

Quasi-Public Agencies

The Agency

Rhode Island Airport Corporation

Agency Operations

The Rhode Island Airport Corporation (“Corporation”) was created by the Rhode Island Economic Development Corporation (formerly the Port Authority) on December 9, 1992, as a subsidiary public corporation, government agency, and public instrumentality, having a distinct legal existence from the state and the authority, and having many of the same powers and purposes of the authority. The Corporation is empowered to undertake the planning, development, management, acquisition, ownership, operation, repair, construction, renovation, sale, lease or other disposition of any airport facility, including the T.F. Green State Airport in Warwick, as well as the outlying North Central, Quonset, Westerly, Newport, and Block Island Airports.

The powers of the Corporation are vested in its Board of Directors consisting of seven members, one member appointed by the Mayor of the City of Warwick and serving at his pleasure, the remaining six appointed by the Governor for four-year terms. The Corporation does not have the power to issue bonds or notes or borrow money without the approval of the Rhode Island Economic Development Corporation.

The Corporation leases the airports from the State of Rhode Island, through the Department of Transportation (DOT), the operator of the airport system. The state and DOT have assigned all rights to airport revenues, the proceeds of the state general obligation bonds issued for airport projects, federal grant agreements, insurance proceeds, all contracts including concession agreements with vendors and airlines, and all licenses and permits. The Corporation has agreed to reimburse the state for general obligation debt service after July 1, 1993, to the extent that money is available from its funds. In the event of insufficient funds, the unpaid debt shall accrue and be payable in the following year.

The Corporation was established as a subsidiary of the Rhode Island Port Authority for the purpose of assuming operating responsibility for the airports and undertaking capital improvements. The Corporation is intended to provide more flexibility in the provision of state match funds for all airport related projects by utilizing revenue bonds backed by revenue from parking, car rental, and other concessionaires, landing fees paid by airlines, and a passenger facility charge that the federal government has empowered local airports to collect in order to finance capital improvements.

The Corporation is entitled to receive funds from the Federal Aviation Administration (FAA) which provides funds most frequently on a 75/25 (federal/state) matching basis to improve the state’s airport system and finance equipment purchases, runway reconstruction, and other airfield improvements. The grants are used to support a program of specific runway, airfield, signage, and other improvements under the general title of the Airport Improvement Program.

The Agency

Rhode Island Airport Corporation

The Corporation does not receive any state appropriations from the State of Rhode Island for the operation and maintenance and capital program relating to T.F. Green and the five general aviation airports. All of the operating and maintenance expenses, as well as operating capital programs and projects, are funded directly by revenues derived at T.F. Green Airport. The only “state” funds utilized by the Corporation are general obligation bonds which were issued by the State of Rhode Island for airport related projects. The debt service on these general obligation bonds is the responsibility of the Corporation and the Corporation is current with respect to that responsibility.

The Budget

Rhode Island Airport Corporation

	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 (a) Recommended
Revenue: (T.F. Green)				
Landing Fees	7,098,461	7,916,313	8,793,408	9,013,243
Fuel Flowage Fees	701,364	728,563	739,700	758,193
Tiedown & Hanger Fees	997,474	1,048,132	1,057,164	1,083,593
Aircraft Registration	20,138	20,423	20,000	20,000
Concessions	2,397,390	2,444,429	2,537,100	2,600,528
Miscellaneous Revenues	760,089	607,049	492,000	506,760
Utilities Reimbursement	323,502	359,752	364,000	374,920
Airline Equipment Charge	572,952	573,684	578,660	596,020
Terminal Rent-Airlines	6,425,915	6,383,959	6,902,122	7,109,186
Terminal Rent-Non Airlines	581,863	736,986	1,000,830	1,030,855
Automobile Parking	13,225,244	12,430,999	14,725,000	15,093,125
Rental Car Parking	6,222,214	6,232,187	6,154,340	6,308,199
Off Airport Courtesy Fees	720,897	736,192	689,530	706,768
Bad Debt Expenses	(240,800)	362,139	-	-
Audit & Finance Charge	43,954	587,670	-	-
Federal Grants - FAA	241,000	128,040	120,500	120,500
Airport Support Fund - Revenue A65	666,637	724,924	-	-
Total Revenue	\$40,758,294	\$42,021,441	\$44,174,354	\$45,321,890
Personnel Expenses: (T.F. Green)				
Payroll	8,676,888	9,787,838	10,678,802	11,212,742
Payroll - Overtime	748,797	583,049	529,214	555,675
Snow Removal Overtime	280,822	211,708	169,660	178,143
Overtime-Holiday	304,003	294,938	341,296	358,361
Workers' Comp Leave	6,343	-	-	-
Unemployment Compensation	4,613	36,350	-	-
Employee Retirement	477,769	669,123	747,522	784,898
FICA Tax	767,268	854,057	923,277	969,441
Long Term Disability & Life Insurance	115,890	129,791	149,502	156,977
Workers' Comp Insurance	357,600	470,522	576,654	605,487
Health Insurance	1,381,863	1,615,989	1,967,394	2,065,764
Employee Relocation	5,450	-	20,000	-
Miscellaneous Employee Benefits	277,104	201,448	350,000	367,500
Temporary Employee Help \ Outsource	23,280	46,658	-	-
Total Personnel Expenses	\$13,427,690	\$14,901,471	16,453,321	17,254,988
Total Expenses - Operating	8,341,867	9,737,509	10,259,133	10,566,907
Total Expenditures	\$21,769,557	\$24,638,980	\$26,712,454	\$27,821,895
Net Income from Operations	\$18,988,737	\$17,382,461	\$17,461,900	\$17,499,995

The Budget

Rhode Island Airport Corporation

	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 (a) Recommended
Outlying Airports				
Revenues	1,251,898	1,371,306	1,515,265	1,560,723
Payroll Expenses	(1,062,910)	(1,255,394)	(1,345,347)	(1,385,707)
Operating Expenses	(756,563)	(885,883)	(705,187)	(726,343)
Airport Management Fee	(65,000)	(65,000)	(65,000)	(65,000)
Net Gain (Loss) Outlying Airport	(\$632,575)	(\$834,971)	(\$600,269)	(\$616,327)
Depreciation & Amortization	\$14,268,382	\$14,100,008	15,000,000	15,000,000
Net Income(Loss) After Depreciation and Amortization	\$4,087,780	\$2,447,482	\$1,861,631	\$1,883,668
Other Income & Expenses				
Interest Income	1,438,276	1,008,162	500,000	515,000
Interest Expense	(413,423)	(218,745)	(185,000)	(190,550)
Interest Expense - All Bonds	(10,628,071)	(11,391,234)	(14,457,037)	(14,890,748)
Gain (Loss) on Sale of Assets	-	15,890	-	-
Miscellaneous Income	26,386	151,840	56,200	57,886
Insurance Proceeds	2,467	2,226	-	-
Airport Support Fund - Revenue	-	-	-	-
Airport Support Fund - Expenses	-	-	-	-
Bad Debt Expense	38,317	52,683	-	-
Interest Income - CFC	36,829	121,628	144,000	147,600
Customer Facility Charge (CFC)	4,789,109	4,527,173	4,700,000	4,817,500
Interest Income - PFC	193,065	212,260	234,000	239,850
Passenger Facility Charge	7,171,740	7,207,371	7,320,000	7,503,000
Federal Grants - FAA	11,247,945	9,459,823	12,430,305	17,430,305
Federal Grants-TSA	-	156,586	1,950,000	2,008,500
Miscellaneous Grants & Contributions	141,527	15,053	-	-
Noise Mitigation Program	(6,762,892)	(1,831,485)	-	-
Land Acquisition Program	(4,536,711)	(5,658,958)	(5,084,000)	(10,084,000)
Total Non-Operating Income & Exp	\$2,744,564	\$3,830,273	\$7,608,468	\$7,554,343
Income from Continuing Operations	6,832,344	6,277,755	9,470,099	9,438,011
Loss Discontinued Business Airport Support	-	-	-	-
Net Income	\$6,832,344	\$6,277,755	\$9,470,099	\$9,438,011

(a) The information presented for FY 2006 has not been reviewed nor approved by the Rhode Island Airport Corporation Board of Directors and is subject to change pending review of the Corporation's Board of Directors.

The Agency

Capital Center Commission

Agency Operations

The Capital Center Commission is a public corporation and agency of the State of Rhode Island that was created by state enabling legislation in 1981, and is a public body of the City of Providence by City Council Ordinance enacted in 1982. Legislatively, it is responsible for the adoption, implementation, and administration of the public and private development within Capital Center through its Design and Development Regulations, which, in part, are more restrictive than the local zoning ordinance. The commission's Internal Operating Procedures establish an application and design review process, which is legislated as not to exceed ninety days. The goal is to assure compliance with the regulations and at the same time assure the developer of an early decision on its application for development.

The Capital Center Commission, a seventeen member board created by state legislation, is funded primarily by the State of Rhode Island through the Economic Development Corporation, and by the City of Providence with each providing \$50,000 grants yearly.

One of the largest and most ambitious economic ventures of the State of Rhode Island and its capital city - Providence - is Capital Center, a seventy-seven acre northerly expansion of downtown Providence to the State Capitol. Through the cooperative and continuing efforts of public and private ownerships and interests, an infusion of over \$100 million of public and private funds has been committed for the planning and construction of public infrastructure improvements within the area. The public improvements, completed in mid 1994, include: new rights-of-way and utility lines, expansion of public open space, river walks along restaurants and retail uses, an amphitheater, and pedestrian bridges created, in part, by the relocation of two rivers.

Private development is controlled by Design and Development Regulations mandating, in part: use, height, building coverage, parking and service. Pedestrian and traffic circulation controls are also established to assure the movement of people and automobiles through Capital Center and to and from the downtown area. Forty-eight of the seventy-seven acres, representing twenty development sites, are designated for private development by public and private ownerships. By FYs 2000 - 2010, Capital Center is expected to provide: over one million square feet of retail space, 2-2.5 million square feet of office space, 623 hotel rooms and guest suites, 500 residential units, 10,000 structured parking spaces, 10,000 permanent jobs, and over \$1.0 billion in private development.

Statutory History

Public Laws of 1981, Section 2, Chapter 332, as amended, establishes the Capital Commission as a special development district, as governed by Title 45, Section 24.4 of the Rhode Island General Laws.

The Budget

Capital Center Commission

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Operating Revenues				
Grants: State	50,000	50,000	50,000	50,000
City	50,000	50,000	50,000	50,000
Management Fees	44,200	66,450	80,000	-
Total Operating Revenues	\$144,200	\$166,450	\$180,000	\$100,000
Expenditures				
Salaries	72,086	74,865	77,859	80,973
Fringes	14,493	14,862	25,351	26,365
Rent	9,228	7,634	15,900	16,536
Telephone	735	801	1,400	1,456
Print/Supplies	3,998	3,835	3,850	4,004
Postage	2,562	1,898	2,000	2,080
Meetings	9,592	2,816	3,000	3,120
Miscellaneous	1,114	1,349	1,840	1,914
Consultants	8,824	916	10,000	10,400
Legal & Audit Fees	6,187	1,102	11,500	11,960
Total	\$128,819	\$110,078	\$152,700	\$158,808
Less Non Operating Revenue				
Interest Income	328	185	-	-
Net Income(Loss)	\$15,709	\$56,557	\$27,300	(\$58,808)

Note: FY 2004 numbers are unaudited.

Note: Budget numbers for FY 2005 are preliminary and have not been approved or reviewed by the Capital Center Commission.

The Agency

Rhode Island Clean Water Finance Agency

Agency Operations

The Rhode Island Clean Water Finance Agency (the “Agency”) established in 1990, is an independent, public corporation having a distinct legal existence from the state. The purpose of the Agency is to provide low cost loans to Rhode Island cities, towns, sewer commissions, wastewater management districts and water suppliers to finance capital improvements to wastewater and drinking water infrastructure. The Agency operates three revolving loan funds. Two of the funds provide subsidized loans to finance wastewater infrastructure projects and are collectively referred to as the Clean Water State Revolving Fund (CWSRF). A third fund provides subsidized loans to finance drinking water infrastructure projects and is called the Drinking Water State Revolving Fund (DWSRF).

The CWSRF is jointly administered by the Agency and the Department of Environmental Management (DEM). DEM is responsible for the environmental and regulatory components of the CWSRF while the Agency is responsible for the financial components. The CWSRF is capitalized by the grants from the U.S. Environmental Protection Agency (EPA) with a match of 20 percent by the State of Rhode Island. The Agency reimburses DEM for its administrative expenses.

The DWSRF is jointly administered by the Agency and the Department of Health (DOH). DOH is responsible for the water quality and regulatory components of the DWSRF while the Agency is responsible for the financial components. Funding for the DWSRF comes from capitalization grants from the federal and state governments, and through the issuance of tax-exempt Agency revenue bonds or direct loans. (The State of Rhode Island does not have any obligation for repayment of Agency revenue bonds.) DOH is reimbursed for administrative expenses via an administrative set-aside component of the capitalization grant.

Agency Objectives

The objective of the Agency is to provide low-cost loans to finance capital improvements to the wastewater and the drinking water infrastructure in Rhode Island.

Statutory History

Chapter 12.2 of Title 46 established the CWSRF. Chapter 238 as amended by Chapter 303 and Chapter 434 authorized the state to issue General Obligation Bonds up to \$34 million for Capitalization Grants to the CWSRF. Chapter 12.8 of Title 46 established the DWSRF.

The Budget

Rhode Island Clean Water Finance Agency

	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Revised	Recommended ⁽²⁾
Revenue				
Interest and Investment Income	16,136,538	15,850,373	20,958,353	23,473,355
Operating Grant Income	1,449,815	2,272,236	2,650,000	2,756,000
Loan Service Fees ¹	1,506,690	2,064,833	2,236,043	2,504,368
Other Revenue	51,692	174,425	401,712	417,780
Total Revenues	\$19,144,735	\$20,361,867	\$26,246,108	\$29,151,503
Operating Expenses				
Interest and Finance Expenses	12,390,635	16,248,299	21,814,947	24,432,741
Administrative Expenses	749,066	847,518	849,832	883,825
Consulting Fees - DEM	230,334	248,718	250,000	250,000
Consulting Fees - DOH	82,990	95,399	115,000	120,000
DOH Set-Aside Programs	1,136,491	1,928,119	2,285,000	2,400,000
Total Operating Expenses	\$14,589,516	\$19,368,053	\$25,314,779	\$28,086,566
Other Revenues (Expenses)				
Capitalization Grants	27,246,160	16,434,411	25,086,261	26,340,574
Gain (Loss) Sale of Assets	-	-	-	-
Excess Revenues over Expenses	\$31,801,379	\$17,428,225	\$26,017,590	\$27,405,511

(1) Service Fee portion of loan service fees is on a cash basis; loan origination fees are amortized over the life of the bonds/loan as per G.A.A.P.

(2) The FY 2006 Budget information has not been presented to, or approved by the Agency's Board of Directors. The Board normally reviews and accepts the budgets in the quarter before the start of the fiscal year.

The Agency

Rhode Island Convention Center Authority

Agency Operations

The Rhode Island Convention Center Authority was created in 1987 by the Rhode Island General Assembly as a public corporation, instrumentality and agency of the state, having a distinct legal existence from the state and not constituting a department of state government.

The authority was created for the purpose of constructing, managing and operating a facility to house conventions, trade shows, exhibitions, displays, meetings, banquets, and other events, as well as facilities related thereto such as parking lots and garages, connection walkways, hotels and office buildings, including any retail facilities which are incidental to and located within any of the foregoing, and to acquire, by purchase or otherwise, land therefor. The authority is authorized to lease the convention center and the related facilities to the state and to issue its bonds and notes for any of its corporate purposes. The authority manages the convention center and the related facilities pursuant to the terms of a sublease agreement, dated as of November 1, 1991, as amended, by and between the state, as sublessor and the authority, as sublessee (the "Sublease").

The convention center site consists of approximately 7.75 acres, which the authority has acquired, in downtown Providence. West Exchange Street divides the site; the northern portion of the site consists of approximately 3.65 acres and the southern portion consists of approximately 4.1 acres. A portion of the convention center complex was constructed over West Exchange Street. In June 1991, the authority commenced construction on Phase I of the project, which essentially consists of the convention center complex and garage facilities. The convention center complex and garage facilities opened officially on December 2, 1993. The hotel facilities were opened on December 1, 1994. The dome building office space has been fully leased. The authority has entered into management contracts for the operation of the Convention Center, Parking Garages, and the Westin Hotel.

Agency Objectives

Manage and operate convention center and hotel complex.

The Budget

Rhode Island Convention Center Authority

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Resources				
Opening Cash Balances	330,946	3,875,314	3,229,528	983,145
Operations	40,682,341	46,266,646	42,871,631	43,378,495
Investment Income and Swap Savings	416,459	4,838	54,927	20,400
Westin Hotel Room Tax	204,004	274,488	235,556	276,000
Net Inter-Company Transfers	1,638,111	2,799,013	-	-
Total Resources	\$43,271,861	\$53,220,299	\$46,391,642	\$44,658,040
Expenditures				
Convention Center Authority	2,740,165	4,130,771	4,473,100	4,547,675
Convention Center Management	5,355,937	6,811,564	5,886,766	4,518,791
Concessions and Catering	1,575,012	2,185,726	2,396,995	2,295,547
Parking Garages	1,079,275	1,445,577	1,381,174	1,565,551
Hotel	21,060,732	22,550,383	20,551,785	20,825,953
Subtotal Operations	\$31,811,121	\$37,124,021	\$34,689,820	\$33,753,517
Debt Service	21,055,991	22,077,578	23,538,899	23,544,461
Interest Rate Swap Fees	92,192	243,759	-	-
Starwood Loan Debt Service/Repayment	1,066,882	-	-	-
Renewal and Replacement Fund - Hotel	921,664	1,127,280	1,164,842	1,190,393
Renewal and Replacement Fund - Center	3,067,937	3,067,937	3,067,937	4,090,582
Grant Total Expenditures	\$58,015,787	\$63,640,575	\$62,461,498	\$62,578,953
Gross Debt Service	21,055,991	22,077,578	23,538,899	23,544,461
Less: Excess Debt Service Rental Payment				
Accrued to Prior Year	1,659,328	4,427,774	1,030,100	-
Less: Excess Debt Service Rental Payment	900,000	4,000,000	5,455,798	5,623,548
General Revenue Appropriation	15,850,794	17,047,478	18,083,101	17,920,913
Final Cash Balances	\$3,875,314	\$3,229,528	\$983,145	\$0

The information presented above is based upon cash flow data provided by the authority and has not been approved by the authority's Board of Directors.

The Agency

Rhode Island Depositors Economic Protection Corporation

Agency Operations

The Rhode Island Depositors Economic Protection Corporation (“DEPCO”) is a public corporation and instrumentality of the State of Rhode Island having a distinct legal existence from the state and not constituting a department of state government. The corporation was created by the Rhode Island Depositors Economic Protection Act, R.I.G.L 42-116 amended by Chapters 9 and 88 of the 1992 Public Laws of Rhode Island (the “Act”), for the purpose of protecting depositors of certain credit unions and other financial institutions in the state whose deposits were previously insured by the Rhode Island Share and Deposit Indemnity Corporation (“RISDIC”), a private deposit insurance fund which entered conservatorship on December 31, 1990.

The act authorizes the corporation to acquire assets and assume depositor liabilities of the “Eligible Institutions”. Under the act, an eligible institution is (i) any credit union, loan and investment company, bank and trust company or other depository institution, the accounts of which were insured by RISDIC as of December 30, 1990 and for which a conservator or receiver has been appointed subsequent to January 1, 1991 and (ii) Heritage Loan and Investment Company (“Heritage”), an institution for which a receiver was appointed and most of the depositors of which were paid through the RISDIC deposit insurance prior to January 1, 1991; however, Heritage was added as an eligible institution as a result of a 1992 amendment to the act. The act also authorizes the corporation to provide financial support to eligible institutions in the acquisition of federal deposit insurance with respect to deposit liabilities, or to any institutions that facilitates the acquisition of such federal deposit insurance.

Agency Objectives

On December 20, 2002 the DEPCO Board of Directors determined that the Corporation has substantially fulfilled its purpose, paid, canceled or defeased all bonds and provided for all remaining liabilities. Therefore, in keeping with its statutory mandate, the Board dissolved the Corporation effective January 3, 2003 and authorized the transfer of all remaining assets to the State. The Certificate of Dissolution was issued by the Secretary of State of the State of Rhode Island and Providence Plantations on April 30, 2003.

Statutory History

R.I.G.L. 42-116 as amended by Chapters 9 and 88 of the 1992 Public Laws of Rhode Island outline the responsibilities of the Rhode Island Depositors Economic Protection Corporation.

The Budget

Rhode Island Depositors Economic Protection Corporation

	FY 2003 Actual	FY 2004 Actual	FY 2005 Recommended	FY 2006 Recommended
Interest Income				
Loans	-	-	-	-
Other	14,175	-	-	-
Total	14,175	-	-	-
Interest Expense				
Bonds	-	-	-	-
Total	-	-	-	-
Net Interest Revenue	14,175	-	-	-
Non-interest Income				
Loan & Other Fees	22,614	-	-	-
Sales Tax Revenue	-	-	-	-
Gain (Loss) on Assets	318	-	-	-
Net Settlements	248,059	-	-	-
Total Non-Int. Inc.	\$270,991	-	-	-
Total Income	\$285,166	-	-	-
Non-interest Expense				
Personnel Costs	88,331	-	-	-
Professional & Consulting	-	-	-	-
Temporary Help	2,655	-	-	-
Insurance	46,700	-	-	-
Legal Fees	17,538	-	-	-
Audit Fees	-	-	-	-
Equipment & D.P.	-	-	-	-
Trustee Fees	11	-	-	-
Postage/Freight	168	-	-	-
Shredding/Litigation Copying Costs	2,500	-	-	-
Telephone	3,643	-	-	-
Supplies	883	-	-	-
Miscellaneous	5,264	-	-	-
Total Administration	\$167,693	-	-	-
Asset Related Expenses	75,269	-	-	-
Asset Management Expense	6,615	-	-	-
Total Non-Int. Exp.	\$249,577	-	-	-
Income (Loss) from Operations	35,589	-	-	-
Gain (Loss) on Bond Defeases/Cancelled	-	-	-	-
Fair Value Adjustment	643,371	-	-	-
Remittance to State General Fund	(1,300,000) *	-	*	-
Net Collections After Transfer	600,562	-	**	-
Assets Transferred to State	(8,619,330)	-	-	-
Net Income (Loss)	(\$8,639,808)	-	-	-

All values are stated in thousands. May not add due to rounding.

On December 20, 2002 the DEPCO Board of Directors dissolved the Corporation effective January 3, 2003. All remaining assets were transferred to the State on or before January 3, 2003.

* Pursuant to Article 3, Sales and Use Tax of the State Budget for Fiscal Year 2001 as amended FY 2002.

** Represents net collections from DEPCO assets after transferred to the State.

The Agency

Rhode Island Economic Development Corporation

Agency Operations

The Rhode Island Economic Development Corporation consolidates all economic development activities of the State of Rhode Island into one entity to enhance service delivery, performance, and accountability.

The Rhode Island Economic Development Corporation's Board of Directors consists of twelve (12) members and is chaired by the Governor. Seven (7) members are appointed by the Governor and four (4) members are appointed by the legislature. The board oversees the implementation of all state-level economic development programs. Effective January 1, 2005, the Economic Development Corporation transferred oversight of the Quonset Point/Davisville Industrial Park in North Kingstown to the newly created Quonset Development Corporation.

Agency Objectives

The Rhode Island Economic Development Corporation works in partnership with the business community to enhance Rhode Island's business climate; provides direct assistance to Rhode Island businesses to retain and add jobs; identifies and works to attract new businesses and investment to Rhode Island; and serves as an advocate for economic development in Rhode Island.

The Rhode Island Economic Development Corporation's business development effort will be streamlined and refocused to incorporate both geographic and industry specialization for each account executive. These individual specialties will be grouped into teams as needed to respond to specific business development opportunities to provide the maximum level of expertise. Account executives will be responsible for both recruitment and retention within their portfolio. Each will be held accountable to performance metrics criteria in both areas.

Statutory History

The Corporation was created in 1995 by Title 42, Chapters 43 and 64, of the Rhode Island General Laws, replacing the former Department of Economic Development and the Rhode Island Port Authority.

The Budget

Rhode Island Economic Development Corporation

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Estimated Opening Balance Revenues:	\$78,375	\$61,774	\$243,516	-
Resources				
State Appropriation	6,462,532	6,366,687	6,620,287	6,620,287
Community Economic Development Fund	-	500,000	375,000	375,000
Marine BioScience Park	-	-	200,000	200,000
Science and Technology Council	-	-	-	100,000
Grants-HRIC	225,000	-	100,000	100,000
Subtotal	6,687,532	\$6,866,687	\$7,295,287	\$7,395,287
Revenue from Federal Government				
Grants (Procurement)	347,000	180,000	270,000	270,000
Subtotal	\$347,000	\$180,000	\$270,000	\$270,000
Revenues from Operations				
Bond Fees/Other Income	305,000	305,000	325,000	300,000
Financings	450,000	450,000	450,000	500,000
RI Partnership for Science & Technology	325,000	325,000	260,000	-
RI Industrial Facilities Corp.	250,000	250,000	250,000	250,000
Land Sales	110,000	-	-	-
Rental Income	3,865,625	4,365,625	1,983,260	-
Pier Income	180,000	330,000	200,000	-
Utility Sales	1,785,000	1,785,000	991,500	-
Other Income	436,250	436,250	339,812	-
Welcome Center (DOT)	600,000	600,000	600,000	600,000
QDC Allocation	-	-	450,000	600,000
Subtotal	\$8,306,875	\$8,846,875	\$5,849,572	\$2,250,000
Total Resources	\$15,419,782	\$15,955,336	\$13,658,375	\$9,915,287
Expenditures				
Personnel Expenses	7,341,663	7,665,595	5,539,940	4,155,026
Operating Expenses	5,800,620	5,913,306	4,905,686	2,810,459
Grants	1,485,725	1,350,919	1,862,540	1,614,800
Office of City and Town Development	-	25,000	850,000	375,000
Marine BioScience Park	-	-	200,000	200,000
Science and Technology Council	-	-	-	100,000
IT Expense	130,000	130,000	130,000	-
Welcome Center (DOT)	600,000	627,000	600,000	600,000
Total Expenditures	15,358,008	\$15,711,820	\$14,088,166	\$9,855,285
Closing Balance	\$61,774	\$243,516	(429,791)	60,002

The projected deficit in FY 2005 will be dealt with by the Board of Directors during the fiscal year and is not anticipated to impact the opening balance for FY 2006.

The Agency

Rhode Island Health and Educational Building Corporation

Agency Operations

The Rhode Island Health and Educational Building Corporation is a non-business corporation and agency of the state that provides bond and lease financing to non-profit health and educational institutions in the state. Since its inception in 1966, the corporation has assisted with over \$1 billion in financing for such institutions without obligating the state's credit.

Under the direction of a five member board of directors, appointed by the Governor, the corporation has assisted hospitals, nursing homes, mental health centers, health care providers, day care centers, visiting nurses associations, and colleges and universities in obtaining low-cost financing from the public bond market.

The corporation receives no state appropriations for its operations.

Agency Objectives

To ensure that adequate financing is available for the education institutions and health care providers in the state to meet the needs of the citizens of Rhode Island.

Statutory History

The Rhode Island Health and Educational Building Corporation was created by the General Assembly in 1967 with its duties and powers defined by R.I.G.L. 45-38 (as amended).

The Budget

Rhode Island Health and Educational Building Corporation

	FY 2003 Actual	FY 2004 Actual	FY 2005 Projected	FY 2006 Proposed
Expenditure by Object				
Personnel	263,359	277,901	321,850	337,945
Other Operating Expenditures	291,781	336,992	383,500	402,675
Financing Services	251,451	510,887	480,000	480,000
Grants	220,000	235,200	270,000	270,000
Total Expenditures	\$1,026,591	\$1,360,980	\$1,455,350	\$1,490,620
Expenditures by Fund				
Personnel	263,359	277,901	321,850	337,945
Other Operating Expenditures	291,781	336,992	383,500	402,675
Financing Services	251,451	510,887	480,000	480,000
Grants	220,000	235,200	270,000	270,000
Total Expenditures	\$1,026,591	\$1,360,980	\$1,455,350	\$1,490,620

The information presented above was provided by the entity, and in most cases, the data provided for FY 2005 has not been approved by the board, authority, or corporation.

The Agency

Rhode Island Housing and Mortgage Finance Corporation

Agency Operations

Rhode Island Housing and Mortgage Finance Corporation (the “Corporation”) is a public instrumentality of the State established in 1973 by an Act of the Rhode Island General Assembly. A seven-member board of commissioners governs the Corporation. The Corporation was created to provide and improve housing to persons of low and moderate income, as well as to encourage the investment of private capital for the construction, rehabilitation, operation, retention, and maintenance of residential housing and health care facilities, to provide construction and mortgage loans, and to make grants in regard to housing needs including shelters for the homeless. The Corporation also has the power to acquire and operate housing projects on an individual or partnership basis in order to meet the housing demands of the State and to create subsidiaries for the purpose of the development and preservation of affordable housing for low and moderate-income families.

The Corporation also provides services for the federal Department of Housing and Urban Development as a contract administrator.

The Corporation has the power to issue negotiable notes and bonds to achieve its corporate purpose. The notes and bonds do not constitute a debt of the State of Rhode Island and the state is not liable for the repayment of such obligations.

Agency Objectives

To provide, improve and expand housing and housing-related services to, and address issues of sanitary, safe and decent housing for, persons of low and moderate income, as well as to encourage the investment of private capital for the construction, rehabilitation, operation, retention, and maintenance of residential housing and health care facilities, to provide construction and mortgage loans, and to make grants in regard to housing needs including shelters for the homeless.

Statutory History

The Rhode Island Housing and Mortgage Finance Corporation is authorized and empowered under Title 42, Chapter 55 of the Rhode Island General Laws.

The Budget

Rhode Island Housing and Mortgage Finance Corporation

	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Revised	Recommended
Expenditure Report				
Personnel Services	9,745,320	9,671,912	10,862,295	11,296,787
Other Administrative Expenses	2,669,928	3,324,665	4,106,360	4,270,614
Programmatic Expenses	6,394,467	4,501,490	7,705,000	8,090,250
Provision for Loan Loss	179,865	1,765,097	1,000,000	1,000,000
Arbitrage Rebate	1,241,798	(17,583)	743,000	800,000
Amortization and Depreciation	1,474,629	1,606,532	1,650,000	1,700,000
Total	\$21,706,007	\$20,852,113	\$26,066,655	\$27,157,651

The information for FY 2005 has not been reviewed nor approved by the Rhode Island Housing and Mortgage Finance Corporation and is subject to change pending review of the Corporation.

The Agency

Housing Resources Commission

Agency Operations

The Rhode Island Housing Resources Commission was established in 1998 with responsibility for establishing housing policy for the State of Rhode Island and to plan and coordinate housing activities among agencies. Funding was provided to establish a lead hazard reduction program in conjunction with Rhode Island Housing and Mortgage Finance Corporation and to create new housing opportunities for homeless and low-wage families. The commission has been given the responsibility for the implementation of the Lead Hazard Mitigation Standards. The Comprehensive Housing and Rehabilitation Act of 2004 gives the commission responsibility for the preparation of the State Strategic Plan for Housing, and to provide technical assistance to cities and towns. The commission represents a wide spectrum of community organizations as well as state departments with housing interests.

The commission also will establish, implement, and monitor state performance measures and guidelines for housing programs, and administer programs pertaining to housing resources, services, and community development. Programs may include abandoned properties; lead abatement; services for the homeless; rental assistance; community development; outreach, education, and technical assistance; assistance to non-profits; and tax credits for such purposes.

The commission consists of the Office of Planning and Policy; the Office of Housing Program Performance and Evaluation; the Office of Homeless Services and Emergency Assistance; the Office of Homeownership; and the Office of Community Development, Programs and Technical Assistance.

Agency Objectives

To develop and promulgate state policies and plans for housing and performance measures for housing programs established pursuant to state law; to coordinate activities among state agencies and political subdivisions pertaining to housing; to promote the stability and quality of life in communities and neighborhoods; to provide opportunities for safe, sanitary, decent, adequate, and affordable housing in Rhode Island; to encourage public-private partnerships that foster the development, maintenance, and improvement of housing conditions, especially for low and moderate income people; to foster and support non-profit organizations; to encourage and support partnerships between institutions of higher education and neighborhoods.

Statutory History

R.I.G.L. 42-128 established the Housing Resources Commission as of July 1, 1998. The Commission was appointed by the Governor and initiated a lead hazard reduction program in the fall of 1998.

The Budget

Housing Resources Commission

	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Revised	Recommended
Expenditure by Object				
Administrative Expenses	317,963	376,052	543,849	310,704
Assistance, Grants, Benefits	3,289,344	2,755,849	3,097,029	2,972,365
Capital (Affordable Housing)	5,000,000	5,000,000	5,000,000	5,000,000
Total Operating Expenses	\$8,607,307	\$8,131,901	\$8,640,878	\$8,283,069
 Expenditure by Funds				
State General Revenues	3,607,307	8,131,901	8,385,305	3,027,496
Federal Grants	-	-	255,573	255,573
Loan Proceeds	5,000,000	-	-	5,000,000
Total Expenditures	\$8,607,307	\$8,131,901	\$8,640,878	\$8,283,069

The Agency

Rhode Island Industrial Facilities Corporation

Agency Operations

The Rhode Island Industrial Facilities Corporation is a public body corporate of the State of Rhode Island in accordance with Section 45-37 of the General Laws. The corporation is utilized to foster economic growth within the State of Rhode Island.

The purpose of the Rhode Island Industrial Facilities Corporation is to act as the issuer of tax-exempt and taxable revenue bonds, which are sold to private or public investors, on the behalf of Rhode Island companies seeking financing. The role of the Rhode Island Industrial Facilities Corporation is to act as a conduit in a company's efforts to obtain financing from sources other than the corporation. The Rhode Island Industrial Facilities Corporation is a title holder to the property and does not have financial exposure in connection with the bonds.

Agency Objectives

The corporation's objective is to encourage economic growth within the state by further developing industrial and recreational facilities.

Statutory History

The Rhode Island Industrial Facilities Corporation was created in 1956 by Chapter 45-37.1 of the Rhode Island General Laws.

The Budget

Rhode Island Industrial Facilities Corporation

	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Revised	Recommended
Receipts				
Bond Fees	99,788	107,096	180,000	160,000
Interest	6,872	6,774	10,000	10,000
Total	\$106,660	\$113,870	\$190,000	\$170,000
Expenses				
Insurance	22,405	22,405	30,000	30,000
Professional Fees	3,300	7,900	15,000	25,000
Office	307	70	2,000	2,000
Bad Debt (Recovery)	1,000	-	3,000	3,000
Total	\$27,012	\$30,375	\$50,000	\$60,000
Net Gain/(Loss)	\$79,648	\$83,495	\$140,000	\$110,000

The information was provided by the entity, and in most cases the data provided for FY 2006 has not been approved by the board, authority, or corporation members.

The Agency

Rhode Island Industrial-Recreational Building Authority

Agency Operations

The Rhode Island Industrial-Recreational Building Authority was created for the purpose of nurturing economic growth within the State of Rhode Island by insuring mortgage payments on industrial or recreational projects approved by the authority. The Rhode Island Industrial-Recreational Building Authority, as required by statute, maintains a first security position in all projects. The total amount of mortgage insurance issued cannot exceed \$80,000,000 in the aggregate.

The State of Rhode Island, according to R.I.G.L. 42-34-15, is responsible for providing any additional resources that may be required to allow the mortgage insurance fund to meet its obligations.

Agency Objectives

The authority promotes economic growth in the state by providing insurance for qualifying mortgages of industrial and recreational facilities.

Statutory History

The Rhode Island Industrial-Recreational Building Authority was created in 1958 by R.I.G.L. 42-34.

The Budget

Rhode Island Industrial - Recreational Building Authority

	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Revised	Recommended
Receipts:				
Premiums	118,875	184,319	130,000	150,000
Interest	46,040	21,000	60,000	30,000
Rent	86,829	80,211	90,000	90,000
Other	750	750	5,000	5,000
Total Receipts	\$252,494	\$286,280	\$285,000	\$275,000
Expenses:				
Legal	72,657	46,957	75,000	75,000
Insurance	7,952	17,000	10,000	15,000
Other	17,828	14,286	30,000	100,000
Total Expenses	\$98,437	\$78,243	\$115,000	\$190,000
Operating Income (Loss)	\$154,057	\$208,037	\$170,000	\$85,000
Est. Loss-Default	-	-	\$100,000	\$50,000
Net	\$154,057	\$208,037	\$70,000	\$35,000

The information was provided by the entity, and in most cases the data provided for FY 2006 has not been approved by the board, authority, or corporation members.

The Agency

Rhode Island Lottery

Agency Operations

The Rhode Island Lottery (The Lottery) was created under the General Laws of the State of Rhode Island in 1974 to establish and operate lottery games for the purpose of generating revenues for the state's general fund. It is governed by the nine-member Rhode Island Lottery Commission. The Lottery conducts its operations as an enterprise fund within the State of Rhode Island and is included in the State Comprehensive Annual Financial Report.

The Rhode Island Lottery sells tickets for on-line games which include: a Daily Numbers Game; a Cash Lotto Game; and games with continuous prize drawings, Keno and Hot Trax. The Lottery also sells instant tickets. All tickets are sold through licensed lottery retailers. In addition to operating its own games, the Lottery participates in Powerball, which is operated by the Multi-State Lottery Association (MUSL). The Lottery sells Powerball tickets, collects all revenues, and remits prize funds to MUSL net of low tier prize awards. Powerball jackpot prize awards are payable in installments and are disbursed by the Lottery from funds provided by MUSL.

R.I.G.L. 42-61-15 stipulates that The Lottery must award prizes in an amount not less than 45 percent nor more than 65 percent of the total revenue accruing from the sale of lottery tickets. For Keno, however, prize awards shall not be less than 45 percent nor more than 72 percent of the total revenue accruing from the sale of Keno tickets. In addition, The Lottery is required to transfer its net income to the state's general fund in an amount not less than 25 percent of total revenue from the sale of lottery tickets, provided further, that the revenue returned to the general fund from Keno, shall not be calculated as part of the 25 percent mandate required by this section. The amount transferred into the general revenue fund from Keno shall equal no less than 15 percent of the total Keno revenue received. Transfers are made on a monthly basis in an amount equal to estimated net income.

R.I.G.L. 42-61.2 additionally authorized The Lottery to conduct video lottery games at Lincoln Park and Newport Grand. Video lottery terminals located at the facilities are electronically linked to a central computer facility at Lottery Headquarters. The net terminal income generated at these facilities is divided among the licensed video lottery retailers, technology providers, host municipalities, the dog kennel owners at Lincoln Park and the State General Fund. The State General Fund's share of net terminal income was no less than 52 percent in FY 2003 and no less than 59.1 percent in FY 2004.

R.I.G.L. 42-61.2 was amended effective for the FY 2005, the Lincoln Park dog kennel owners will not share in the net terminal income. The State General Fund's share of net terminal income is no less than 60.525 percent in FY 2005 and no less than 60.4 percent in FY 2006.

Statutory History

R.I.G.L. 42-20 provides the general authority for the Rhode Island Lottery Commission.

The Budget

Rhode Island Lottery

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Revenue				
Lottery Sales				
Instant Ticket Sales	75,789,417	76,521,924	77,925,391	79,483,899
Daily Numbers	29,649,149	29,681,795	29,988,861	30,308,056
EZ Win/Money Roll/Wild Money	3,677,479	3,762,342	3,918,085	3,996,447
Powerball	44,289,173	50,869,394	40,798,564	43,246,478
Keno	85,589,259	88,327,994	95,353,358	104,888,695
Hot Trax	-	235,570	2,316,649	2,362,982
Video Lottery	1,051,411,493	1,231,226,093	1,336,197,649	1,524,922,482
Total Gross Revenue	\$1,290,405,970	\$1,480,625,112	\$1,586,498,557	\$1,789,209,039
less: Commissions - Lottery Sales	25,572,841	30,544,726	30,678,883	32,459,813
Commissions - Video Lottery	145,408,704	141,385,014	153,929,969	175,671,070
Total Commission	\$170,981,545	\$171,929,740	\$184,608,852	\$208,130,883
Net Revenue	\$1,119,424,425	\$1,308,695,372	\$1,401,889,705	\$1,581,078,156
Expenses				
Prize Awards - Lottery Sales				
Instant Tickets	49,553,288	50,183,237	50,998,102	52,061,954
Daily Numbers	14,666,545	15,985,220	14,855,701	15,154,028
EZ Win/Money Roll/Wild Money	2,019,179	2,085,021	2,169,661	2,181,660
Powerball	22,148,935	25,439,299	20,400,144	21,623,239
Keno	55,768,854	57,478,571	62,106,707	68,177,651
Hot Trax	-	161,263	1,525,859	1,535,938
Prize Awards - Video Lottery	736,709,650	872,356,291	941,870,182	1,068,513,183
Cost of Tickets	1,149,999	997,689	1,090,955	1,112,775
Advertising and Promotion	1,466,628	1,606,350	2,000,000	2,000,000
Operating Expenses	4,811,747	4,956,600	5,449,175	5,520,101
Total Expenses	\$888,294,825	\$1,031,249,541	\$1,102,466,486	\$1,237,880,529
Operating Income	\$231,129,600	\$277,445,831	\$299,423,219	\$343,197,627
Other Income				
Pull Tab Sales (net)	194,303	220,180	230,000	230,000
Investment Earnings	343,608	251,175	321,071	368,011
Unclaimed Prize Recoveries	4,428,408	3,006,492	3,200,000	3,200,000
Miscellaneous	409,082	217,966	160,000	160,000
Deferred Revenue-Gtech Contract		625,000	625,000	625,000
Total Other Income	\$5,375,401	\$4,320,813	\$4,536,071	\$4,583,011
Net Income	\$236,505,001	\$281,766,644	\$303,959,290	\$347,780,638

The Agency

Narragansett Bay Commission

Agency Operations

The Narragansett Bay Commission was created by the Rhode Island General Assembly in 1980. Charged with the acquisition and operation of the Field's Point Wastewater Treatment Facility in Providence and portions of the metropolitan Providence wastewater collection system, the Commission's fundamental purpose is to improve and preserve the environmental integrity of Narragansett Bay and its tributaries. Through legislation signed into law by the Governor, the commission assumed ownership of the Bucklin Point Wastewater Treatment Facility in East Providence on January 1, 1992.

The commission owns and operates Rhode Island's two largest wastewater treatment facilities, 92 miles of sewer interceptors, 66 combined sewer overflows, 32 tide gates and 8 pump stations, and provides wastewater collection and treatment services to over 360,000 persons and 8,000 industrial and commercial customers in 10 communities throughout Rhode Island. These communities include Providence, North Providence, Johnston, Pawtucket, Central Falls, Cumberland, Lincoln and portions of Cranston, Smithfield and East Providence.

The commission has a \$216 million five-year capital improvement budget for fiscal years 2006-2010. The commission is governed by a 23-member Board and is organized into four divisions: the Executive, Administration and Finance, Operations and Engineering, and Planning, Policy and Regulation divisions. In addition, through the Clean Water Act, which sets guidelines for water-quality improvements, the commission has been charged with the responsibility to reduce the amount of combined sewer overflows to local waterways within its service area.

Agency Objectives

The Narragansett Bay Commission's primary objective is to ensure that the Field's Point and Bucklin Point Wastewater Treatment Facilities are in compliance with state and federal guidelines, thereby safeguarding the health and safety of the citizens of Rhode Island and protecting their environment.

Statutory History

R.I.G.L. 46-25 relates to the Narragansett Bay Commission: R.I.G.L. 46-25.1 relates to the merger of the Blackstone Valley District Commission and the Narragansett Bay Water Quality Management District Commission, and R.I.G.L. 46-25.2 relates to future acquisitions of wastewater treatment facilities.

The Budget

Narragansett Bay Commission

	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Projected *
Expenditures by Object				
Personnel	13,881,720	14,983,386	16,184,096	16,669,619
Operating Supplies & Expenses	8,070,418	6,880,738	10,446,721	10,760,123
Special Services	1,926,336	3,415,229	2,014,006	2,074,426
Subtotal Operating Expenditures	\$23,878,474	\$25,279,353	\$28,644,823	\$29,504,168
Capital Outlays	679,813	1,382,553	1,205,430	1,241,593
Debt Service	9,901,959	14,634,428	19,229,659	25,626,628
Replacement Reserve	502,527	536,065	934,250	962,278
Landfill Reserve	-	-	-	-
Total Expenditures	\$34,962,773	\$41,832,399	\$50,014,162	\$57,334,667
Expenditures by Funds				
NBC User Fees/Misc Revenues				
Personnel	13,881,720	14,983,386	16,184,096	16,669,619
Operating Supplies & Expenses	8,070,418	6,880,738	10,446,721	10,760,123
Special Services	1,926,336	3,415,229	2,014,006	2,074,426
Capital Outlays	679,813	1,382,553	1,205,430	1,241,593
Debt Service	9,901,959	14,634,248	19,229,659	25,626,628
Replacement Reserve	502,527	536,065	934,250	962,278
Landfill Reserve	-	-	-	-
Total Expenditures	\$34,962,773	\$41,832,219	\$50,014,162	\$57,334,667

* The information presented for FY 2006 has not been reviewed nor approved by the Narragansett Bay Commission and is subject to change pending review by the Commission.

Sources:

FY 2003 Actuals taken from the audited financial statements.

FY 2004 Actuals taken from the audited financial statements.

FY 2005 taken from NBC's approved budget.

The Agency

Rhode Island Public Transit Authority

Agency Operations

The Rhode Island Public Transit Authority (RIPTA) has primary responsibility for directing statewide fixed-route bus service and Americans with Disabilities Act paratransit service operations. RIPTA is managed under the direction of a seven-member policy Board of Directors. In addition to these core transit services, RIPTA operations also include program development and implementation of the statewide carpool program and development and implementation of a high-speed ferry demonstration project from Providence to Newport. RIPTA is committed to protecting the environment and providing safe, reliable, quality transit service that is responsive to customer needs with particular emphasis on Rhode Island's families, children, transit dependent populations, elderly and disabled residents. RIPTA operates a fleet of 238 buses, which are operated and maintained by 720 employees. The authority's main facility is located in the City of Providence with a satellite operation on Aquidneck Island. The state's paratransit operation includes 140 vans, which are currently operated by 3 carriers. In FY 2004, more than 20.2 million passengers were carried on RIPTA's fixed-route bus service and additional 723,987 passengers were transported on the state's coordinated paratransit service.

Agency Objectives

As the statewide public transit organization, RIPTA has a primary role to expand access and mobility opportunities for Rhode Islanders by undertaking actions and supportive strategies, directly and in collaboration with others, to provide a full range of alternatives to the single-occupant automobile. These key mobility strategies include: transit design and service strategies which help improve the livability of communities and act as a stimulus for neighborhood renewal; technological advancements which increase travel options and convenience; and collaborative land use strategies and economic development initiatives that foster transit ridership and pedestrian movement through transit-friendly land use and development.

Statutory History

The authority was created as a body corporate and politic in 1964 by R.I.G.L. 39-18-2 to acquire, purchase, hold, use and dispose of any property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the authority.

The Budget

Rhode Island Public Transit Authority

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Revenue				
Passenger Revenue ⁽¹⁾	13,520,091	16,397,687	22,745,598	24,269,048
Special Revenue	445,447	543,202	519,550	545,415
Other Revenue	6,495,802	10,873,738	11,182,555	11,124,695
State Subsidy - Gasoline Tax ⁽¹⁾	29,054,641	30,686,644	28,732,144	30,000,000
Department of Elderly Affairs	1,189,300	1,228,800	1,276,200	1,292,000
Federal Subsidy	11,805,797	10,809,780	10,254,432	10,210,432
Prior Year Carry Over ⁽²⁾	-	-	-	1,142,856
Total Revenue	\$62,511,078	\$70,539,851	\$74,710,479	\$78,584,446
Expenses				
Salaries and Wages	32,351,887	33,868,627	35,485,477	37,990,885
Employee Benefits	13,209,675	16,215,072	17,341,133	18,795,104
Special Services	1,846,224	1,305,651	1,044,475	1,101,965
Operating Expenses	17,809,632	22,284,169	20,699,023	24,759,976
Total Expenses:	\$65,217,418	\$73,673,519	\$74,570,108	\$82,647,930
Surplus/(Deficit):	(\$2,706,340)	(\$3,133,668)	\$140,371	(\$4,063,484)

Data presented for FY 2006 is preliminary. Federal revenue projections for Jobs Access funding total \$1.0 million. If actual appropriations are less for Jobs Access grants, revisions will be required which may increase the projected deficit for FY 2006.

(1) Beginning March 2004 (FY 2004), a change was made in the payment method from the Department of Human Services for the RIteCare Pass program increasing the reimbursement per pass. To accomplish this, the State reduced RIPTA's gasoline tax allocation from 6.85 cents to 6.25 cents and used the funds to leverage additional federal funds to pay for the RIteCare program. The Proposed FY 2006 budget re-incorporates the State Subsidy - Gasoline Tax funds that were to be used to leverage the RiteCare federal dollars back into the budget.

(2) Carryover includes the FY 2005 state subsidy - gasoline tax funds that were earmarked to leverage the RiteCare federal dollars. These funds will not be removed from the FY 2005 budget.

Sources:

FY 2003 and FY 2004 Actuals taken from the audited financial statements.

FY 2005 Budget has been approved by the RIPTA Board of Directors.

FY 2006 Proposed Budget, including the Prior Year CarryOver, has not been approved by the RIPTA Board of Directors.

The Agency

Quonset Development Corporation

Agency Operations

The Quonset Development Corporation (QDC) is a real estate development and management company organized as a subsidiary of the Rhode Island Economic Development Corporation.

The Quonset Development Corporation's Board of Directors consists of eleven members. The Executive Director of the RI Economic Development Corporation is the chairperson. The Governor appoints six members, the Town of North Kingstown appoints two members, the Town of Jamestown appoints one member, and the Town of East Greenwich appoints one member.

Agency Objectives

The Corporation develops and manages the Quonset Business Park in accordance with the QDC Master Plan and in the best interests of the citizens of Rhode Island to attract and retain successful businesses that provide high quality jobs.

The Corporation insures quality infrastructure, a high standard of design and aesthetics within the Park to create a favorable work environment compatible with the natural setting of the land and Narragansett Bay.

The Corporation develops and operates the Park in an environmentally sound manner, maintains excellent relationships with Park tenants, the Town of North Kingstown, and surrounding communities.

Statutory History

The Corporation was created in 2004 by Title 42, Chapter 64.9 of the Rhode Island General Laws, as a subsidiary of the Rhode Island Economic Development Corporation.

The Budget

Quonset Development Corporation

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Estimated Opening Balance Revenues:	\$0	\$0	\$0	\$0
Revenues from Operations				
Rental Income	-	-	1,983,260	4,171,710
Pier Income	-	-	200,000	400,000
Utility Sales	-	-	991,500	1,983,000
Other Income	-	-	339,812	740,000
Subtotal	\$0	\$0	\$3,514,572	\$7,294,710
Total Resources	\$0	\$0	\$3,514,572	\$7,294,710
Expenditures				
Personnel Expenses	-	-	1,517,308	3,108,763
Operating Expenses	-	-	2,060,544	3,531,800
EDC Allocation	-	-	450,000	600,000
Total Expenditures	\$0	\$0	\$4,027,852	\$7,240,563
Closing Balance	\$0	\$0	(513,280)	54,147

The projected deficit in FY 2005 will be dealt with by the Board of Directors during the fiscal year and is not anticipated to impact the opening balance for FY 2006.

The Program

Rhode Island Refunding Bond Authority

Program Operations

The Rhode Island Refunding Bond Authority was created in 1987 as a public corporation, having a distinct legal existence from the state and not constituting a department of state government. It was created for the purpose of providing a means to advance refund two series of general obligation bonds (1984 and 1985) of the State of Rhode Island. The authority is authorized to issue bonds and notes secured solely by revenues derived from payments pursuant to a loan and trust agreement with the State of Rhode Island, which are subject to annual appropriation. In 1988, the state entered into a loan and trust agreement with the Rhode Island Refunding Bond Authority, which issued \$20,640,000 of bonds for the advance refunding of \$18,640,000 of the state's general obligation bonds.

The payment of such loans by the state is subject to and dependent upon annual appropriations being made by the General Assembly. As of June 30, 2004, bonds in the amount of \$84,730,000 were outstanding.

On July 1, 1997, the Rhode Island Public Buildings Authority was merged into the authority. Prior to the merger, the Public Buildings Authority issued debt to finance the acquisition and construction of certain facilities to be leased by state agencies. Debt service payments are secured by the lease payments made by the state, subject to annual appropriations. In June 1998, the Refunding Bond Authority refunded portions of four series of Public Building Authority Bonds with the issuance of the 1998 Series A State Public Project Revenue bonds in the amount of \$39,875,000.

Program Objectives

To ensure prompt payment of outstanding debts of the authority.

Statutory History

R.I.G.L. 35-8.1 created the authority.

The Budget

Rhode Island Refunding Bond Authority

The budget of the Refunding Bond Authority is reflected in the operating budget of the General Treasurer.

The Agency

Rhode Island Resource Recovery Corporation

Agency Operations

The Rhode Island Resource Recovery Corporation operates an integrated statewide system of solid waste management facilities and programs to provide environmentally sound and economically reasonable source reduction, recycling and disposal services. The goal of the corporation's solid waste management system is to minimize the amount of waste generated and landfilled and maximize waste reduction and recycling.

The materials recycling facility (MRF), in concert with grants to municipalities, supports a broad municipal recycling program. Metals, plastics, glass containers, paper cartons, juice boxes, and numerous types of paper and cardboard are delivered to the MRF, processed, and sold on the open market to be remanufactured.

The waste reduction program includes a number of initiatives including (but not limited to): teaching materials and activities; school presentations; two videos and a CD-ROM; education on leaf and yard debris composting; information on reducing unwanted mail, excess packaging and plastic bag use; assistance to schools interested in recycling; and an internet-based reuse program.

The corporation has developed and implemented an integrated solid waste management system in the most environmentally sensitive and economical manner possible. The landfill is currently the foundation of the integrated system. All operations are conducted utilizing state-of-the-art technology, including double lining of the landfill and an integrated methane recovery system. The corporation operates a construction/demolition (C&D) debris processing facility, which converts certain types of C&D debris from solid waste to alternate cover material, thereby conserving valuable landfill capacity. In August 2001, the corporation took over the ECO-DEPOT program, previously administered by the R.I. Department of Environmental Management, to handle and dispose of household hazardous waste.

Agency Objectives

The corporation's primary objectives are to develop cost-effective waste reduction systems, divert waste from the landfill, and provide cost-effective disposal alternatives. The corporation encourages backyard composting and sells subsidized composting bins to Rhode Island residents. The corporation's "Maximum Recycling Program," has successfully increased recyclables diversion at reduced cost. The "Maximum Recycling Program" has been implemented in 37 of 39 municipalities throughout the state, providing the opportunity of these municipalities to reduce their waste disposal costs. Licensure of additional landfill capacity is being pursued to maintain disposal capacity as the current facility is depleted.

Statutory History

R.I.G.L. 23-19 defines the programs that are required of the corporation.

The Budget

Rhode Island Resource Recovery Corporation

	FY 2003 Audited	FY 2004 Audited	FY 2005 Revised	FY 2006 Recommended ⁽¹⁾
Revenues:	\$61,754,529	\$67,544,030	\$64,931,326	\$65,935,264
Expenses:				
Cost of Operations	22,790,253	21,646,051	27,862,732	24,693,236
General and Administrative	3,136,566	2,999,669	4,041,587	4,644,184
Host Community Costs	3,424,598	3,519,185	3,715,000	3,715,000
Superfund Cleanup Costs and Post Closure Care Costs	15,144,964	14,083,047	7,918,095	10,780,894
Cost of Recycling and Recycling Grants	4,259,602	4,856,416	5,647,321	5,124,853
Interest Expense	965,326	918,065	912,889	835,106
(Gain) Loss on Abandonment & Sales of Property	316,285	(8,798)	-	(738,053)
Depreciation, Depletion & Amortization	16,360,579	12,845,849	13,430,753	13,671,161
Total Expenses	\$66,398,173	\$60,859,484	\$63,528,377	\$62,726,381
Income (Loss) from Operations	(\$4,643,644)	\$6,684,546	\$1,402,949	\$3,208,883
Transfers (to) from State of Rhode Island	(6,000,000)	-	(4,300,000)	(4,500,000) ⁽²⁾
Net Income (Loss) for the Year	(\$10,643,644)	\$6,684,546	(\$2,897,051)	(\$1,291,117)
Assets:				
Cash and Specified Investments	16,621,651	12,381,148	5,524,270	7,662,319
Accounts Receivable, Net	6,822,828	8,153,543	8,153,543	8,153,543
Property, Plant and Equipment, Net	91,190,527	93,841,667	101,998,943	97,632,817
Assets Held in/for Trust	43,804,133	53,151,568	42,929,019	45,395,019
Other Assets	3,269,819	3,194,097	3,447,486	3,426,690
Total Assets	\$161,708,958	\$170,722,023	\$162,053,261	\$162,270,388
Liabilities:				
Bonds/Notes Payable	\$18,970,291	\$18,301,086	17,611,882	16,291,882
Superfund Cleanup, Closure & Post Closure Care Liabilities	60,136,373	64,696,641	59,677,922	62,643,166
Accounts Payable	6,869,680	5,859,239	5,859,239	5,859,239
Accrued Interest	324,235	290,677	339,584	202,584
Other Liabilities	5,319,763	4,801,221	4,688,526	4,688,526
Total Liabilities	\$91,620,342	\$93,948,864	\$88,177,153	\$89,685,397
Retained Earnings	\$70,088,616	\$76,773,159	\$73,876,108	\$72,584,991
Total Liabilities and Retained Earnings	\$161,708,958	\$170,722,023	\$162,053,261	\$162,270,388

(1) The FY 2005 Revised Budget reflects budget revision/transfers approved through 11-30-04 in accordance with RIRRC's policies and procedures. The FY 2006 Recommended Budget reflects management's FY 2006 budget projections and has not been reviewed and/or approved by the Corporation's Board of Commissioners. The final budget numbers may be significantly different than the preliminary numbers reflected herein.

(2) The FY 2006 budget projection reflects an anticipated transfer to the State of RI General Fund of \$4.5 million.

The Agency

Rhode Island Student Loan Authority

Agency Operations

The authority, a public corporation, governmental agency, and public instrumentality of the state, was established pursuant to an act of the Legislature in May, 1981 for the purpose of providing a comprehensive system of financial aid for needy students. The authority originates and acquires over \$130,000,000 of federally guaranteed loans pursuant to the provisions of the Higher Education Act. In May 1992, the authority's enabling legislation was amended to permit it to finance the origination and acquisitions of non-federal guaranteed student loans under its Rhode Island Family Education Loan Program. In February 2001 RISLA started the CollegeBound Loan Program.

As of September 30, 2004, the authority holds \$612,961,293 in Federal Family Education Loans serving 58,444 student loan borrowers. Rhode Island Family Education Loans and CollegeBound Loans are held by the authority with a principal of \$159,342,930 and have served 14,714 student loan borrowers. Under its enabling legislation, the authority may issue bonds to further its corporate purpose. The bonds are not an obligation of the State of Rhode Island and are solely an obligation of the authority. As of September 30, 2004, the authority has \$806,225,000 in bonds outstanding.

Agency Objectives

Under the Higher Education Act, the authority provides Federal Family Education Loans consisting of subsidized and unsubsidized Stafford Loans, Parent Loans and Consolidated Loans. The Authority has a long history of assisting student and parent borrowers by lowering their cost of borrowing. The Authority paid from 1994 through 2002 the one percent guarantee fee charged by the Rhode Island Higher Education Assistance Authority. Between 2002 and 2003, the Authority reduced the cost of student Stafford Loan borrowing by paying one percent of the loan origination fee charged by the U.S. Department of Education and paid the entire three percent fee for the 2004-2005 academic year, saving Rhode Island students \$3.0 million for the year. RISLA anticipates offering the three percent Stafford Loan origination fee incentive for the 2005-06 academic year. Since 1994, the Authority has also reduced the cost of borrowing to parent PLUS borrowers by reducing the interest rate one percent less than other lenders, saving Rhode Island parents over \$7.0 million in interest payments over the life of the loans. RISLA also offers an interest free Stafford loan for qualified students studying teaching or nursing. RISLA started a scholarship program in FY 2004 named in honor of former state representative and Rhode Island College professor of special education, Paul Sherlock. RISLA awarded need based scholarships of \$2,000 to twenty-five students in FY 2004 and plans to offer the same number again in FY 2005.

Statutory History

The authority was created in 1981 by Title 16 Chapter 62 of the Rhode Island General Laws. It is governed by a seven-member board of directors, five of which are appointed by the Governor for staggered terms and two who represent the chairpersons of the finance committees of the House and Senate.

The Budget

Rhode Island Student Loan Authority

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Expenditures by Program				
Federal Family Education Loan	28,773,061	22,390,025	23,023,405	23,023,405
Rhode Island Family Education Loan	4,387,819	5,714,739	6,228,169	6,228,169
Transfer to State for RIHEAA Scholarship Program	-	5,000,000	5,000,000	-
College Planning Center	218,034	255,474	269,396	269,396
Representative Paul Sherlock Scholarship Program	-	50,000	50,000	50,000
Total Expenditures	\$33,378,914	\$33,410,238	\$34,570,970	\$29,570,970
Expenditures by Category				
Interest & Bond Expenses	18,619,879	14,011,395	15,583,194	15,583,194
Loan Servicing	5,454,949	5,961,935	6,393,564	6,393,564
Loan Origination Expenses	3,565,538	4,512,731	4,827,520	4,827,520
Transfer to State for RIHEAA Scholarship Program	-	5,000,000	5,000,000	-
Provision for Risk Share	2,913,245	1,674,550	2,097,630	2,097,630
Bond Amortization	613,134	259,037	276,384	276,384
Personnel	1,911,928	1,740,493	342,678	342,678
Depreciation	300,241	200,097	-	-
Representative Paul Sherlock Scholarship Program	-	50,000	50,000	50,000
Total Expenditures	\$33,378,914	\$33,410,238	\$34,570,970	\$29,570,970
Expenditures by Funds				
Sale of Loan Assets and Licensing Revenue	-	5,000,000	5,000,000	-
Bond Indentures	33,378,914	28,360,238	29,520,970	29,520,970
Dedicated revenue from Licensing	-	50,000	50,000	50,000
Total Expenditures	\$33,378,914	\$33,410,238	\$34,570,970	\$29,570,970

The Agency

Rhode Island Turnpike and Bridge Authority

Agency Operations

The Rhode Island Turnpike and Bridge Authority was created in 1954 by the Rhode Island General Assembly as a body corporate and politic with powers to construct, acquire, maintain, and operate bridge projects as defined by law. The authority was responsible for the construction of the Claiborne Pell Bridge (formerly the Newport Bridge) which was opened for traffic on June 28, 1969. The Turnpike and Bridge Authority is responsible for the operation and maintenance of the Pell Bridge between Newport and Jamestown and the Mount Hope Bridge between Portsmouth and Bristol.

Agency Objectives

To facilitate vehicular traffic over waters of the Mount Hope Bay and the East Passage of the Narragansett Bay by operation and maintenance of its two suspension bridges - the Claiborne Pell Bridge built in 1969 and the Mount Hope Bridge built in 1929. The structures are integral to the travel in the coastal area of Rhode Island and its neighboring states. On July 31, 2003 Taxable Refunding Revenue Bonds – Series 2003 were issued in the amount of \$35,650,000 to refund the outstanding 1997 Refunding Revenue Bonds. The maturity date of December 1, 2017 remains the same. At June 30, 2004 \$33,620,000 remains to be paid plus semi-annual interest. The toll for the Mount Hope Bridge has been eliminated and the upkeep remains the responsibility of the Authority from proceeds of toll revenues levied on the Claiborne Pell Bridge and interest earning on investments. The bond covenants provide for non-system projects to the extent that revenues in excess of the obligation of the system allow.

Statutory History

Title 24 Chapter 12 of the General Laws of Rhode Island established the organization and function of the Rhode Island Turnpike and Bridge Authority. In January 1997, the legislature passed article 36 amending the law adding certain provisions in section 24-12-9.

The Budget

Rhode Island Turnpike and Bridge Authority

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Revenue				
Tolls	11,683,353	12,125,300	12,150,000	12,200,000
Interest on Investments	2,339,115	1,772,020	1,113,000	1,120,000
Other	18,592	14,131	11,000	11,000
Total Revenue	\$14,041,060	\$13,911,451	\$13,274,000	\$13,331,000
Expenses				
Current Operating				
Wages - Contingencies	1,913,809	2,041,709	2,170,000	2,300,000
Operating Maintenance & Supplies	695,123	542,225	683,000	697,000
Utilities	79,055	102,488	96,000	110,000
Insurance	751,508	943,275	955,000	955,000
Professional	306,293	222,057	200,000	200,000
Debt Service and Reserves				
Bond Interest	1,855,583	1,649,812	1,350,000	1,344,000
Bond Principal	1,590,000	2,145,000	1,970,000	1,975,000
Renewal/Replacement Fund	6,822,000	3,758,000	4,000,000	4,000,000
Insurance Reserve	-	2,000,000	1,100,000	1,250,000
General Fund	-	400,000	750,000	500,000
Total Expenses and Funding	\$14,013,371	\$13,804,566	\$13,274,000	\$13,331,000
Net	\$27,689	\$106,885	-	-

The information presented above was provided by the entity and in most cases the data provided for FYE 2006 has not been approved by the board, authority, or bond holders.

The Renewal and Replacement Fund is used to pay for maintenance and capital improvements of the Authority's two bridges and support system properties. Amounts in the renewal and Replacement Fund have been pledged to the bondholders.

The Agency

Rhode Island Underground Storage Tank Financial Responsibility Fund Review Board

Agency Operations

The Rhode Island Underground Storage Tank (UST) Financial Responsibility Fund Review Board was created by the Rhode Island General Assembly in 1994. The UST Review Board provides an effective mechanism for UST owners, including city, town and state facilities, to comply with the financial responsibility requirements established by the US Environmental Protection Agency. The board also helps to insure that environmental and public health impacts of underground storage tank leaks are addressed in an effective and timely manner.

The board is comprised of thirteen members who are responsible for: overseeing the administration and implementation of the fund; reviewing submissions and claims received from eligible parties; and approving, modifying or denying claims to eligible parties. The board is currently staffed with four full-time employees.

Funding for the UST Financial Responsibility Fund Review Board is derived from a one cent (\$0.01) per gallon surcharge on motor fuel sold to owners and/or operators of underground storage tanks, and application fees.

Disbursements of funds are made on a quarterly basis. To date, the Board has disbursed over \$35 million to eligible applicants.

Agency Objectives

The objective of the Rhode Island Underground Storage Tank Financial Responsibility Fund Review Board is to facilitate the clean-up of leaking underground storage tanks or underground storage tank systems to protect drinking water supplies and the public health.

Statutory History

R.I.G.L. 46-12.9 establishes the Rhode Island Underground Storage Tank Financial Responsibility Fund Review Board. In 2001, the statute was amended to limit the eligibility of government entities to participate in the program. Now, any city, town, or state facility must be in compliance with the Department of Environmental Management's regulations; they must pay the deductible of twenty thousand dollars of eligible costs; and they must pay the special motor fuels tax. Also, to be eligible, releases must be from tanks that are required by the U.S. EPA to have financial responsibility coverage. In 2002, legislation was passed to make the UST Financial Responsibility Board a quasi-public entity.

The Budget

Rhode Island Underground Storage Tank Financial Responsibility Fund Review Board

	FY 2003	FY 2004	FY 2005	FY 2006	(1)
	Actual	Actual	Revised	Recommended	
Expenditures by Object					
Personnel	296,128	298,948	331,205	282,397	
Operating Supplies and Expenses	164,362	197,195	93,999	145,089	
Special Services	154,807	51,177	55,000	55,000	
Subtotal: Operating Expenses	\$615,297	\$547,320	\$480,204	\$482,486	
Non-recurring Capital Outlays	-	-	15,000	-	
Capital Outlays	-	-	5,000	-	
UST Remediation	3,845,775	3,345,460	4,000,000	4,050,000	
Transfer to State of Rhode Island	-	-	-	2,000,000	(2)
Total Expenditures	\$4,461,072	\$3,892,780	\$4,500,204	\$6,532,486	

(1) The information presented for FY 2006 has not been reviewed nor approved by the Governing Board and is subject to change pending review of the Governing Board.

(2) The Governor's FY 2006 budget provides for a \$2.0 million transfer to the State of Rhode Island General Fund.

The Agency

Rhode Island Water Resources Board Corporate

Agency Operations

The Rhode Island Water Resources Board Corporate (RIWRB Corporate) was established by the General Assembly in 1970 as an agency with a distinct legal existence from the state. The RIWRB Corporate establishes water supply facilities and leases them to the cities, towns, districts and other municipal, quasi-municipal, private corporations and water supply companies. The RIWRB Corporate may contract for use of the facilities of such persons, or sell to those persons, the water derived from, carried by, or processed in the facilities. The RIWRB Corporate administers the Public Drinking Water Protection Program, which protects the quality and safety of public drinking water supplies. The RIWRB Corporate operates two funds: the Providence Project Fund has financed water quality/quantity improvement projects for the Providence Water Supply System; the Water Quality Protection Fund backs revenue bonds, the proceeds from which are disbursed to fund contributors for the purposes of protecting water supplies and associated watersheds, wells and wellheads.

Board Corporate Objective

Protect the quality and safety of the public drinking water supply by providing revenue bonding for the acquisition of properties surrounding watersheds and water supply facilities for the state and municipal water suppliers.

Statutory History

The Rhode Island Water Resources Board Corporate was established under R.I.G.L. 46-15.1 in 1970.

The Budget

Rhode Island Water Resources Board Corporate

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Expenditures by Object				
Personnel	66,093	57,693	69,514	87,185
Other State Operating	6,700	8,419	9,050	11,125
Assistance, Grants and Benefits	-	1,820,000	2,400,000 *	3,200,000 *
Subtotal: Operating Expenditure	\$72,793	\$1,886,112	\$2,478,564	\$3,298,310
Capital Projects Debt Service	1,319,890	1,098,594	1,087,156	1,085,739
Total Expenditures	\$1,392,683	\$2,984,706	\$3,565,720	\$4,384,049
Expenditures by Funds				
Personnel	66,093	57,693	69,514	87,185
Other Operating Expenses	6,700	8,419	9,050	11,125
Assistance, Grants and Benefits	-	1,820,000	2,400,000	3,200,000
Capital Debt Service	1,319,890	1,098,594	1,087,156	1,085,739
Subtotal: Water Quality Protection Charge	\$1,392,683	\$2,984,706	\$3,565,720	\$4,384,049
Other Funds				
Capital Debt Service-Prov Project	1,074,714	1,074,558	1,071,794	1,070,432
Subtotal: Water Quality	\$1,074,714	\$1,074,558	\$1,071,794	\$1,070,432
Total Expenditures	\$1,392,683	\$2,984,706	\$3,565,720	\$4,384,049

* Phase III of Watershed Protection Program

Component Units

The Agency

Rhode Island Children's Crusade for Higher Education

Agency Operations

The Rhode Island Children's Crusade for Higher Education offers a range of age-appropriate supports for students as they progress from grades 3-12. Through its direct services and grant-making programs, it partners with over 60 schools and community agencies to serve crusaders – with special emphasis on youth from the seven Rhode Island cities and towns with the greatest numbers of low-income families. Currently, there are approximately 9,500 crusaders in grades 3-12. Four cohorts of crusaders – those who enrolled in 1990-1993 have graduated. Through fiscal year 2004, scholarships have been provided to approximately 1,200 crusaders. The Crusade has a \$9.6 million scholarship fund as well as pledges of donated scholarships from 61 colleges, universities and trade schools. The Crusade is supported by an annual allocation from the state of Rhode Island and by federal and private grants and gifts from individuals.

Agency Objectives

The Rhode Island Children's Crusade for Higher Education is an early intervention program seeking to reduce the dropout rate among low-income students and to encourage them to continue on to higher education. Children enroll in the third grade by making a pledge to work hard in school, to avoid alcohol, drugs, early parenthood and trouble with the law. Crusaders who graduate high school, earn admission to higher education and financially qualify will receive scholarship support.

Statutory History

The Crusade was founded as an independent 501(c)(3) organization in November of 1989 by the Board of Governors for Higher Education as a long-range strategy to increase high school graduation and college going rates for low-income students. It is governed by a 19-member Board of Directors. Legislation enacted in 1990 (see R.I.G.L. 16-70-2) established a mechanism for state support of the Crusade as a line item in the Office of Higher Education's budget.

The Budget

Rhode Island Children's Crusade for Higher Education

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Carry Forward Funds	259,630	131,241	158,174	48,174
Scholarship Fund/Cash & Pledges	1,575,169	2,957,725	4,090,337	3,901,206
Support & Revenue				
State Appropriation/BOG Support	1,725,997	1,746,603	1,571,050	1,571,050
Private Donations/Miscellaneous Grants	135,758	241,079	396,172	419,942
Special Events	45,052	93,851	130,000	137,800
Public/Private In-Kind Contributions	1,495,362	1,062,412	805,520	853,851
Federal Grant Funds	2,686,668	1,987,110	2,617,944	2,775,021
Carnegie Foundation Grant	1,430,736	1,718,529	1,908,806	2,023,334
Investment Income	45,487	28,009	30,000	30,900
Prior Year Grant Adjustments	10,305	28,331	-	
Subtotal	\$7,575,365	\$6,905,924	\$7,459,492	\$7,811,898
Total Resources	\$9,410,164	\$9,994,890	\$11,708,003	\$11,761,278
Expenses				
Personnel Cost	3,019,076	2,613,645	3,134,289	3,322,346
Special Services	179,816	171,620	170,100	180,306
Special Events	38,096	44,419	73,000	77,380
Program Support Services	3,651,340	3,328,688	3,502,083	3,502,083
Operating Expenses	670,759	620,619	590,020	625,421
Cost of Scholarships	1,614,836	2,957,725	4,090,337	3,901,206
Total Expenses	\$9,173,923	\$9,736,716	\$11,559,829	\$11,608,742
Transfer to Scholarship Fund	105,000	100,000	100,000	100,000
Closing Fund Balance	\$131,241	\$158,174	\$48,174	\$52,536

The information presented for FY 2006 is preliminary and has not been reviewed nor approved by the Rhode Island Children's Crusade Board of Directors and is subject to change.

As of June 30, 2004, the fair market value of the scholarship fund is \$9,598,254, the net value of the donated scholarships is \$12,500,000. The estimated cost of scholarships for children enrolled on June 30, 2004 is \$24,900,000.

The Agency

Rhode Island Economic Policy Council

Agency Operations

The Rhode Island Economic Policy Council is a non-profit corporation founded in March 1995 by an Executive Order of the Governor and incorporated under the laws of Rhode Island in January 1996. The Council was re-established and expanded by Executive Orders 98-2 and 03-06. The Council is organized as a non-profit 501(c)(3) corporation for tax purposes. The Council is composed of twenty-five members from business, labor, higher education and government, including the Governor and leaders of the Rhode Island General Assembly. The private sector and the State of Rhode Island equally fund the Council.

Agency Objectives

The Council's function is to identify the critical economic conditions facing Rhode Island and to devise strategies and launch initiatives that leverage Rhode Island's key capabilities in order to create sustainable added value for the state in the regional, national and global contexts. The aim of these efforts is to unleash the creative potential of Rhode Island and its citizens in ways that increase median household income and preserve and enhance the state's distinctive quality of place. Working in close partnership with the Rhode Island Economic Development Corporation, the Council is helping to make Rhode Island a test bed for business and government innovation.

The Council also serves as a score-keeper of the performance of the programs of the Rhode Island Economic Development Corporation.

In the past, the Council administered the Slater Technology Fund. In October 2003, the Slater Technology Fund was spun off from the Policy Council as the Slater Board, Inc., a non-profit corporation under the direction of the Rhode Island Economic Development Corporation.

The Budget

Rhode Island Economic Policy Council

	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Recommended
Opening Balance:	\$403,229	\$4,973	\$29,758	\$3,758
Revenues				
State Operating Transfers	175,000	300,000	300,000	300,000
Slater Centers of Excellence	2,500,000	1,000,000	-	-
Private Contributions	199,670	75,000	300,000	300,000
Interest Earnings	6,192	701	-	-
Other Support	-	129,679	-	-
Subtotal	\$2,880,862	\$1,505,380	\$600,000	\$600,000
Total Resources	\$3,284,091	\$1,510,353	\$629,758	\$603,758
Expenditures				
Personnel Expenses	406,537	290,990	290,000	313,000
Operating Expenses	158,541	124,973	128,000	132,000
Consulting Expenses	167,928	263,729	193,000	140,000
Grants	2,521,095	794,893	-	-
Capital Outlay	25,017	6,010	15,000	15,000
Total Expenditures	3,279,118	1,480,595	626,000	600,000
Closing Balance	4,973	29,758	3,758	3,758