



**Gina M. Raimondo,  
Governor**

**State of Rhode Island and  
Providence Plantations  
Fiscal Year 2018  
Budget**

**Executive Summary**

# **Education**



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# Education

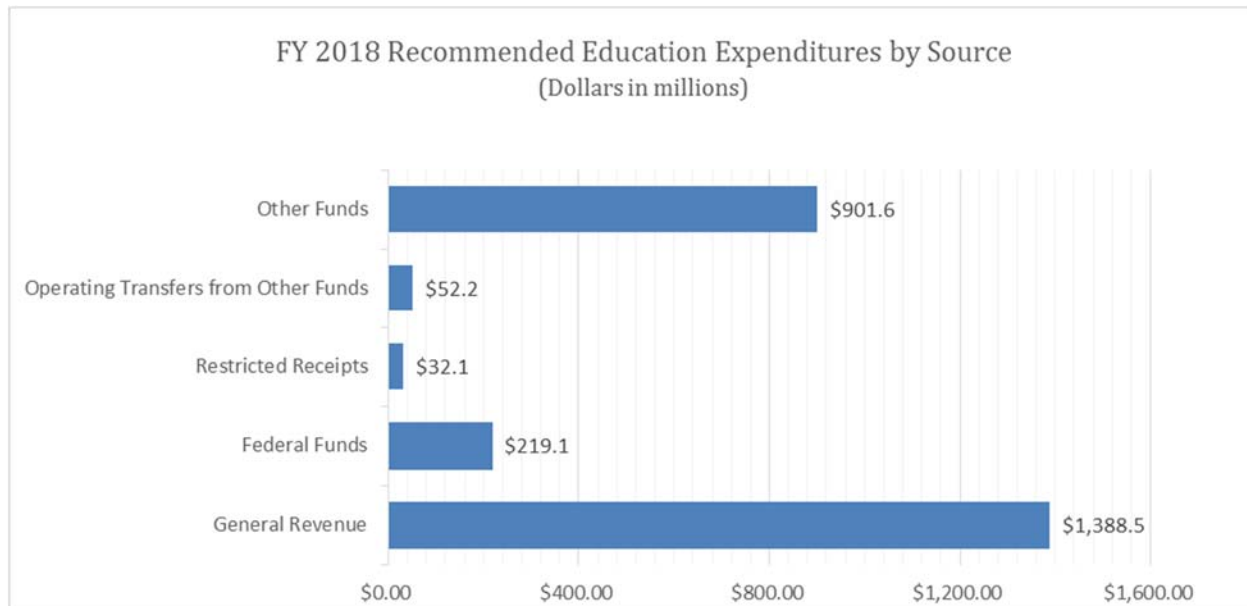
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## Summary

The Education function of state government includes services provided by the Department of Elementary and Secondary Education, Public Higher Education, the Rhode Island State Council on the Arts, the Rhode Island Atomic Energy Commission, and the Historical Preservation and Heritage Commission. The Governor recommends 4,654.7 FTE positions in FY 2017 and 4,664.7 FTE positions in FY 2018.

The 2014 General Assembly restructured the Board of Education to strengthen its coordinating role by creating a 17-member Board, responsible for setting goals and working on system-wide initiatives. Members of the Board serve on two eight member councils, the Council on Elementary and Secondary Education and the Council on Postsecondary Education. The 2015 General Assembly merged the Rhode Island Higher Education Assistance Authority into Public Higher Education where it is now a program within the Office of the Postsecondary Commissioner, the Division of Higher Education Assistance.

In FY 2018, the Governor continues to support these initiatives by fully funding year seven of the K-12 education aid formula and by providing state assistance through the higher education institutions by establishing the new *Rhode Island Promise Scholarship* scheduled to begin in school year 2017-2018. The Governor recommends total expenditures of \$2.593 billion for Education in FY 2018, including \$1.388 billion from general revenue, \$219.1 million from federal funds, \$32.1 million from restricted receipts, and \$953.8 million from other funds. In the Education function of state government, other funds consist of resources from: the Rhode Island Capital Plan Fund, Institutional Revenues, Sponsored Research Programs, Scholarships and Fellowships, and Auxiliary Enterprises in Public Higher Education.



The Governor recommends additional general revenue expenditures of \$45.8 million for the Department of Elementary and Secondary Education, compared to the FY 2017 enacted level. Along with fully funding the seventh year of the education aid funding formula, the Governor recommends new initiatives designed to best prepare Rhode Island's youth for future postsecondary success, as well as instilling the skills necessary for success in a 21<sup>st</sup> century economy. Two initiatives, the ELL Regulation Implementation and Kindergarten Entry profile, are designed to recognize and support student to meet the necessary benchmarks of learning. There are also initiatives, like the Advanced Course Network and the Davies Advanced Manufacturing

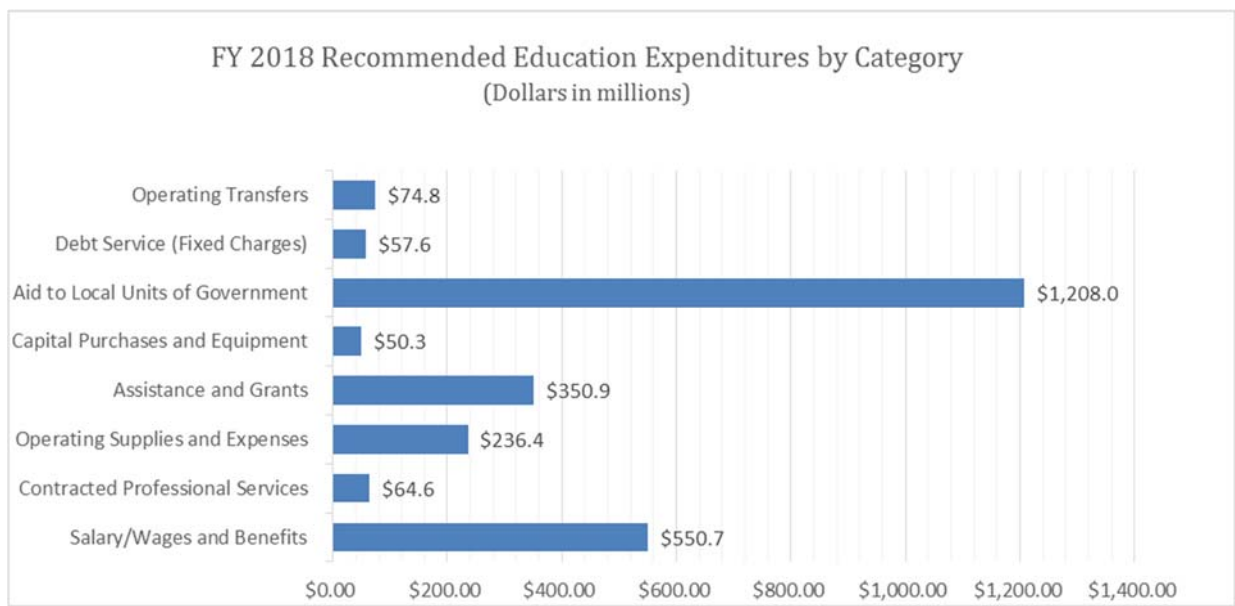
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# Education

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program (financed through the Rhode Island Capital Plan Fund), designed to best prepare secondary students for their future endeavors.

For postsecondary education, the Governor provides a total of \$1.138 billion at the State's three institutions of higher learning in FY 2018, including \$203.5 million in general revenue. The Governor provides a total of \$50.2 million to the Office of the Postsecondary Commissioner, including \$22.3 million in general revenue, for the Office's role in overseeing the institutions, administering the newly proposed *Rhode Island Promise Scholarship* program, funding the Rhode Island Nursing Education Center, and administering various programs that offer meaningful aid to current and potential students. The FY 2018 general revenue allocation to the Office of the Postsecondary Commissioner also includes an additional \$500,000 in supplemental funding for the Prepare RI Dual Enrollment Fund, which will now be financed at \$1.8 million, as demand has increased.



The Governor's general revenue recommendation of \$1.388 billion for Education for FY 2018 is an increase of \$75.2 million, or 5.7 percent, from FY 2017 enacted levels. The FY 2017 revised recommendation is an increase of \$2.3 million, or 0.2 percent more than the FY 2017 Enacted Budget general revenue total of \$3.313 billion.

Aid to Local Units of Government accounts for 46.6 percent of all education expenditures, entirely attributable to state aid to local units of government pursuant to the education funding formula. State operations expenditures, which include personnel and operating, account for 32.8 percent of total education expenditures, most of which occur in Public Higher Education. The remaining 20.6 percent of expenditures occur as institutional and pass-through student aid at the higher education institutions, capital outlays, and debt service.

# Education

## ELEMENTARY AND SECONDARY EDUCATION

Source Of Funds	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Enacted	FY 2017 Revised	FY 2018 Recommended
General Revenue	\$1,002,464,660	\$1,064,893,020	\$1,112,847,293	\$1,112,937,359	\$1,158,617,116
Federal Funds	\$197,213,822	\$191,287,906	\$206,229,553	\$207,575,449	\$203,500,000
Restricted Receipts	\$28,575,427	\$28,738,364	\$30,186,994	\$30,330,048	\$29,454,419
Other Funds	\$299,774	\$0	\$659,000	\$659,000	\$359,000
RI Capital Plan Fund	\$3,634,804	\$4,203,349	\$4,050,000	\$6,608,715	\$6,549,000
<b>Total Funding</b>	<b>\$1,232,188,487</b>	<b>\$1,289,122,639</b>	<b>\$1,353,972,840</b>	<b>\$1,358,110,571</b>	<b>\$1,398,479,535</b>
<b>FTE Authorization</b>	344.4	337.4	325.1	325.1	325.1

### *FY 2017 Revised Budget*

The Governor recommends revised FY 2017 appropriations of \$1.358 billion for the Department of Elementary and Secondary Education, including \$1.113 billion from general revenue, \$207.6 million from federal funds, \$6.6 million from the RI Capital Plan Fund, \$30.3 million from restricted receipts, and \$659,000 from other funds. Relative to FY 2017 enacted levels, recommended general revenue financing increases by \$90,066, federal financing increases by \$1.3 million, restricted receipt financing increases by \$143,054, financing from the RI Capital Plan Fund increases by \$2.6 million, and financing from other funds remains unchanged. The revised FY 2017 Budget is inclusive of enacted statewide assessed fringe benefits and other savings distributed to state agencies, which results in \$44,011 of general revenue savings being allocated to the Department of Elementary and Secondary Education. Davies Career and Technical School (Davies) is not subject to statewide savings due to being financed through the funding formula.

### **Administration of the Comprehensive Education Strategy**

Within the Administration of the Comprehensive Education Strategy (ACES) program, the Governor recommends revised FY 2017 appropriations of \$233.6 million, including \$20.6 million from general revenue, \$205.9 million from federal funds, \$2.3 million from the RI Capital Plan Fund, and \$4.8 million from restricted receipts. Relative to FY 2017 enacted levels, recommended general revenue financing increases by \$89,599, federal funds financing increases by \$1.3 million, and financing for both the RI Capital Plan Fund and restricted receipts remain unchanged. Major changes include:

### **Education Aid**

Within the Education Aid program, the Governor recommends revised FY 2017 appropriations of \$867.4 million, including \$845.9 million from general revenue, \$600,000 from other funds, and \$20.9 million from restricted receipts. Relative to FY 2017 enacted levels, recommended general revenue financing increases by \$68,000, restricted receipt financing increases by \$155,254, and financing from other funds remains unchanged. Major changes include:

- *Group Home Supplemental.* Pursuant to R.I.G.L. 16-64-1.1(b)(2), the Department is required to reimburse Local Education Agencies (LEAs or local districts) for each group home bed certified by the Department of Children, Youth, and Families (DCYF) by the preceding December 31<sup>st</sup>. The Governor recommends supplemental general revenue financing of \$68,000 in FY 2017, attributable to four new beds in Providence.

### **School Construction Aid**

Within the School Housing Aid program, the Governor recommends revised FY 2017 appropriations of \$80.0 million from general revenue, comprised of \$70.9 million for the School Housing Aid program established by R.I.G.L. 16-7-35, and \$9.1 million for the School Building Authority fund, established by R.I.G.L. 45-

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# Education

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38.2-2, consistent with the enacted level.

## **Teacher Retirement**

Within the Teacher Retirement program, the Governor recommends revised FY 2017 appropriations of \$99.1 million from general revenue, consistent with the enacted level. Per R.I.G.L. 16-16-22, the state funds 40.0 percent of the employer's share of retirement contributions on behalf of teachers who are members of the Teacher's Retirement System.

## **Davies Career & Technical High School (Davies)**

Within the Davies Career and Technical High School program, the Governor recommends revised FY 2017 appropriations of \$19.0 million, including \$12.6 million from general revenue, \$1.5 million from federal funds, \$3.9 million from restricted receipts, and \$976,719 from the RI Capital Plan Fund. Relative to FY 2017 enacted levels, recommended general revenue financing is unchanged, federal financing increases by \$75,891, restricted receipt financing decreases by \$4,200, and financing from the RI Capital Plan Fund increases by \$326,719. Davies is the only LEA that is both included in the funding formula and whose employees are state employees. Its general revenue appropriation is determined by the education aid funding formula and the ten-year transition plan that is underway.

## **Metropolitan Regional Career & Technical Center (The Met)**

Within the Metropolitan Regional Career & Technical Center (The Met) program, the Governor recommends revised FY 2017 appropriations of \$12.7 million, including \$9.3 million from general revenue and \$3.3 million from the RI Capital Plan Fund. Relative to FY 2017 enacted levels, recommended general revenue financing is unchanged and recommended financing from the RI Capital Plan Fund increases by \$2.2 million. The Met's general revenue appropriation is determined by the education aid funding formula, similar to other local educational agencies. The Met, formerly fully State-funded, also receives a local share of funding from the individual districts that send students to the school.

- *Met HVAC Project.* The Governor recommends \$3.1 million from the RI Capital plan fund for the Met HVAC project, which is \$2.1 million more than the FY 2017 enacted level. There is no change in total costs for this project. The change in the FY 2017 revised financing is due to an adjusted project timeline.

## **Central Falls**

Within the Central Falls program, the Governor recommends revised FY 2017 appropriations of \$39.1 million, consistent with the enacted level. Beginning in FY 2012, general revenue financing for the Central Falls School District is determined by the education funding formula. Because the state has full responsibility for funding the district, a transition fund was established pursuant to R.I.G.L. 16-7.2-6 to assure that funding is available to meet the local share of education costs. Of the amount recommended for Central Falls, \$34.3 million is attributable to the formula allocation and \$4.8 million is attributable to the transition fund.

## **Rhode Island School for the Deaf**

Within the Rhode Island School for the Deaf program, the Governor recommends revised FY 2017 appropriations of \$7.4 million, including \$6.3 million from general revenue, \$254,320 from federal funds, \$777,791 from restricted receipts, and \$59,000 from other funds. Relative to FY 2017 enacted levels, recommended general revenue financing decreases by \$67,533 attributable to personnel savings and statewide adjustments, federal financing remains unchanged, restricted receipt financing decreases by \$8,000, and other funds financing is unchanged.

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## *FY 2018 Recommended Budget*

The Governor recommends FY 2018 appropriations of \$1.398 billion for the Department of Elementary and Secondary Education, including \$1.159 billion from general revenue, \$203.5 million from federal funds, \$29.5 million from restricted receipts, \$6.5 million from the Rhode Island Capital Plan Fund, and \$359,000 from other funds. Relative to FY 2017 enacted levels, recommended general revenue financing increases by \$45.8 million, federal financing decreases by \$2.7 million, restricted receipts financing decreases by \$732,575, financing from the RI Capital Plan Fund increases by \$2.5 million, and financing from other funds decreases by \$300,000. The FY 2018 Budget is inclusive of statewide assessed fringe benefits and other savings distributed to state agencies, which resulted in \$111,095 of general revenue savings being allocated to the Department of Elementary and Secondary Education. Davies Career and Technical School is not subject to statewide savings due to it being financed through the funding formula.

### **Administration of the Comprehensive Education Strategy**

Within the Administration of the Comprehensive Education Strategy (ACES) program, the Governor recommends FY 2018 appropriations of \$227.4 million, including \$20.8 million from general revenue, \$201.9 million from federal funds and \$4.8 million from restricted receipts. Relative to FY 2017 enacted levels, recommended general revenue financing increases by \$246,313, federal financing decreases by \$2.7 million, restricted receipt financing increases by \$11,403, and financing from the RI Capital Plan Fund decreases by \$2.3 million as the final two career and technical school projects are completed. Major changes to the enacted level include:

- *Personnel.* The Governor recommends the hiring of two new employees. The first is for an English Language Learner/World Language Leadership position to help support school personnel in the implementation of proposed EL regulation and support the growth of world language offerings in schools. The second position is for the support of the department's early learning initiative. This position represents the minimal staffing necessary to sustain statutory requirements. The Governor recommends no additional financing and no increase in the FTE Authorization Cap, when compared to the FY 2017 enacted level.
- *GED Waiver.* The Governor recommends \$90,040 from general revenue for GED Waivers in FY 2018, \$90,040 more than the FY 2017 enacted level. Per RIGL 16-63-18, the RI Department of Elementary and Secondary Education is required to provide a fee waiver for the High School Equivalency Test for individuals with limited income who can prove a financial hardship.
- *ELL Regulation Implementation.* The Governor recommends \$60,000 from general revenue to support the implementation of ELL regulations in FY 2018, \$60,000 more than the FY 2017 enacted level. Funds will target training and development of school leaders and teachers, in order to implement the proposed Rhode Island English Language Learner regulations. These regulations promote a new and innovative approach to addressing the academic success for students learning English. Funds will also support the implementation of new toolkits from the U.S. Department of Education. General revenue funding will be augmented with Title III funds as needed.
- *Kindergarten Entry Profile.* The Governor recommends \$200,000 from general revenue for the support and implementation of the Kindergarten Entry Profile. This is a general revenue increase of \$200,000 from the FY 2017 enacted level. The Kindergarten Entry Profile will collate key data which will guide policy priorities and future investments, as well as identify students entering kindergarten in need of educational interventions – supporting efforts to achieve proficiency of all third grade benchmarks.



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- *Advanced Course Network.* The Governor recommends \$250,000 from general revenue to expand the current pilot of the Advanced Course Network. This initiative is designed to help districts and schools meet their students' needs by allowing them access to a network of course providers including: postsecondary institutions, community organizations, and local educational authorities. The Advanced Course Network enriches educational experiences giving students a head start on post-secondary success, and prepares students for jobs in sectors critical for Rhode Island's future prosperity. Combined with other funds, financing for this initiative will total \$550,000.
- *Agency Wide Reduction.* The Governor's recommendation includes a decrease of \$603,040 from general revenue, which represents a 3.0 percent general revenue reduction from non-statutory, non-contractual portions of the Program's FY 2018 Recommended Budget.

### Education Aid

Within the Education Aid program, the Governor recommends FY 2018 appropriations of \$909.2 million, including \$888.7 million from general revenue, \$20.2 million from restricted receipts, and \$300,000 from other funds. Relative to FY 2017 enacted levels, recommended general revenue financing increases by \$42.9 million, restricted receipt financing decreases by \$516,028, and financing from other funds decreases by \$300,000. Major changes include:

- *Formula Aid.* In FY 2018, the Governor recommends \$40.0 million in total formula aid, which includes: Local Education Agencies; charter schools; Central Falls; the Metropolitan Career and Technical School; and the Davies Career and Technical School. Central falls and the two state schools are discussed further within their respective programs. Within the Education Aid program, the Governor recommends \$859.1 million from general revenue for formula aid, exclusive of formula aid provided to Central Falls, the Met School, and Davies Career and Technical High School. Formula aid includes an additional \$938,900 from general revenue for the Density Aid categorical. Traditional districts with greater than 5.0 percent public school of choice enrollment receive additional aid, based on recommendations from the Funding Formula Working Group. In addition to Density Aid, the Governor also recommends \$2.5 million from general revenue for an English Learner categorical (which is not included in this total). A complete description of each of the changes made in response to the Funding Formula Working Group, can be found in Appendix D, Aid to Schools. Compared to the FY 2017 enacted level, recommended formula aid increases by \$42.5 million attributable to the following adjustments:
  - *Year 7 Formula Aid.* The Governor recommends an additional \$43.1 million in formula aid (exclusive of aid to Central Falls and the two state schools), when compared to the FY 2017 enacted level. This represents full funding of the last year of formula adjustments for underfunded districts, with an additional three years of reductions for the remaining overfunded districts (FY 2019 – FY 2021). For more information on the funding formula, please see Appendix D, Aid to Schools.
  - Additional aid to districts with high public school of choice enrollment totals \$938,900. This is a reduction of \$553,325 when compared to the FY 2017 enacted level.
  - *Categorical Funds – English Learners.* The Funding Formula Working Group found that English Learners (ELs) have unique needs and their services are more extensive than general education students. Further, the group found that while ELs will benefit from additional support through the funding formula, this support should not come at the expense of other educational programs. Rhode Island is presently only one of four states that does not provide specific funding for ELs as part of its funding formula. To this end, the Governor recommends a permanent EL categorical fund, calculated at the level of 10.0

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percent of the Core Instruction Amount, applied to students in the most intensive EL programs. The funds may only be used on evidence-based programs proven to increase the outcomes for ELs and its usage will be monitored by the Department of Elementary and Secondary Education. The Governor recommends that the funding for this categorical be consistent with the FY 2017 enacted level of \$2.5 million.

- *Categorical Funds – High Cost Special Education.* Consistent with the FY 2017 Enacted Budget, the Governor recommends \$4.5 million for the high cost special education categorical fund in FY 2018. The high cost special education categorical provides financial support to districts that are serving students with extraordinary needs. The threshold for qualifying for the High Cost Special Education categorical is five times the core foundation amount (core instruction amount plus student success factor).
- *Categorical Funds – Early Childhood.* The Governor recommends \$6.2 million for the early childhood categorical fund in FY 2018, \$1.1 million greater than the FY 2017 enacted level. The early childhood education categorical is used to increase access to high quality pre-kindergarten programs. Early childhood categorical funds are distributed through a competitive process for high-quality programs. This increase is part of the overall plan to triple the number of state-sponsored high quality pre-kindergarten classrooms by 2019 and leverages \$6.2 million in federal funds.
- *Categorical Funds – Transportation.* The Governor recommends \$6.4 million for the transportation categorical fund in FY 2018, consistent with the FY 2017 enacted level. The transportation categorical is used to reimburse districts for a portion of the cost of transporting students outside their districts. Districts must participate in the statewide transportation system to be eligible. Reimbursement for regional district transportation accounts for approximately half of the categorical.
- *Categorical Funds – Career and Technical.* The Governor recommends \$4.5 million for the career and technical education categorical fund in FY 2018, consistent with the FY 2017 enacted level. The career and technical categorical fund is used to support the start-up of new programs and to offset the higher than average per pupil costs associated with existing career and technical programs. Twenty-one LEAs receive funding from this categorical in varying amounts ranging from an annual average of \$405,000 for free-standing centers to an annual average of \$25,000 for single programs embedded in comprehensive high schools.
- *Group Home Aid:* The Governor recommends \$4.1 million from general revenue for group home aid, \$688,863 below the FY 2017 enacted level. This decrease in group home aid in FY 2017 is to accommodate R.I.G.L. 16-7-22(1)(ii), which requires the average daily membership of each LEA to be decreased by the number of group home beds used in group home aid calculations. To remain consistent with the manner in which this decrease was enacted in 2015 and 2016, the funding formula adjustment for the number of licensed group home beds is applied to group home aid rather than to the funding formula. In addition, this adjustment accommodates R.I.G.L. 16-64-1.1(b)(2), which requires the Department to reimburse LEAs for each group home bed certified by the Department of Children, Youth, and Families (DCYF) by the preceding December 31st. The most recent update has Providence adding four beds and Pawtucket removing three beds.

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- *E-Rate*. The Governor recommends \$400,000 from general revenue for the state E-Rate program in FY 2018, consistent with the FY 2017 enacted level. The E-Rate program is used to bring Wi-Fi and broadband connectivity to schools.
- *Progressive Support and Intervention Program (Permanent School Fund)*. The Governor recommends that \$300,000 from other funds for the Permanent School Fund. Funds will be used to support the Advanced Coursework Network pilot, which enables Rhode Island high school students to access personalized advanced coursework opportunities. In total, the initiative will support and serve more than 1,000 students statewide for FY 2018.
- *Recovery High School*. The Governor recommends \$500,000 for the State's recovery high school, consistent with the FY 2017 enacted level. The high school provides individualized programs to students recovering from substance abuse, supporting both personal recovery and academic achievement.

### **School Construction Aid**

Within the School Housing Aid program, the Governor recommends FY 2018 appropriations of \$80.0 million from general revenue, comprised of \$70.9 million for the formal school housing aid program established by R.I.G.L. 16-7-35, and \$9.1 million for the School Building Authority Fund, established by R.I.G.L. 45-38.2-2, which is consistent with the FY 2017 enacted level.

### **Teacher Retirement**

Within the Teacher Retirement program, the Governor recommends FY 2018 appropriations of \$100.7 million from general revenue, \$1.6 million greater than the FY 2017 enacted level. Per RIGL 16-16-22, the state funds 40.0 percent of the employer's share of retirement contributions on behalf of teachers who are members of the Teacher's Retirement System.

### **Davies Career & Technical High School**

Within the Davies Career and Technical High School program, the Governor recommends FY 2018 appropriations of \$27.3 million, including \$13.4 million from general revenue, \$1.4 million from federal funds, \$3.7 million from restricted receipts, and \$8.8 million from the RI Capital Plan Fund. Relative to FY 2017 enacted levels, recommended general revenue financing increases by \$767,965, federal financing decreases by \$2,427, restricted receipt financing decreases by \$219,950, and financing from the RI Capital Plan Fund increases by \$8.1 million. Major changes include:

- *Formula Aid – Year 7*. In FY 2018, the education aid formula allocates \$703,791 less than the FY 2017 enacted level.
- *Davies Supplemental Financing*. In addition to the funding allocated by the formula, the Governor recommends supplemental financing of \$3.0 million in FY 2018 in order to sustain existing academic and technical programs at the school. The supplemental financing is \$1.5 million more than the FY 2017 enacted level. Funding allocated by the formula has declined from \$13.4 million in FY 2012 to \$10.3 million in FY 2018.
- *Davies Advanced Manufacturing*. Davies is a central node of manufacturing workforce development in the state of Rhode Island. To support workforce needs of Rhode Island manufacturers across industry sectors and increase opportunities for students, Davies will invest strategically in updated technology and infrastructure to prepare the next generation of manufacturing workers. Investments will be guided by the strategic needs of the school and of

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industry. The Governor recommends \$3.7 million in financing from the RI Capital Plan Fund for these investments in FY 2018.

### **Metropolitan Regional Career & Technical Center (The Met)**

Within the Metropolitan Regional Career & Technical Center (The Met) program, the Governor recommends FY 2018 appropriations of \$9.6 million, including \$9.3 million from general revenue, and \$250,000 from the RI Capital Plan Fund. Relative to FY 2017 enacted levels, recommended general revenue financing remains unchanged, while financing from the RI Capital Plan Fund decreases by \$850,000. Major changes include:

- *Formula Aid – Year 7.* In FY 2018, the education aid formula allocates \$625,068 less than the FY 2017 enacted level.
- *The Met School Supplemental Financing.* In addition to the funding allocated by the formula, the Governor recommends supplemental financing of \$757,584 in FY 2018 in order to alleviate the effects of the proposed changes to the funding formula. The supplemental financing is \$625,068 more than the FY 2017 enacted level.

### **Central Falls**

Within the Central Falls program, the Governor recommends FY 2018 appropriations of \$39.4 million from general revenue, \$250,726 more than the enacted level. Of the amount recommended for Central Falls, \$32.6 million is attributable to the formula allocation and \$6.8 million is attributable to the stabilization fund.

### **Rhode Island School for the Deaf**

Within the Rhode Island School for the Deaf program, the Governor recommends FY 2017 appropriations of \$7.5 million, including \$6.4 million from general revenue, \$254,320 from federal funds, \$777,791 from restricted receipts, and \$59,000 from other funds. Relative to FY 2017 enacted levels, recommended general revenue financing increases by \$33,235 attributable to personnel and statewide changes; federal financing remains unchanged; restricted receipts financing decreases by \$8,000; and other funds remain unchanged.

The Governor recommends 327.1 FTE positions in the Revised FY 2017 Budget and the Recommended FY 2018 Budget, consistent with the FY 2017 enacted level.

# Education

PUBLIC HIGHER EDUCATION					
Source Of Funds	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Enacted	FY 2017 Revised	FY 2018 Recommended
General Revenue	\$188,223,129	\$180,874,064	\$196,357,528	\$198,610,423	\$225,782,593
Federal Funds	\$4,544,682	\$15,278,876	\$14,308,847	\$16,738,854	\$13,933,669
Restricted Receipts	\$632,650	\$636,787	\$1,022,720	\$1,517,568	\$2,173,990
Other Funds	\$825,711,388	\$850,835,232	\$912,811,992	\$876,794,846	\$901,112,837
Operating Transfers from Other Funds	\$28,248,420	\$34,607,587	\$36,780,116	\$43,606,573	\$44,995,919
<b>Total Funding</b>	<b>\$1,047,360,269</b>	<b>\$1,082,232,546</b>	<b>\$1,161,281,203</b>	<b>\$1,137,268,264</b>	<b>\$1,187,999,008</b>
<b>FTE Authorization</b>	4249.2	4259.2	4296.8	4296.8	4306.8

## *FY 2017 Revised Budget*

The Governor recommends revised FY 2017 appropriations totaling \$1.137 billion for Public Higher Education, including \$198.6 million from general revenue, \$16.7 million from federal funds, \$883.2 million from other funds and non-RICAP operating transfers, \$1.5 million in restricted receipts, and \$37.2 million from the Rhode Island Capital Plan Fund (RICAP). Relative to the enacted FY 2017 levels of \$196.4 million, general revenue financing increases by \$2.3 million, entirely attributable to additional state-financed general obligation bond debt service, stemming from a recent debt issuance and refinancing of state debt in April 2016. With respect to general educational funding at the University and Colleges, the Governor concurs with the Board of Education's FY 2017 revised budget(s), as ratified on November 16, 2016, which did not request supplemental general revenue support for Rhode Island's System of Public Higher Education in the current fiscal year.

### **Office of the Postsecondary Commissioner (OPC)**

The Governor recommends revised FY 2017 appropriations of \$34.4 million for the Office of the Postsecondary Commissioner, including \$6.4 million in general revenue, comprised of the following:

- *Shepard's Building.* The Governor includes \$2.4 million in general revenue in the current year for the Shepard's Building operating and parking, for its role as a remote campus site for the University of Rhode Island's College of Continuing Education, and the Department of Elementary and Secondary Education's central administrative and policy staff.
- *Grants and Waivers.* The Governor recommends the continuation of scholarships and grants contained within the FY 2017 enacted budget, including:
  - \$355,000 as a legislatively directed grant to the Children's Crusade.
  - \$1.3 million for dual enrollment waivers for students who access university/college courses and attain college credit while in high school via the *Prepare RI Dual Enrollment Fund*.
  - \$4.0 million from Guaranty Agency Revenues generated by the Division of Higher Education Assistance (DHEA) from their remaining student loan portfolio, dedicated to the existing needs-based Academic Promise Scholarship program, currently administered through the Division.
  - \$6.1 million from the Tuition Savings Program (*CollegeBoundfund*®), also dedicated to the existing needs-based Academic Promise Scholarship program.
- *Other OPC Operating Expenditures*
  - \$1.9 million in personnel financing for support of the Office's 27.0 FTE position

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complement.

- \$2.0 million in from the Rhode Island Capital Plan Fund and \$750,000 in general revenue for construction and the securing of leasing arrangements within the newly constructed Westerly Higher Education and Industry Center. This satellite vocational training facility commenced initial operations in late 2016 with classes being offered by CCRI for Electric Boat employees. As noted in the FY 2018- 2022 Capital Budget, this project represents a direct vehicle for general economic development, regional macroeconomic stimulus, and high-wage/high-skill job creation (particularly for students opting to not attend a traditional 4-year undergraduate program). Additionally, anticipated tenant-based revenue of \$856,773 will defray campus operating expenses in FY 2017.
- \$1.1 million of URI and RIC institutional funds dedicated to the operations, maintenance, and staffing of the soon to be completed Rhode Island Nursing Education Center (RINEC), located at the former South Street Landing site in Providence. For purposes of fiscal oversight only, OPC will serve as the pass-through entity for the disbursement of these funds.

## State Institutions: University of Rhode Island (URI), Rhode Island College (RIC), and the Community College of Rhode Island (CCRI)

The Governor recommends revised all funds appropriations of \$1.103 billion in FY 2017, including \$192.3 million from general revenue. Other than the aforementioned adjustments for general obligation bond debt service costs, the Governor recommends no deviation from enacted FY 2017 general revenue appropriations for any school. Thus, the FY 2017 revised recommendation consists of the following budgetary allocations, displayed by institution and source of funds:

### **FY 2017 Revised Funding- State Institutions of Higher Education**

Institution	General Revenue	Rhode Island Capital Plan Fund (RICAP)	Institutional Funding*	Total Appropriation
University of Rhode Island	\$92,173,336	\$18,369,046	\$653,297,555	\$763,839,937
Rhode Island College	\$49,505,721	\$8,594,818	\$123,985,592	\$182,086,131
Community College of Rhode Island	\$50,579,484	\$8,256,002	\$98,057,535	\$156,893,021
<b>Total</b>	<b>\$192,258,541</b>	<b>\$35,219,866</b>	<b>\$875,340,682</b>	<b>\$1,102,819,089</b>

\*Includes operations and maintenance financing for the Nursing Education Center (also reflected in the OPC budget). Figure also includes restricted receipt expenditures for the Drivers' Education Program at CCRI.

### ***FY 2018 Recommended Budget***

The Governor recommends FY 2018 appropriations of \$1.188 billion for Public Higher Education, including \$225.8 million from general revenue, \$13.9 million from federal funds, \$911.8 million from other funds and non-RICAP operating transfers, \$2.2 million from restricted receipts, and \$34.3 million from the Rhode Island Capital Plan Fund. The total general revenue increase from the enacted budget of \$29.4 million includes:

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## Office of the Postsecondary Commissioner (OPC)

- An increase of \$26,147 for FY 2018 statewide target adjustments, primarily arising from inflationary conditions in employee medical benefit costs.
- New appropriations totaling \$3.6 million for the State’s obligation for [10-months of] base lease and estimated “tenant improvement” rental payments at the newly constructed Nursing Education Center (RINEC). Please see the Public Higher Education section of the budget document, “FY 2018 Capital Budget”, as well as <http://web.uri.edu/nursing/rhode-island-nursing-education-center/>, for a more extensive discussion of both the educational mission and the agglomerative and scale economies achieved through the operation of this new facility beginning in early FY 2018. Non-general revenue pass-through operating financing from URI and RIC of \$5.1 million is also included herein.
- \$1.4 million for state-financed debt service costs related to the upcoming issuance of \$10.4 million of Lease Participation Certificates (“COPS”), the proceeds of which will finance furniture, fixture, and equipment purchases for RINEC classrooms and offices (commencing on or around April 1, 2017).
- Additional general revenues of \$500,000 for the aforementioned construction and securing of leasing arrangements within the newly constructed Westerly Higher Education and Industry Center, yielding FY 2018 base funding of \$1.25 million.
- A supplementary allotment of \$500,000 in general revenue funds supporting the *Prepare RI Dual Enrollment Fund*. Prepare RI has experienced a high-than-anticipated demand from Rhode Island’s high school students, and thus requires additional funding in FY 2018 to sustain the program’s success and viability. The Governor therefore recommends total (all-funds) financing of \$1.8 million in FY 2018.
- \$10.0 million in new general revenue for Governor Raimondo’s historic FY 2018 budget proposal, known as the *Rhode Island Promise Scholarship*, providing 2 years of free tuition and mandatory fees to qualifying students at any of Rhode Island’s three postsecondary institutions. For a more detailed description of this initiative, please see the special *Rhode Island Promise Scholarship* section below.

## University of Rhode Island (URI)

- An increase of \$534,541 for FY 2018 statewide target adjustments, primarily arising from inflationary conditions in employee medical benefit costs.
- A \$9.5 million upward revision to general obligation bond debt service expenses, stemming from a recent debt issuance and refinancing of state debt in April 2016.
- The redirection of a legislatively directed grant to the Polaris Manufacturing Extension Program, in the amount of \$250,000, from the OPC budget to that of the Executive Office of Commerce.

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## Rhode Island College (RIC)

- An increase of \$442,461 for FY 2018 statewide target adjustments, primarily arising from inflationary conditions in employee medical benefit costs.
- A \$2.3 million upward revision to general obligation bond debt service expenses, stemming from a recent debt issuance and refinancing of state debt in April 2016.

## Community College of Rhode Island (CCRI)

- An increase of \$499,675 for FY 2018 statewide target adjustments, primarily arising from inflationary conditions in employee medical benefit costs.

### **State Institutions of Higher Education- 7.0 Percent Tuition and Mandatory Fee Increase for School Year 2017 – 2018 (FY 2018)**

On November 16, 2016, the Rhode Island Board of Education approved a 7.0 percent increase to in-state undergraduate tuition and mandatory fees at the State’s three Institutions of Higher Education<sup>1</sup>. The following table displays the resultant (estimated) increases in FY 2018 institutional revenue derived from the tuition/fee hike. Taken together, the state schools anticipate additional revenue totaling \$20.5 million, and have thus programmed this financing within their “unrestricted” (i.e. non-auxiliary) operating budgets:

#### **FY 2018 BOE Approved 7.0 Percent Tuition and Mandatory Fee Increases**

<b>Institution</b>	<b>FY2017 (2016 -2017) Tuition/Fee Rate (Annual)</b>	<b>FY 2018 In-State Undergraduate Increase (Annual)</b>	<b>Incremental FY 2018 Tuition/Fee Revenue</b>
University of Rhode Island (URI)	\$12,884	\$908	\$14,685,573
Rhode Island College (RIC)	\$8,206	\$570	\$4,788,962
Community College of Rhode Island (CCRI)	\$4,266	\$298	\$1,061,576
<b>Total</b>	N/A	N/A	\$20,536,111

1. Technically, the final column on this table includes all tuition/fee revenue derived from all adjustments to prevailing tuition/fee rates for all student sub-populations, not just those for in-state undergraduates.

2. Source: Public Postsecondary Education, FY 2018 Budget; *FY 2018 Tuition and Fee Schedules*.

Incorporating the revenue generated by these FY 2018 tuition and fee increases, coupled with the general revenue modifications discussed above, the Governor’s FY 2018 Budget for Public Higher Education consists of the following appropriations, again displayed by institution and source of funds:

<sup>1</sup> In-state and out-of-state graduate tuition/fees and out-of-state undergraduate tuition/fees were likewise increased at all schools, albeit at varying rates. In-state graduate students at RIC received the highest composite percentage increase (8.7 percent), while out-of-state undergraduates and graduate students at URI received the lowest increases, each at 4.0 percent. However, because base tuition rates vary widely among in-state and out-of-state students, percentage changes in tuition/fee structures are a very unreliable proxy for absolute changes in comparative tuition and fee expenses at most schools.



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## FY 2018 Funding- OPC and State Institutions of Higher Education

Institution	General Revenue	Rhode Island Capital Plan Fund (RICAP)	Institutional Funding*	Total Appropriation
Office of the Postsecondary Commissioner	\$22,328,459	\$--	\$27,871,554	\$50,200,013
University of Rhode Island	\$99,629,728	\$9,030,000	\$667,035,765	\$775,695,493
Rhode Island College	\$52,305,851	\$17,058,431	\$131,969,318	\$201,333,600
Community College of Rhode Island	\$51,518,555	\$8,174,063	\$101,077,284	\$160,769,902
Total- PHE System	\$225,782,593	\$34,262,494	\$927,953,921	\$1,187,999,008

\*Includes operations and maintenance financing for the Nursing Education Center. Figure also includes restricted receipt expenditures for the Drivers' Education Program at CCRI.

NOTE: OPC is displayed in this table (unlike in the FY 2017 table shown above) due to the centralization of the \$10.0 million budget for the *Rhode Island Promise Scholarship* within the Office. The vast majority of these funds will accrue to the state schools via interfund transfers.

Standard staffing authorizations at the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island are unchanged relative to the FY 2017 enacted level, or 1,915.7 FTE positions, 844.2 FTE positions, and 765.1 FTE positions, respectively. Adding authorized sponsored research FTE positions yields respective total staffing authorizations of 2,489.5 FTE positions, 926.2 FTE positions, and 854.1 FTE positions.

Within the Office of the Postsecondary Commissioner, FY 2018 staffing authorizations total 37.0 FTE positions, 10.0 FTE positions above the enacted level of 27.0 FTE positions. This increase is solely attributable to the attachment of RINEC administrative staff to the FTE complement of the Office. These 10.0 FTE positions are enumerated in the OPC personnel pages of Public Higher Education, contained in the functional budget document entitled *Volume III, Education*.

Recommended staffing authorizations therefore total 4,306.8 FTE positions throughout Rhode Island's system of Public Higher Education., 10.0 FTE positions above the enacted level.

### ***FY 2018 Proposal: The Rhode Island Promise Scholarship***

#### **Two Years of College Tuition and Mandatory Fees Free for all Eligible Rhode Island Students, Making Community College Free and Cutting the Costs of a Four Year Degree in Half**

In her FY 2018 Executive Budget, Governor Raimondo strongly affirms her commitment to ensuring that Rhode Island students are offered every opportunity to attain the successful and timely completion of a college degree, a credential that is now virtually indispensable to an individual's competitive participation in today's high-skill, knowledge, and technology-driven job market. By 2020, seven out of ten jobs created in Rhode Island will require an associate's degree or higher. **Governor Raimondo is laser-focused on making sure Rhode Islanders are prepared to fill those jobs.**

Through her proposed creation of the *Rhode Island Promise Scholarship*, the Governor not only follows the cutting-edge educational policy exhibited in a series of ambitious "last-dollar" tuition subsidy programs at Community Colleges, most notably implemented in Tennessee (*Tennessee Promise*) and Oregon (*Oregon Promise*), but goes a step beyond each of these by making the *Rhode Island Promise Scholarship* available to eligible students **at all public institutions of higher learning in State of Rhode Island:** The Community

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College of Rhode Island (CCRI), Rhode Island College (RIC), and the University of Rhode Island (URI). Such a bold policy will not only relieve students and their families of the singularly prohibitive cost of a college education by effectively providing a free Associate’s degree and/or reducing the cost of a four-year degree by 50 percent, but will also enhance student retention rates, attract new students who might otherwise forego college, significantly lower student debt burdens of college graduates, incentivize higher and faster rates of degree attainment, and potentially spur higher scholastic achievement as students are less distracted by affordability concerns and thus able to focus more intensely on academics.

The *Rhode Island Promise Scholarship’s* program design is innovative, while still paying heed to the realities of Rhode Island’s vastly improving, but still constrained, fiscal climate. In order to ensure its long-term fiscal viability, the *Scholarship* is a “last-dollar” subsidy of a student’s tuition/fee expenses that remain unmet after applying all other sources of federal and institutional financial aid. Furthermore, *Rhode Island Promise* will be phased-in over a four-year period commencing in FY 2018, reaching a fully-implemented, fully-funded steady state in FY 2021. The first cohort of eligible students are those entering the Community College of Rhode Island (CCRI) in the fall semester of 2017 and those who begin 4-year programs at Rhode Island College (RIC) and the University of Rhode Island (URI) in the fall of 2017 and thereby reach “junior” (60 credit) status by the 2019-2020 school year.

Whereas students at CCRI who meet all eligibility criteria (see below) will immediately qualify for *RI Promise Scholarships*, the *Scholarship* works differently at RIC and URI, covering the junior and senior years at these institutions.

### Who is Eligible for the *Rhode Island Promise Scholarship*?

Requirement	Description
Rhode Island Resident	Qualify for in-state tuition = Three-year attendance at an approved RI high school, including private and homeschool students.
Enroll full-time within 6 months of graduation	Students must receive their high school diploma or GED prior to age 19 and enroll within six months of their high school or GED graduation.
FAFSA Completion	Students must complete the FAFSA before the deadline set by the school to ensure maximum contribution of Pell and Financial aid dollars.
New Recipient	One scholarship per student. A student who receives the Promise scholarship at CCRI will not be eligible to receive a second Promise scholarship at RIC or URI.
RIC and URI, be a Junior	Be considered a “junior” = have earned 60 credits and declared a major

In accordance with the *Scholarship’s* 4-year phase-in and cost estimates developed collaboratively between the Office of the Governor, the Office of Management and Budget (OMB), and the State Institutions, the Governor recommends FY 2018 general revenue appropriations totaling \$3.0 million to meet the anticipated Year 1 direct subsidy costs of the *Scholarship*. The Governor further recommends that \$6.0 million be apportioned among the state schools as “preparedness grants”, guaranteeing that appropriate capacity building and necessary adjunct program activities are well-funded and can commence as quickly as possible upon *RI Promise’s* inception. Lastly, the Governor recommends \$1.0 million to support associated communications, outreach, and a FAFSA completion initiative. In sum, the Governor recommends total FY 2018 appropriations of \$10.0 million for the *Rhode Island Promise Scholarship* program. This financing is currently housed in the budget of the Office of the Postsecondary Commissioner (OPC), and will be disbursed to the State Institutions according to procedures established by the Council on Postsecondary Education.

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Out-year appropriations (unadjusted for potential tuition/fee inflation) for the *Rhode Island Promise Scholarship* are currently estimated to approximate \$6.0 million in FY 2019, \$18.0 million in FY 2020, and \$30.0 million in 2021 and thereafter (all else equal). These nominal projections are captured in the Office of Management and Budget's Five Year Financial Projection, contained in Appendix F of this document, wherein annual inflationary assumptions at the applicable Consumer Price Index for all Urban Consumers (CPI-U) are utilized.

## RHODE ISLAND COUNCIL ON THE ARTS

Source Of Funds	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Enacted	FY 2017 Revised	FY 2018 Recommended
General Revenue	\$1,490,966	\$1,844,116	\$1,951,884	\$1,939,368	\$1,945,056
Federal Funds	\$713,200	\$700,799	\$775,454	\$786,728	\$781,454
Restricted Receipts	\$0	\$0	\$0	\$25,000	\$0
Other Funds	\$183,075	\$450,859	\$303,200	\$980,700	\$345,800
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$2,387,241</b>	<b>\$2,995,774</b>	<b>\$3,030,538</b>	<b>\$3,731,796</b>	<b>\$3,072,310</b>
<b>FTE Authorization</b>	6.0	8.6	8.6	8.6	8.6

### *FY 2017 Revised Budget*

The Governor recommends revised FY 2017 appropriations of \$3.7 million for the RI State Council on the Arts, including \$1.9 million from general revenue, \$786,728 from federal funds, \$25,000 from restricted receipts, and \$980,700 from the Art for Public Facilities Fund. Relative to FY 2017 enacted levels, recommended general revenue financing decreases by \$12,516, federal financing increases by \$11,274, restricted receipt receipts financing increases by \$25,000, and financing for the Art for Public Facilities Fund increases by \$677,500. The revised FY 2017 Budget is inclusive of statewide assessed fringe benefits and other savings distributed to state agencies, which results in \$1,111 of general revenue savings being allocated to the RI State Council on the Arts. Major changes to the enacted level include:

- *Personnel.* The Governor recommends a decrease of \$29,553 from general revenue for personnel expenditures in FY 2017, attributable to turnover savings from an unforeseen vacancy. The personnel savings are offset by an increase of \$18,148 in operating expenses for technology upgrades.
- *Rhode Island Foundation Grants.* The Governor includes an additional \$25,000 for two grants received by the Council from the Rhode Island Foundation. The first grant, totaling \$20,000, is to examine the role of the arts and artists in healthcare. The second grant, totaling \$5,000, is to support scholarship opportunities for the expansion of arts programs. Both are one-time grants, and are reflected as restricted receipt funding.
- *Art for Public Facilities Fund.* The Art for Public Facilities Fund, established pursuant to R.I.G.L. 42-75.2-4, requires any state building or facility being constructed, remodeled, or renovated, to expend at least 1.0 percent of construction costs on works of art for public display. The Governor includes \$980,700 for the Art for Public Facilities Fund, an increase of \$677,500 from the enacted level, reflecting an updated project schedule.

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## *FY 2018 Recommended Budget*

The Governor recommends FY 2018 appropriations of \$3.1 million for the RI State Council on the Arts, including \$1.9 million from general revenue, \$781,454 from federal funds, and \$345,800 from the Art for Public Facilities Fund. Relative to FY 2017 enacted levels, recommended general revenue financing decreases by \$6,828, federal financing increases by \$6,000, and financing for the Art for Public Facilities Fund increases by \$42,600. The FY 2018 Budget is inclusive of statewide assessed fringe benefits and other savings distributed to state agencies, which results in \$3,759 of general revenue savings being allocated to the RI State Council on the Arts. Major changes to the enacted level include:

- *Art for Public Facilities Fund.* The Governor includes \$345,800 for the Art for Public Facilities Fund, \$42,600 more than the enacted level, reflecting revised project schedules in FY 2018.

The Governor recommends 8.6 FTE positions in the revised FY 2017 Budget and the FY 2018 Budget.

### RHODE ISLAND ATOMIC ENERGY COMMISSION

Source Of Funds	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Enacted	FY 2017 Revised	FY 2018 Recommended
General Revenue	\$872,139	\$908,285	\$981,100	\$979,682	\$982,157
Federal Funds	\$89	\$336,542	\$32,422	\$228,863	\$0
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$254,555	\$263,019	\$269,527	\$270,599	\$272,216
RI Capital Plan Fund	\$61,069	\$69,036	\$50,000	\$59,895	\$50,000
<b>Total Funding</b>	<b>\$1,187,852</b>	<b>\$1,576,882</b>	<b>\$1,333,049</b>	<b>\$1,539,039</b>	<b>\$1,304,373</b>
<b>FTE Authorization</b>	8.6	8.6	8.6	8.6	8.6

## *FY 2017 Revised Budget*

The Governor recommends revised FY 2017 appropriations of \$1.5 million for the Atomic Energy Commission, including \$979,682 from general revenue, \$228,863 from federal funds, \$270,599 from other funds, and \$59,895 from the Rhode Island Capital Plan Fund. Relative to FY 2017 enacted levels, recommended general revenue financing decreases by \$1,418, federal financing increases by \$196,441, financing from other funds increases by \$1,072, and financing from the Rhode Island Capital Plan Fund increases by \$9,895. The revised FY 2017 Budget is inclusive of statewide assessed fringe benefits and other savings distributed to state agencies, which results in \$1,418 of general revenue savings being allocated to the RI Atomic Energy Commission. Major changes to the enacted level include:

- *Federal Grants.* The Governor includes \$228,863 in FY 2017, a total of \$196,441 more than the enacted level, for grants from the U.S Department of Energy. The grants include \$10,123 to finish funding for instrumentation upgrades and a newly received grant for \$180,000 for stack monitor upgrades for the Commission's reactor.

## *FY 2018 Recommended Budget*

The Governor recommends FY 2018 appropriations of \$1.3 million for the Atomic Energy Commission, including \$982,157 from general revenue, \$272,216 from other funds, and \$50,000 from the Rhode Island Capital Plan Fund. Relative to FY 2017 enacted levels, recommended general revenue financing increases by

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\$1,057, federal financing decreases by \$32,422, financing from other funds increases by \$2,689, and financing from the Rhode Island Capital Plan Fund remains unchanged. The FY 2018 Budget is inclusive of statewide assessed fringe benefits and other savings distributed to state agencies, which results in \$4,129 of general revenue savings being allocated to the Atomic Energy Commission.

The Governor recommends 8.6 FTE positions in the revised FY 2017 Budget and the FY 2018 Budget, consistent with the enacted level.

## HISTORICAL PRESERVATION AND HERITAGE COMMISSION

Source Of Funds	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Enacted	FY 2017 Revised	FY 2018 Recommended
General Revenue	\$1,138,182	\$1,362,860	\$1,202,559	\$1,162,001	\$1,168,706
Federal Funds	\$1,855,585	\$1,283,096	\$1,093,966	\$1,547,028	\$860,963
Restricted Receipts	\$377,082	\$126,202	\$427,175	\$429,200	\$427,700
Other Funds	\$71,736	\$75,291	\$79,998	\$79,854	\$80,970
RI Capital Plan Fund	\$2,004,145	\$125,000	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$5,446,730</b>	<b>\$2,972,449</b>	<b>\$2,803,698</b>	<b>\$3,218,083</b>	<b>\$2,538,339</b>
<b>FTE Authorization</b>	16.6	16.6	16.6	15.6	15.6

### *FY 2017 Revised Budget*

The Governor recommends revised FY 2017 appropriations of \$3.2 million for the Historical Preservation and Heritage Commission, including \$1.2 million from general revenue, \$1.5 million from federal funds, \$429,200 from restricted receipts, and \$79,854 from other funds. Relative to FY 2017 enacted levels, recommended general revenue financing decreases by \$40,558, federal financing increases by \$453,062, restricted receipt financing increases by \$2,025, financing from other funds decreases by \$144, and financing from the Rhode Island Capital Plan Fund remains unchanged. The revised FY 2017 Budget is inclusive of enacted statewide assessed fringe benefits and other savings distributed to state agencies, which results in \$1,582 of general revenue savings being allocated to the Historical Preservation and Heritage Commission. Major changes to the enacted level include:

- *Personnel.* The Governor includes an increase of \$11,383 in general revenue for personnel expenditures in FY 2017, attributable to an over allocation of turnover savings associated with the Enacted Budget. Personnel adjustments include a reduction of \$14,796 of federal funds based on availability, and a reduction of \$50,152 from general revenue, due to the mid-year transfer of 1.0 FTE position to the Department of Environmental Management. The 1.0 FTE position is associated with the operational transfer of the Eisenhower House.
- *Transfer of the Eisenhower House.* The Governor includes a reduction of \$106,439 in general revenue associated with the transfer of the Eisenhower and the 1.0 FTE position associated with its operation, compared to the FY 2017 enacted level. The general revenue reduction includes \$50,152 from personnel, \$55,965 from operational costs, and \$420 associated with capital purchases and equipment. The operation of the Eisenhower House will be transferred to the Department of Environmental Management.
- *Federal Grants.* The Governor includes an increase of \$453,062 in federal funds, largely attributable to project delays associated with the Hurricane Sandy Disaster Relief Grant. The majority of projects

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will now be complete in FY 2017. The Historical Preservation and Heritage Commission received a National Maritime Heritage Grant from the U.S. National Park Service for education and preservation projects. The majority of funds, \$45,000, will be dispersed in FY 2017. The grant itself totals \$52,000.

- \$320,329 of the Hurricane Sandy Disaster Relief Grant will be distributed to the University of Rhode Island for the creation of a historical GIS database. This project has been approved by the U.S. National Park Service, and will streamline the Commission's approval process for projects submitted by other agencies including: the RI Department of Transportation, the Coastal Resources Management Council, the Department of Environmental Management, and the Army Corps of Engineers.

### *FY 2018 Recommended Budget*

The Governor recommends FY 2018 appropriations of \$2.5 million for the Historical Preservation and Heritage Commission, including \$1.2 million from general revenue, \$860,963 from federal funds, \$427,700 from restricted receipts, and \$80,970 from other funds. Relative to FY 2017 enacted levels, recommended general revenue financing decreases by \$33,853, federal financing decreases by \$233,003, restricted receipt financing increases by \$525, and financing from other funds increases by \$972. The FY 2018 Budget is inclusive of statewide assessed fringe benefits and other savings distributed to state agencies, which results in \$6,417 of general revenue savings being allocated to the Historical Preservation and Heritage Commission. Major changes to the enacted level include:

- *Personnel.* The Governor's recommendation for personnel includes a reduction of \$26,164 from general revenue compared to the FY 2017 enacted budget, attributable to the following adjustments:
  - Personnel savings of \$91,062 from general revenue, due to the transfer of 1.0 FTE associated with the operations of the Eisenhower House to the Department of Environmental Management.
  - An additional \$64,898 from general revenue, attributable to an over allocation of turnover savings in the FY 2017 Enacted Budget, and adjustment to federal funds to more accurately reflect funds availability.
- *Transfer of the Eisenhower House.* The Governor recommends a reduction of \$176,037 from general revenue when compared to the enacted level. The savings are attributable to the Commission transferring the operational costs associated with the Eisenhower House to the Department of Environmental Management in FY 2017.
- *Federal Grants.* The Governor recommends a reduction of \$233,003 from the enacted level for federal grants, adjusting the financing for grant activities to be consistent with the value of the grant awards. The largest reduction is attributable to the FY 2018 expiration of the Hurricane Sandy Disaster relief grant, which comprises a reduction of \$225,852 from the enacted level. The majority of projects are expected to be completed by FY 2017.

The Governor recommends 15.6 FTE positions in the revised FY 2017 Budget and the recommended FY 2018 Budget, which is a reduction of 1.0 FTE position compared to the enacted level. The reduction is attributable to the operational transfer of the Eisenhower House.

