or more education partners, either community based or public higher education institutions, as well as trade associations and labor unions. Partnerships will be required to apply strategies to ensure participants can "earn while they learn". The objectives of the grant program are to:

- Increase the number of licensed health professionals.
- Increase racial, ethnic, cultural, and linguistic diversity of health professionals.
- Provide academic, financial, and wrap around supports to allow for the obtainment of health professional degrees and licensure while working full or part time.
- Leverage employer support for academic, financial, and wraparound support.
- Develop and implement career ladders with tiered training and corresponding salary increases.
- Develop programs that accept prior learning, credentials, work experience, and academic credits toward the requirements for higher education, health professional degrees.
- Establish policies and initiatives to counter systemic racism and other institutional barriers to participation and advancement of underrepresented populations.
- Establish policies and initiatives that provide flexible scheduling of work hours and/or academic programs to reduce barriers to participation.
- Identify state policy barriers to entry and advancement in the field.

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Article 13: Relating to Making Revised Appropriations in Support of FY2026

Article 13 outlines the appropriation amounts from all fund sources for the FY2026 Supplemental Budget. In most cases, the appropriations are by fund source at the program level in each department or agency. The article includes the FTE position authorizations by department or agency. This article makes appropriations for general revenues, federal, restricted receipts, and other funds, and authorizes FTE levels for each agency and department. Article 13 also includes the following items:

- Sets the airport impact aid formula at $1.0 million.
- Authorizes 15,946.8 FTE positions, reflecting a net increase of 25.0 FTE positions, as compared to the authorized level set in the FY2026 Budget as Enacted.
- Details Community Service Objective 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 FY2027. In addition, the Office of the Postsecondary Commissioner shall provide $7.5 million be allocated to the Rhode Island Promise Scholarship program, and $5.0 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.
- Funds $1.9 million in general revenue for a special education pending settlement to provide compensatory special education services, related administrative costs, and attorney fees to support a settlement authorized by the Rhode Island Board of Education. The case was brought under the federal Individuals with Disabilities Education Act (IDEA) for a class of students with a disability who did not earn a regular high school diploma due to turning 21 but would have qualified for a free appropriate education until age 22.
- 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.
- Amends federal funds, authorized, allocated, or apportioned to the State from the State Fiscal Recovery Fund pursuant to the American Rescue Plan Act of 2021.
- 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.
- Requires the State Controller to transfer $24.0 million to the Supplemental State Budget Reserve Account by June 30, 2026.

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APPROPRIATIONS

Article 13 makes appropriations from general revenues and authorizes expenditures of federal funds, restricted receipts, and other funds for the fiscal year ending June 30, 2026.

Expenditures by Source	FY2025 Actuals	FY2026 Enacted	FY2026 Final	*Change to Enacted*
Federal Funds	$5,045,160,589	$5,108,485,986	$5,454,568,625	*$346,082,639*
General Revenue	5,534,306,228	5,809,363,121	5,837,506,846	*28,143,725*
Operating Transfers from Other Funds	283,902,658	591,861,684	660,748,792	*68,887,108*
Other Funds	2,319,970,408	2,368,123,335	2,567,653,033	*199,529,698*
Restricted Receipts	365,586,324	458,544,467	550,382,002	*91,837,535*
Total	**$13,548,926,207**	**$14,336,378,593**	**$15,070,859,298**	***$734,480,705***

$ in millions. Totals may vary due to rounding.

Section 1 also provides language directing specific appropriations including:

- **Housing:** Allocates $100,000 in general revenue to support Sojourner House's housing and rapid rehousing activities.
- **Labor and Training – Direct Care Training:** Requires $600,000 in general revenue be used for enhanced training for direct care and support services staff to improve the resident quality of care for nursing facility residents.
- **Labor and Training – Hospitality Industry Training:** Requires$150,000 in restricted receipts be used to provide hospitality industry workforce training grants.
- **General Treasury – Medical Debt Relief Program:** Requires that all unexpended or unencumbered balances relating to the Medical Debt Relief Program as of June 30, 2026, be reappropriated to FY2027. The Supplemental 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 a federal adjusted gross income of 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.
- **EOHHS:** Continues to provide $900,000 for Mobile Response and Stabilization Services, $150,000 for an Olmstead Plan Coordinator, and removes $500,000 for Thundermist's Family Residency Program.
- **EOHHS: H.R. 1 Preventive Health Care Provider Access Fund:** Provides that $1.0 million in general revenue is available for health care providers ineligible for federal Medicaid Reimbursement due to provision in H.R. 1 with any unspent funds automatically reappropriated to FY2027.
- **EOHHS – H.R. 1 CMMS Compliance:** Provides $960,784 in federal funds for statewide interagency initiatives to implement and support the community engagement requirements of the federal bill H.R. 1 to be administered in coordination with the Department of Human Services, and the Department of Labor and Training.
- **BHDDH – DD Consent Decree:** Provides that of both general revenue and federal funds within the Services for the Developmentally Disabled program, an amount to be certified by the Department will be allocated to direct support professional wage increases. The State has been under a Consent Decree with the United States Department of Justice since 2014, requiring the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH) to foster more supportive and less isolated employment opportunities and day services for individuals with intellectual and developmental disabilities. The State has agreed to an action plan to ensure that the requirements of the Consent Decree are fulfilled. In addition, $928,200 in general revenues and $371,800 in federal funds are specified to be expended on a Transformation Fund for integrated day activities and supportive employment.

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- **BHDDH – Opioid Stewardship:** Provides an additional $36,850 in restricted receipts from the opioid stewardship to be distributed to the seven regional substance abuse prevention task forces. This results in a total appropriation of $486,850 in restricted receipts.
- **Health:** Eliminates language requiring the Office of Policy, Information, and Communication allocate a total of $200,000 to support the Professional Loan Repayment Program, specifically targeting primary care physicians and pediatricians.
- **RIDE – Learn365RI:** Requires that all unexpended or unencumbered balances from FY2026 relating to the Learn365RI program are automatically reappropriated to the following fiscal year.
- **RIDE Special Education Settlement:** Allocates $1.9 million in general revenue toward a special education settlement to provide compensatory special education services, administration and attorneys' fees pursuant to a legal settlement.
- **RIDE - Rhode Island Vision Education and Services Program and Auditory Oral Program:** Requires that $684,000 from the Department of Elementary and Secondary's administrative share of federal Individuals with Disabilities Education Act funds, be allocated to the Sherlock Center on Disabilities to support the Rhode Island Vision Services Program.
- **RIDE - Education Aid:** Provides that the criteria for the allocation of early childhood funds must prioritize prekindergarten seats and classrooms for four-year-olds with a family income at or below 185.0 percent of federal poverty guidelines and who reside in communities with higher concentrations of low performing schools.
- **Corrections - Crossroads:** Directs $1.1 million of the Department's general revenue appropriation to Crossroads Rhode Island to support sex offender discharge planning.
- **Public Safety – GO Team Program:** Appropriates $558,089 of the Department's general revenue appropriation to the Family Service of Rhode Island GO Team Program, which provides on-scene support to children who are victims of violence and other traumas.
- **Public Safety - Body-worn Camera:** Includes $9.0 million of one-time general revenue to support the statewide body-worn camera program for law enforcement officers. On June 16, 2021, the State's political and law enforcement leadership announced support for a statewide program to put body-worn cameras on every frontline police officer and supervisor in Rhode Island. The statewide program is designed to equip approximately 1,700 of Rhode Island's uniformed patrol officers, across every municipal police department and the Rhode Island State Police, with body-worn cameras. All unexpended or unencumbered balances as of June 30, 2026, shall be reappropriated to FY2027.
- **Emergency Management – FIFA World Cup:** Provides $250,000 in general revenue for security expenses for 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.
- **Transportation - Rhode Restore:** Requires $6.5 million of the Department's gas tax receipts be utilized to fund the Municipal Roads Grant program, which is now titled the Rhode Restore program. Rhode Restore provides matching funds to municipalities for maintenance and construction of their roads, sidewalks, and bridges.
- **Transportation - RIPTA RIde Anywhere:** Directs RIPTA to use gas tax receipts to support the state paratransit program including the expansion program RIde Anywhere, which ensures statewide paratransit services are maintained.

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FUND TRANSFERS

Sections 6 and 7 require fund transfers of $29.0 million by June 30, 2026.

- **Supplemental State Budget Reserve:** The article requires the State Controller to transfer $24.0 million to the Supplemental State Budget Reserve Fund (Supplemental Rainy Day Fund) by June 30, 2026. This includes the $18.0 million used to establish the Hospital Financing Support Debt Service Reserve, thereby facilitating the continued operation of Roger Williams Medical Center and Our Lady of Fatima Hospital, and an additional $6.0 million for a total contribution of $24.0 million to restore total reserves to 6.0 percent of available general revenues in FY2026.
- **Department of Revenue – Marijuana Trust Fund:** The Budget requires a one-time transfer of $5.0 million to general revenue by June 30, 2026, from the marijuana trust fund, which has generated revenues exceeding what is required to administer the adult-use cannabis market. The budget documents 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.

INTERNAL SERVICE FUNDS

Article 13 authorizes 15 specific, capped internal service accounts to permit reimbursement of costs for work or other services performed by certain departments or agencies for any other department or agency. The FY2018 Budget as Enacted established centralized accounts for each agency and allows the Department of Administration to draw upon these accounts for billable centralized services and deposit the funds into the rotary accounts under the Department of Administration. Reimbursements may only be made up to the expenditure cap for each account, as outlined below.

Internal Service Account	FY2026 Enacted	FY2026 Final	*Change*
State Assessed Fringe Benefits	37,255,808	37,350,512	*94,704*
Administration Central Utilities	30,366,642	30,366,642	-
State Central Mail	9,020,425	9,019,590	*(835)*
State Telecommunications	3,426,061	3,429,234	*3,173*
State Automotive Fleet	21,610,397	21,625,212	*14,815*
Surplus Property	44,789	44,789	-
Health Insurance	272,933,573	342,904,994	*69,971,421*
Other Post-Employment Benefits	63,854,008	40,415,154	*(23,438,854)*
Capitol Police	1,659,403	1,848,372	*188,969*
Corrections Central Distribution Center	8,679,440	8,759,253	*79,813*
Correctional Industries	8,477,292	8,529,653	*52,361*
Secretary of State Records Center	1,231,684	1,155,447	*(76,237)*
Human Resources Internal Service Fund	18,711,878	18,478,334	*(233,544)*
DCAMM Facilities Internal Service Fund	40,492,965	40,533,451	*40,486*
Information Technology Internal Service Fund	70,587,805	70,690,359	*102,554*
Total	**$588,352,170**	**$635,150,996**	***$46,798,826***

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FTE POSITIONS

Article 13 establishes the authorized number of full-time equivalent (FTE) positions for each State department and agency. Departments and agencies may not exceed in any pay period the number of authorized FTE positions shown. The Budget recommends an increase of 25.0 FTE positions as compared to the authorized level set in the FY2026 Budget as Enacted. The following table illustrates the FTE levels by government function:

FTE Positions by Function	FY2026 Enacted	FY2026 Final	*Change to Enacted*
General Government	2,595.3	2,596.3	*1.0*
Human Services	3,859.5	3,882.5	*23.0*
Education	4,348.8	4,348.8	-
Public Safety	3,347.4	3,348.4	*1.0*
Natural Resources	471.0	471.0	-
Transportation	755.0	755.0	-
Subtotal	**15,377.0**	**15,402.0**	***25.0***
Higher Ed. Sponsored Positions	*544.8*	*544.8*	-
Total FTE Positions	**15,921.8**	**15,946.8**	***25.0***

STATE FISCAL RECOVERY FUNDS

Section 5 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 for FY2026. The purpose of this language is to specify that these federal funds are not part of the generic federal fund line items and that a specific SFRF or CPF line item, by project, constitutes the authority to expend the SFRF or CPF. The Budget generally does not appropriate federal funds at an individual or specific level. This language ensures that state agencies are not expending the SFRF or CPF funds under the authority of a general federal fund line item. The section also specifies and describes the SFRF appropriations.

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Article 14: Relating to Effective Date

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

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SUMMARY TABLES

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GENERAL REVENUE SURPLUS

	FY2024 Audited	FY2025 Preliminary Audit	FY2026 Supplemental	FY2027 Budget
Opening Surplus				
Free Surplus	$412,262,973	$326,355,037	$241,634,407	$222,742,168
Adjustment to Fund Balance	23,811,475	703,083	18,000,000	
Reappropriated Surplus	45,152,130	34,569,423	38,796,839	
Subtotal	**$481,226,578**	**$361,627,543**	**$298,431,246**	**$222,742,168**
Total Revenues	**$5,418,703,841**	**$5,612,012,441**	**$5,973,000,000**	**$6,045,714,927**
To Cash Stabilization Fund	(175,124,919)	(178,800,524)	(186,979,032)	(188,053,713)
From Cash Stabilization Fund				
Total Available Resources	**$5,724,805,500**	**$5,794,839,460**	**$6,084,452,214**	**$6,080,403,382**
Total Expenditures	**5,236,111,578**	**5,535,537,980**	**5,837,506,846**	**6,079,105,738**
Total Surplus	488,693,922	259,301,480	246,945,368	1,297,644
Transfers	(91,000,000)	(520,212)	(24,203,200)	
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**	**$222,742,168**	**$1,297,644**
Rainy Day Fund	$291,874,865	$298,000,873	$311,631,720	$313,422,855

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ALL FUND EXPENDITURES

General Government	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*	FY2027 Enacted	*Change from Enacted*
Department of Administration	$410,279,819	$430,628,941	$615,620,455	*$184,991,514*	$426,246,160	*($4,382,781)*
Office of Energy Resources	34,120,326	76,312,027	62,585,536	*(13,726,491)*	86,655,825	*10,343,798*
Department of Business Regulation	37,359,398	39,094,954	41,582,826	*2,487,872*	57,547,415	*18,452,461*
Rhode Island Cannabis Control Commission	-	7,303,563	7,286,530	*(17,033)*	7,619,341	*315,778*
Executive Office of Commerce	137,981,850	58,832,824	91,129,765	*32,296,941*	53,562,983	*(5,269,841)*
Executive Office of Housing	103,768,250	45,079,456	163,760,560	*118,681,104*	52,683,302	*7,603,846*
Department of Labor and Training	601,344,640	632,267,683	658,941,921	*26,674,238*	700,165,245	*67,897,562*
Department of Revenue	811,353,592	873,248,086	857,652,897	*(15,595,189)*	863,023,256	*(10,224,830)*
General Assembly	55,738,104	61,424,920	69,899,506	*8,474,586*	62,766,257	*1,341,337*
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	15,020,041	*(271,481)*	16,379,847	*1,088,325*
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*
Office of Inspector General	-	-	-	-	1,300,000	*1,300,000*
Total	**$2,259,298,468**	**$2,301,488,553**	**$2,647,169,565**	***$345,681,012***	**$2,395,995,745**	***$94,507,192***
Health and Human Services						
Executive Office of Health and Human Services	$3,871,970,408	$4,226,436,784	$4,203,750,784	*($22,686,000)*	$4,608,242,206	*$381,805,422*
Department of Children, Youth, and Families	359,199,617	394,390,394	422,518,562	*28,128,168*	410,009,342	*15,618,948*
Department of Health	321,416,140	295,526,774	304,008,946	*8,482,172*	307,427,486	*11,900,712*
Behavioral Healthcare, Developmental Disabilities and Hospitals	691,045,544	716,698,599	745,932,809	*29,234,210*	780,966,936	*64,268,337*
Department of Human Services	815,113,344	837,388,626	796,451,252	*(40,937,374)*	789,927,586	*(47,461,040)*
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	2,402,934	*596,892*	1,831,276	*25,234*
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**	**$6,479,159,690**	***$2,601,540***	**$6,902,876,109**	***$426,317,959***
Education						
Elementary and Secondary Education	$1,960,310,243	$2,009,450,142	$2,005,658,767	*($3,791,375)*	$2,058,436,840	*$48,986,698*
Public Higher Education	1,480,333,238	1,597,894,736	1,606,192,319	*8,297,583*	1,636,071,121	*38,176,385*
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	1,711,213	*(3,282)*	1,726,858	*12,363*
Historical Preservation and Heritage Commission	2,473,365	3,448,631	3,326,513	*(122,118)*	3,410,696	*(37,935)*
Total	**$3,448,452,199**	**$3,616,750,458**	**$3,621,099,513**	***$4,349,055***	**$3,704,158,656**	***$87,408,198***
Public Safety						
Office of Attorney General	$47,498,066	$52,487,807	$50,401,307	*($2,086,500)*	$53,371,935	*$884,128*
Department of Corrections	321,820,728	366,351,458	352,486,769	*(13,864,689)*	363,411,848	*(2,939,610)*
Judiciary	154,200,054	159,224,433	160,371,965	*1,147,532*	166,149,856	*6,925,423*
Military Staff	34,688,260	41,647,731	80,202,180	*38,554,449*	63,796,032	*22,148,301*
Rhode Island Emergency Management Agency	24,207,935	43,657,584	57,047,129	*13,389,545*	64,576,710	*20,919,126*
Department of Public Safety	177,563,293	197,868,181	226,924,942	*29,056,761*	176,657,031	*(21,211,150)*
Office of Public Defender	16,688,667	18,263,714	18,274,809	*11,095*	18,924,294	*660,580*
Total	**$776,667,003**	**$879,500,908**	**$945,709,101**	***$66,208,193***	**$906,887,706**	***$27,386,798***
Natural Resources						
Coastal Resources Management Council	$5,676,231	$14,860,746	$14,668,481	*($192,265)*	$19,241,896	*$4,381,150*
Department of Environmental Management	134,490,572	164,424,187	163,074,846	*(1,349,341)*	167,629,599	*3,205,412*
Total	**$140,166,803**	**$179,284,933**	**$177,743,327**	***($1,541,606)***	**$186,871,495**	***$7,586,562***
Transportation						
Department of Transportation	**$860,487,189**	**$882,795,591**	**$1,199,978,102**	***$317,182,511***	**$1,146,366,232**	***$263,570,641***
Grand Total	**$13,548,926,207**	**$14,336,378,593**	**$15,070,859,298**	***$734,480,705***	**$15,243,155,943**	***$906,777,350***

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GENERAL REVENUE EXPENDITURES

General Government	FY2025 Actual	FY2026 Enacted	FY2026 Final	*Change from Enacted*	FY2027 Enacted	*Change from Enacted*
Department of Administration	$219,518,820	$249,311,650	$249,430,541	*$118,891*	$260,354,879	*$11,043,229*
Office of Energy Resources	224,687	-	275,313	*275,313*	-	-
Department of Business Regulation	24,552,717	25,769,781	25,546,550	*(223,231)*	27,041,345	*1,271,564*
Rhode Island Cannabis Control Commission	-	-	-	-	-	-
Executive Office of Commerce	40,274,661	33,532,824	33,549,695	*16,871*	28,270,382	*(5,262,442)*
Executive Office of Housing	5,195,668	6,464,465	6,967,125	*502,660*	7,333,617	*869,152*
Department of Labor and Training	19,309,880	18,179,242	18,877,241	*697,999*	18,332,180	*152,938*
Department of Revenue	402,120,010	413,452,869	414,469,234	*1,016,365*	418,741,693	*5,288,824*
General Assembly	53,403,948	58,734,623	67,160,602	*8,425,979*	59,980,709	*1,246,086*
Office of Lieutenant Governor	1,331,545	1,519,219	1,532,262	*13,043*	1,574,369	*55,150*
Secretary of State	12,696,485	12,861,732	12,548,882	*(312,850)*	13,961,373	*1,099,641*
Office of the General Treasurer	4,197,142	4,600,223	5,387,264	*787,041*	4,417,820	*(182,403)*
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	2,224,631	2,249,158	2,285,857	*36,699*	2,358,433	*109,275*
Public Utilities Commission	-	-	-	-	-	-
Office of Inspector General	-	-	-	-	1,300,000	*1,300,000*
Total	**$801,462,678**	**$842,905,267**	**$854,841,770**	***$11,936,503***	**$865,001,167**	***$22,095,900***
Health and Human Services						
Executive Office of Health and Human Services	$1,380,027,170	$1,490,421,244	$1,464,561,684	*($25,859,560)*	$1,579,706,831	*$89,285,587*
Department of Children, Youth, and Families	260,595,486	262,775,058	265,767,083	*2,992,025*	276,562,975	*13,787,917*
Department of Health	37,618,090	40,825,075	41,964,523	*1,139,448*	43,894,271	*3,069,196*
Department of Human Services	134,321,602	136,022,692	137,169,725	*1,147,033*	159,072,352	*23,049,660*
Behavioral Healthcare, Developmental Disabilities and Hospitals	322,751,665	318,778,838	337,311,293	*18,532,455*	342,304,712	*23,525,874*
Governor's Commission on Disabilities	1,588,365	1,386,032	1,995,652	*609,620*	1,423,994	*37,962*
Commission on the Deaf & Hard of Hearing	670,846	786,233	767,663	*(18,570)*	835,904	*49,671*
Office of the Child Advocate	1,707,792	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	**$2,140,033,386**	**$2,254,376,949**	**$2,252,655,074**	***($1,721,875)***	**$2,407,318,235**	***$152,941,286***
Education						
Elementary and Secondary Education	$1,587,101,129	$1,659,208,810	$1,654,942,004	*($4,266,806)*	$1,706,000,511	*$46,791,701*
Public Higher Education	314,864,729	327,246,516	331,208,282	*3,961,766*	346,354,454	*19,107,938*
Rhode Island Council on the Arts	2,412,492	2,414,685	2,416,128	*1,443*	2,610,565	*195,880*
Rhode Island Atomic Energy Commission	1,187,148	1,278,282	1,282,191	*3,909*	1,316,004	*37,722*
Historical Preservation and Heritage Commission	1,713,665	1,969,751	1,817,033	*(152,718)*	1,856,433	*(113,318)*
Total	**$1,907,279,163**	**$1,992,118,044**	**$1,991,665,638**	**($452,406)**	**$2,058,137,967**	**$66,019,923**
Public Safety						
Office of Attorney General	$36,669,822	$38,244,427	$38,389,891	*$145,464*	$39,369,297	*$1,124,870*
Department of Corrections	302,877,505	324,014,603	329,496,750	*5,482,147*	334,641,305	*10,626,702*
Judiciary	131,104,672	133,516,539	135,551,052	*2,034,513*	140,101,764	*6,585,225*
Military Staff	3,045,936	3,424,058	3,508,092	*84,034*	3,634,593	*210,535*
Rhode Island Emergency Management Agency	6,920,906	7,457,256	7,644,182	*186,926*	8,375,436	*918,180*
Department of Public Safety	128,369,781	132,842,119	141,298,690	*8,456,571*	138,528,183	*5,686,064*
Office of Public Defender	16,598,498	18,178,679	18,189,774	*11,095*	18,839,259	*660,580*
Total	**$625,587,120**	**$657,677,681**	**$674,078,431**	***$16,400,750***	**$683,489,837**	***$25,812,156***
Natural Resources						
Coastal Resources Management Council	$3,929,471	$3,904,812	$4,174,013	*$269,201*	$4,374,771	*$469,959*
Department of Environmental Management	56,014,410	58,380,368	60,091,920	*1,711,552*	60,783,761	*2,403,393*
Total	**$59,943,881**	**$62,285,180**	**$64,265,933**	***$1,980,753***	**$65,158,532**	***$2,873,352***
Transportation						
Department of Transportation	-	-	-	-	-	-
Grand Total	**$5,534,306,228**	**$5,809,363,121**	**$5,837,506,846**	***$28,143,725***	**$6,079,105,738**	***$269,742,617***

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PERSONNEL

General Government	FY2025 Actual	FY2026 Enacted	FY2026 Revised	*Change from Enacted*	FY2027 Enacted	*Change from Enacted*
Administration	683.6	684.6	683.6	*(1.0)*	657.6	*(27.0)*
Office of Energy Resources	-	17.0	17.0	-	21.0	*4.0*
Business Regulation	181.0	155.0	157.0	*2.0*	161.0	*6.0*
RI Cannabis Control Commission	-	26.0	26.0	-	26.0	-
Executive Office of Commerce	5.0	5.0	5.0	-	5.0	-
Housing	38.0	38.0	38.0	-	31.0	*(7.0)*
Labor and Training	461.7	461.7	461.7	-	441.7	*(20.0)*
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	-	63.0	*1.0*
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	-
Office of the Inspector General	-	-	-	-	12.0	*12.0*
Total	**2,570.3**	**2,595.3**	**2,596.3**	***1.0***	**2,565.3**	***(30.0)***
Human Services						
Office of Health and Human Services	233.0	243.0	248.0	*5.0*	257.0	*14.0*
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	1,225.4	*2.0*	1,225.4	*2.0*
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**	**3,882.5**	***23.0***	**3,930.5**	***71.0***
Education						
Elementary and Secondary Education	340.1	342.1	342.1	-	342.1	-
Public Higher Education	3,895.5	3,972.5	3,972.5	-	4,082.5	*110.0*
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	-	14.0	*(1.6)*
Total	**4,269.8**	**4,348.8**	**4,348.8**	**-**	**4,457.2**	***108.4***
Public Safety						
Attorney General	264.1	268.1	268.1	-	268.1	-
Corrections	1,461.0	1,461.0	1,461.0	-	1,411.0	*(50.0)*
Judiciary	745.3	749.3	749.3	-	752.3	*3.0*
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***	**3,305.4**	***(42.0)***
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**	**-**	**722.0**	***(33.0)***
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**	**15,946.8**	***25.0***	**15,997.2**	***75.4***

TOC

FY2027 DIRECT AID TO MUNICIPALITIES

Municipality	FY2026 Enacted	Payment in Lieu of Taxes	Distressed Communities Relief Fund	FY2027 Direct Aid Library Aid	Motor Vehicle Excise Tax	Tangible Property	FY2027 Budget	*Change from FY2026*
Barrington	$6,478,976	$19,206		$391,531	$6,133,578	$83,638	$6,627,953	*$148,977*
Bristol	4,734,981	1,272,090		261,547	3,030,134	147,284	4,711,055	*(23,926)*
Burrillville	5,513,841	45,450		244,996	5,253,862	72,656	5,616,963	*103,122*
Central Falls	2,826,938	-	283,906	37,674	2,174,855	351,907	2,848,341	*21,403*
Charlestown	1,118,678	-		72,348	1,050,775	18,324	1,141,447	*22,769*
Coventry	7,430,108	-	1,581,883	287,078	6,109,142	365,715	8,343,817	*913,709*
Cranston	28,893,537	3,594,530		868,975	23,239,176	1,738,596	29,441,277	*547,740*
Cumberland	7,089,656	-		380,105	6,329,071	505,178	7,214,354	*124,698*
East Greenwich	4,126,790	961,042		159,711	2,516,966	546,636	4,184,355	*57,565*
East Providence	14,378,249	308,356	940,553	580,023	11,900,608	1,883,783	15,613,323	*1,235,074*
Exeter	2,398,565	-		71,746	2,321,474	53,418	2,446,638	*48,073*
Foster	1,822,668	-		46,500	1,710,560	100,687	1,857,747	*35,079*
Glocester	2,723,047	-		102,486	2,468,093	203,566	2,774,145	*51,098*
Hopkinton	1,888,497	-		48,019	1,686,123	189,737	1,923,879	*35,382*
Jamestown	792,228	-		126,271	659,787	23,473	809,531	*17,303*
Johnston	12,118,006	-		148,469	10,800,963	1,391,119	12,340,551	*222,545*
Lincoln	6,553,420	-		272,137	5,913,649	483,036	6,668,822	*115,402*
Little Compton	467,654	-		48,353	390,985	35,997	475,335	*7,681*
Middletown	2,493,347	-		185,911	2,052,672	300,020	2,538,603	*45,256*
Narragansett	2,159,665	-		241,179	1,906,052	77,223	2,224,454	*64,789*
Newport	4,579,511	1,526,284		516,294	2,321,474	304,205	4,668,257	*88,746*
New Shoreham	294,751	-		118,268	171,056	14,181	303,505	*8,754*
North Kingstown	6,182,144	55		379,508	5,595,974	329,980	6,305,517	*123,373*
North Providence	12,252,416	-	1,165,299	267,977	10,018,993	907,238	12,359,507	*107,091*
North Smithfield	5,027,719	-		103,383	4,569,638	449,370	5,122,391	*94,672*
Pawtucket	20,769,987	2,793	1,930,435	534,108	17,178,907	1,377,212	21,023,455	*253,468*
Portsmouth	2,780,837	-		146,003	2,516,966	168,858	2,831,828	*50,991*
Providence	90,430,003	37,144,858	7,781,883	2,722,742	35,530,769	6,101,330	89,281,583	*(1,148,420)*
Richmond	1,620,422	-		32,067	1,515,067	104,948	1,652,082	*31,660*
Scituate	2,305,263	-		151,782	2,052,672	146,895	2,351,349	*46,086*
Smithfield	10,247,065	1,802,349		388,647	7,379,843	1,331,050	10,901,889	*654,824*
South Kingstown	4,681,482	169,364		285,938	4,080,907	211,379	4,747,588	*66,106*
Tiverton	2,079,600	-		161,500	1,808,306	153,001	2,122,807	*43,207*
Warren	2,391,924	-		79,380	2,174,855	179,960	2,434,195	*42,271*
Warwick	31,533,887	1,756,150		946,468	26,293,747	3,080,934	32,077,299	*543,412*
Westerly	6,998,244	125,925		474,336	6,011,396	485,171	7,096,828	*98,584*
West Greenwich	1,603,466	-		78,603	1,392,884	163,578	1,635,065	*31,599*
West Warwick	8,155,008	-	1,198,229	240,910	5,913,649	829,938	8,182,726	*27,718*
Woonsocket	11,944,597	320,690	942,839	261,386	9,701,317	834,588	12,060,820	*116,223*
SRL[1]	1,169,541	-		-	-	-	-	*(1,169,541)*
ILG[2]	81,264	-		81,550	-	-	81,550	*286*
LCA[3]	2,115,628	-		2,097,515	-	-	2,097,515	*(18,113)*
Fire Districts	617,851	-		-	464,295	162,660	626,955	*9,104*
Total	**$345,871,460**	**$49,049,142**	**$15,825,026**	**$14,643,424**	**$244,341,241**	**$25,908,469**	**$349,767,302**	***$3,895,840***

[1]SRL: Statewide Reference Library Resources Grant (included in Providence's allocation)

[2] ILG: Grant-in-Aid to Institutional Libraries

[3]LCA: Library Construction Aid

TOC

FY2027 INDIRECT AID TO MUNICIPALITIES

FY2027 Indirect Aid

Municipality	FY2026 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees[1]	FY2027 Budget	*Change from FY2026 Enacted*
Barrington	$430,383	$206,352	$4,229	$281,110	-	$491,691	$61,308
Bristol	1,201,108	269,103	97,507	801,378	-	1,167,988	(33,120)
Burrillville	514,262	195,861	318	294,898	-	491,077	(23,185)
Central Falls	617,116	271,080	720	320,579	-	592,380	(24,736)
Charlestown	526,481	96,671	165,083	259,064	-	520,818	(5,663)
Coventry	1,285,556	431,165	115,551	665,528	-	1,212,244	(73,312)
Cranston	4,184,768	996,394	36,556	3,203,509	-	4,236,458	51,690
Cumberland	1,279,526	438,798	1,018	779,299	-	1,219,115	(60,411)
East Greenwich	1,383,160	173,723	4,137	1,250,385	-	1,428,245	45,085
East Providence	2,270,623	566,374	76,908	1,679,317	-	2,322,599	51,976
Exeter	274,139	85,613	831	177,634	-	264,078	(10,061)
Foster	90,892	54,033	1,857	19,366	-	75,256	(15,636)
Glocester	282,293	121,390	3,083	152,845	-	277,318	(4,975)
Hopkinton	188,489	101,542	2,722	62,622	-	166,886	(21,603)
Jamestown	307,389	66,863	86,532	173,551	-	326,945	19,556
Johnston	1,568,353	356,428	16,459	1,201,332	-	1,574,219	5,866
Lincoln	1,729,578	272,166	236,375	1,110,953	25,034	1,644,527	(85,051)
Little Compton	168,025	43,422	58,143	56,254	-	157,819	(10,206)
Middletown	3,430,337	204,025	1,568,474	1,299,284	33,482	3,105,264	(325,073)
Narragansett	1,817,611	175,326	544,395	1,104,390	-	1,824,111	6,500
Newport	9,214,191	301,805	4,281,367	3,995,573	-	8,578,745	(635,446)
New Shoreham	1,947,477	9,996	1,086,805	623,945	44,684	1,765,430	(182,047)
North Kingstown	1,612,691	334,446	157,562	1,014,938	56,332	1,563,278	(49,413)
North Providence	1,228,862	409,255	3,448	840,835	-	1,253,538	24,676
North Smithfield	676,771	151,728	5,940	521,728	-	679,397	2,626
Pawtucket	2,589,203	907,742	106,595	1,476,912	-	2,491,249	(97,954)
Portsmouth	784,614	213,913	39,567	509,946	-	763,426	(21,188)
Providence	15,097,309	2,293,639	2,698,487	9,274,083	-	14,266,209	(831,100)
Richmond	400,790	97,756	61,862	267,594	-	427,212	26,422
Scituate	272,914	125,610	10,289	118,763	-	254,662	(18,252)
Smithfield	1,915,720	266,185	238,251	1,377,553	25,034	1,907,023	(8,697)
South Kingstown	2,224,279	385,923	394,347	1,354,785	-	2,135,055	(89,224)
Tiverton	718,649	196,066	9,455	502,337	-	707,858	(10,791)
Warren	752,157	134,304	3,740	638,133	-	776,177	24,020
Warwick	7,977,295	999,275	1,362,183	4,495,213	769,903	7,626,574	(350,721)
Westerly	3,412,062	281,173	1,418,920	1,528,633	55,567	3,284,293	(127,769)
West Greenwich	454,390	79,560	137,418	187,099	-	404,077	(50,313)
West Warwick	1,243,790	374,106	169,665	627,595	-	1,171,365	(72,425)
Woonsocket	1,531,942	519,395	63,923	894,003	-	1,477,321	(54,621)
Total	**$77,605,195**	**$13,208,207**	**$15,270,722**	**$45,142,968**	**$1,010,036**	**$74,631,933**	***($2,973,262)***

[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.

TOC

FY2026 DIRECT AID TO MUNICIPALITIES

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

[1]SRL: Statewide Reference Library Resources Grant

[2] ILG: Grant-in-Aid to Institutional Libraries

[3]LCA: Library Construction Aid

TOC

FY2026 INDIRECT AID TO MUNICIPALITIES

FY2026 Indirect Aid

Municipality	FY2026 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees[1]	FY2026 Revised	*Change from FY2026 Enacted*
Barrington	$430,383	$244,996	$3,086	$269,263	-	$517,345	$86,962
Bristol	1,201,108	319,498	66,974	767,603	-	1,154,075	(47,033)
Burrillville	514,262	232,541	233	282,469	-	515,243	981
Central Falls	617,116	321,846	526	307,068	-	629,440	12,324
Charlestown	526,481	114,774	116,113	248,146	-	479,033	(47,448)
Coventry	1,285,556	511,910	78,626	637,479	-	1,228,015	(57,541)
Cranston	4,184,768	1,182,989	25,214	3,068,495	-	4,276,699	91,931
Cumberland	1,279,526	520,972	739	746,455	-	1,268,167	(11,359)
East Greenwich	1,383,160	206,256	2,996	1,197,687	-	1,406,939	23,779
East Providence	2,270,623	672,439	52,536	1,608,541	-	2,333,517	62,894
Exeter	274,139	101,646	607	170,147	-	272,400	(1,739)
Foster	90,892	64,152	1,266	18,550	-	83,968	(6,924)
Glocester	282,293	144,123	2,108	146,403	-	292,634	10,341
Hopkinton	188,489	120,558	1,939	59,983	-	182,480	(6,009)
Jamestown	307,389	79,384	61,086	166,236	-	306,706	(683)
Johnston	1,568,353	423,177	11,226	1,150,701	-	1,585,104	16,751
Lincoln	1,729,578	323,135	160,649	1,064,131	25,034	1,572,948	(156,630)
Little Compton	168,025	51,553	40,710	53,884	-	146,147	(21,878)
Middletown	3,430,337	242,233	1,071,645	1,244,525	33,482	2,591,884	(838,453)
Narragansett	1,817,611	208,160	380,362	1,057,845	-	1,646,366	(171,245)
Newport	9,214,191	358,324	2,924,191	3,827,178	-	7,109,693	(2,104,498)
New Shoreham	1,947,477	11,868	750,212	597,648	44,684	1,404,413	(543,064)
North Kingstown	1,612,691	397,079	108,963	972,163	56,332	1,534,536	(78,155)
North Providence	1,228,862	485,897	2,534	805,398	-	1,293,829	64,967
North Smithfield	676,771	180,143	4,048	499,740	-	683,931	7,160
Pawtucket	2,589,203	1,077,736	72,670	1,414,667	-	2,565,073	(24,130)
Portsmouth	784,614	253,972	28,093	488,454	-	770,520	(14,094)
Providence	15,097,309	2,723,172	1,840,194	8,883,221	-	13,446,588	(1,650,721)
Richmond	400,790	116,063	42,784	256,317	-	415,163	14,373
Scituate	272,914	149,134	7,000	113,758	-	269,891	(3,023)
Smithfield	1,915,720	316,034	162,018	1,319,495	25,034	1,822,581	(93,139)
South Kingstown	2,224,279	458,195	271,160	1,297,687	-	2,027,042	(197,237)
Tiverton	718,649	232,784	6,892	481,166	-	720,842	2,193
Warren	752,157	159,456	2,742	611,238	-	773,436	21,279
Warwick	7,977,295	1,186,411	927,150	4,305,759	769,903	7,189,223	(788,072)
Westerly	3,412,062	333,829	969,181	1,464,208	55,567	2,822,785	(589,277)
West Greenwich	454,390	94,459	93,392	179,213	-	367,065	(87,325)
West Warwick	1,243,790	444,165	115,431	601,144	-	1,160,740	(83,050)
Woonsocket	1,531,942	616,663	43,514	856,325	-	1,516,502	(15,440)
Total	**$77,605,195**	**$15,681,726**	**$10,450,810**	**$43,240,390**	**$1,010,036**	**$70,382,962**	***($7,222,233)***

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

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

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EDUCATION AID

FY2027 Education Aid - Change to FY2026 Budget as Enacted[2]

Districts	FY2026 Enacted (includes group home and categoricals)	FY2027 Formula Change	Enrollment Transition Fund	Poverty Loss Stabilization Fund	Transportation	High-cost Special Education REVISED (>$79,273)	Group Home[1]	Stabilization Funding	*Total Change*	FY2027 Education Aid
Barrington	$11,652,398	$1,839,818	$658	($1,039,957)	$10,153	$556,691	$0	$0	*$1,367,364*	$13,019,762
Burrillville	14,088,567	(143,011)	87,034	144,546	(13,809)	108,183	-	-	*182,944*	14,271,511
Charlestown	1,516,739	(39,809)	(5,759)	4,789	-	-	-	-	*(40,778)*	1,475,960
Coventry	29,493,104	1,020,977	140,131	-	228,138	271,904	-	-	*1,661,150*	31,154,254
Cranston	83,029,655	1,898,374	(169,563)	-	84,502	62,349	-	-	*1,875,662*	84,905,317
Cumberland	28,462,994	2,090,909	(6,222)	-	67,277	64,879	-	-	*2,216,844*	30,679,838
East Greenwich	6,299,984	610,988	28,561	(1,012,068)	(33,788)	168,246	-	-	*(238,061)*	6,061,923
East Providence	40,628,084	1,285,872	85,710	-	337,645	400,005	-	-	*2,109,232*	42,737,315
Foster	1,271,209	103,055	36,635	(34,469)	510	28,217	-	-	*133,949*	1,405,158
Glocester	3,181,190	35,149	4,599	(78,860)	1,143	59,313	-	-	*21,344*	3,202,534
Hopkinton	7,205,980	1,050,120	8,144	-	-	-	-	-	*1,058,264*	8,264,244
Jamestown	581,057	(17,745)	225	10,585	54,702	(70,844)	-	-	*(23,076)*	557,981
Johnston	25,447,965	1,449,361	75,159	(405,942)	30,657	565,067	-	-	*1,714,303*	27,162,267
Lincoln	21,424,959	(1,278,306)	100,532	884,436	279,538	(40,774)	-	-	*(54,575)*	21,370,384
Little Compton	321,589	113,877	(3,699)	(5,047)	-	(323)	-	-	*104,808*	426,398
Middletown	6,762,203	(708,981)	(7,189)	134,791	-	335,817	-	-	*(245,562)*	6,516,641
Narragansett	1,922,447	142,113	(10,676)	-	-	105,572	-	-	*237,008*	2,159,455
Newport	15,333,020	566,480	(5,225)	(441,039)	-	226,265	-	-	*346,480*	15,679,500
New Shoreham	98,506	101,373	488	-	-	-	-	-	*101,861*	200,367
North Kingstown	13,387,762	821,795	(10,885)	(737,038)	325,147	5,096	-	-	*404,114*	13,791,876
North Providence	31,616,254	1,326,435	(18,336)	-	58,864	262,182	-	-	*1,629,144*	33,245,398
North Smithfield	9,562,204	(938,872)	(29,408)	663,706	9,405	3,111	-	-	*(292,058)*	9,270,146
Pawtucket	113,322,518	3,074,573	904,619	-	31,262	794,261	-	-	*4,804,715*	118,127,233
Portsmouth	3,694,460	160,301	376	(80,184)	-	57,637	-	-	*138,129*	3,832,589
Providence	305,657,515	5,682,967	576,139	-	207,407	(2,875,599)	34,000	-	*3,624,914*	309,282,429
Richmond	6,406,497	(514,425)	(41,077)	257,942	-	-	-	-	*(297,561)*	6,108,937
Scituate	4,451,016	(692,418)	29,937	381,742	(1,101)	9,071	-	-	*(272,768)*	4,178,248
Smithfield	10,967,892	1,061,940	34,506	-	1,574	50,858	-	-	*1,148,878*	12,116,770
South Kingstown	5,935,724	(83,392)	(65,834)	97,410	(8,764)	(301,967)	-	-	*(362,546)*	5,573,178
Tiverton	5,977,672	(242,061)	19,699	(31,164)	-	307,679	-	-	*54,154*	6,031,825
Warwick	50,112,362	2,602,994	159,872	-	18,477	293,737	-	-	*3,075,080*	53,187,442
Westerly	8,761,700	(174,703)	57,306	-	-	29,465	-	-	*(87,933)*	8,673,768
West Warwick	42,823,516	1,365,793	313,553	-	84,644	243,987	-	-	*2,007,977*	44,831,493
Woonsocket	89,505,313	281,080	1,030,163	-	-	(119,298)	-	-	*1,191,945*	90,697,258
Bristol-Warren	14,885,027	(181,671)	(47,573)	(139,419)	193,463	273,453	-	-	*98,253*	14,983,280
Exeter-West Greenwich	9,607,263	(626,035)	(16,292)	437,915	254,124	222,049	-	-	*271,762*	9,879,025
Chariho	3,440,265	-		-	224,018	163,681	-	-	*387,699*	3,827,964
Foster-Glocester	6,614,764	437,211	(58,149)	(143,931)	32,941	164,970	-	-	*433,042*	7,047,806
Central Falls	54,768,079	(1,275,774)	1,088,422	-	5,975	(23,435)	-	865,775	*660,962*	55,429,042
District Total	**$1,090,219,455**	**$22,206,352**	**$4,286,581**	**($1,131,254)**	**$2,484,104**	**$2,401,505**	**$34,000**	**$865,775**	**$31,147,063**	**$1,121,366,519**
Charter School Total	195,272,457	13,266,074			-	98,495	-	-	*13,364,569*	208,637,026
Davies	18,532,152	135,732	-	-	-	-	-	2,426,021	*2,561,753*	21,093,905
Met School	12,966,926	1,625,640	-	-	-	-	-	405,997	*2,031,637*	14,998,564
Nowell Academy	2,664,112	(136,055)	-	-	-	-	-	-	*(136,055)*	2,528,057
Urban Collaborative	2,296,446	(2,296,446)	-	-	-	-	-	-	*(2,296,446)*	-
Youth Build Academy	1,818,245	446,257	-	-	-	-	-	-	446,257	2,264,502
Total	**$1,323,769,794**	**$35,247,553**	**$4,286,581**	**($1,131,254)**	**$2,484,104**	**$2,500,000**	**$34,000**	**$3,697,793**	***$47,118,778***	**$1,370,888,572**

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

[2] Based on October 1, 202,5 enrollment adjusted for projected 2025-26 PSOC.

Source: Rhode Island Department of Education

STATE DESIGNATED GRANTS

Agency	Grant Recipient	FY2026 Enacted	FY2027 Enacted	*Change*
Executive Office of Commerce	Polaris Manufacturing Technical Assistance Program	$500,000	$500,000	*$0*
Executive Office of Commerce	Chafee Center at Bryant	476,200	476,200	-
Executive Office of Commerce	Urban Ventures	140,000	140,000	-
Executive Office of Commerce	East Providence Waterfront Commission	50,000	50,000	-
Executive Office of Commerce	Blackstone Valley Visitor Center	75,000	75,000	-
Secretary of State	Rhode Island Historical Society	125,000	125,000	-
Secretary of State	Newport Historical Society	18,000	18,000	-
Secretary of State	RI Council for the Humanities	100,000	100,000	-
Secretary of State	We the People Civics Challenge	50,000	50,000	-
Secretary of State	RI Black Heritage Society	25,000	25,000	-
EOHHS	Newport Birthing Center	-	1,600,000	*1,600,000*
EOHHS	Thundermist	500,000	-	*(500,000)*
Health	Gloria Gemma Breast Cancer Research	50,000	50,000	-
Health	Psychiatry Resource Network	750,000	1,200,278	*450,278*
Housing	Sojourner House	100,000	200,000	*100,000*
Human Services - Healthy Aging	Diocese of Providence - Elder Services	325,000	325,000	-
Human Services - Healthy Aging	Alliance for Long Term Care Ombudsman Services	40,000	100,000	*60,000*
Human Services - Healthy Aging	Elderly Nutrition	50,000	50,000	-
Human Services - Healthy Aging	Meals on Wheels	680,000	680,000	-
Human Services - Healthy Aging	Senior Center Support	1,600,000	1,800,000	*200,000*
Human Services	Coalition Against Domestic Violence	400,000	400,000	-
Human Services	Project Reach - Boys and Girls Club	450,000	450,000	-
Human Services	Day One	300,000	300,000	-
Human Services	RI Community Food Bank	950,000	2,950,000	*2,000,000*
Human Services	New Bridges for Hatian Services	-	25,000	*25,000*
Human Services	Crossroads Rhode Island	500,000	500,000	-
Human Services	Institute for the Study and Practice of Nonviolence	250,000	250,000	-
Human Services - Veterans Services	Operation Stand Down	50,000	50,000	-
Human Services - Veterans Services	Veterans' Organizations	200,000	200,000	-
Human Services - Veterans Services	Veterans Services Officers Program	100,000	100,000	-
Human Services	Community Action Fund	600,000	600,000	-
Human Services	United Way's 211 System	200,000	300,000	*100,000*
Human Services	Higher Ground International	125,000	150,000	*25,000*
Human Services	Oasis International	-	25,000	*25,000*
Human Services	Refugee Dream Center	50,000	50,000	-
Human Services	Substance Use and Mental Health Leadership Council of RI	150,000	150,000	-
Human Services	Center for Southeast Asians	25,000	25,000	-
Human Services	Farm Fresh Rhode Island	-	200,000	*200,000*
Education	Hasbro Children's Hospital - Hospital School	90,000	90,000	-
Education	Child Opportunity Zones	395,000	395,000	-
Education	City Year - Whole School Whole Child Program	130,000	130,000	-
Education	RI Afterschool Network	-	100,000	*100,000*
Education	Teach for America Ignite	-	100,000	*100,000*
Education	RI Vision Ed and Services	-	684,000	*684,000*
Office of Postsecondary Commissioner	Onward We Learn	455,000	455,000	-
Office of Postsecondary Commissioner	Best Buddies Rhode Island	75,000	75,000	-
Office of Postsecondary Commissioner	RI School for Progressive Education	100,000	100,000	-
University of Rhode Island	Small Business Development Center	700,000	700,000	-
University of Rhode Island	Institute for Labor Studies and Research	125,000	150,000	*25,000*
University of Rhode Island	Special Olympics Rhode Island	50,000	50,000	-
Arts Council	WaterFire Providence	400,000	400,000	-
Arts Council	Other Grants	200,000	200,000	-
Historical Preservation	Fort Adam's Trust	30,000	30,000	-
Historical Preservation	Rhode Island Slave History Medallions	25,000	25,000	-
Corrections	Crossroads Rhode Island	1,050,000	1,050,000	-
Judicial	Rhode Island Coalition Against Domestic Violence	500,000	500,000	-
Judicial	Rhode Island Legal Services	90,000	90,000	-
Public Safety	Family Services of RI GO Team Program	400,000	760,000	*360,000*
Environmental Management	Wildlife Rehabilitators Association of RI	100,000	100,000	-
Environmental Management	Conservation Districts	180,000	180,000	-
Total		**$15,099,200**	**$20,653,478**	***$5,554,278***

TOC

Senate Fiscal Office

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

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Administration
Office of Energy Resources
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
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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
Cannabis Control Commission
Commission on Deaf and Hard of Hearing
Ethics Commission
Health
HealthSource RI
Higher Education
Human Services
Student Loan Authority

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

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Legislature
Revenue
Office of Inspector General
RI Commerce Corporation