

STATE OF RHODE ISLAND EXECUTIVE SUMMARY

A bronze statue of a young man, David, standing and holding a long spear in his right hand and a stone in his left. He is wearing a loincloth. The background is a blurred interior of a grand building with arches and windows.

FISCAL YEAR 2025
BUDGET PROPOSAL

EXECUTIVE SUMMARY



STATE OF RHODE ISLAND
OFFICE OF GOVERNOR DANIEL J. MCKEE

January 18, 2024

To the People of Rhode Island and the Honorable General Assembly:

As Governor and a former basketball coach, each year, I envision my budget proposal as a game plan for Team Rhode Island's progress in the year ahead. Drafting the budget is a time to huddle with our teammates and reflect on what our state has accomplished over the last year, while identifying the challenges we must address to make Rhode Island a better place to live, raise a family, and work.

Our long-term strategy is outlined in Rhode Island 2030 – our state's game plan for this decade. This strategy is rooted in three, overarching goals: raising incomes for all families, increasing educational attainment for all children to reach their full potential, and improving health outcomes for all Rhode Islanders.

In my first three years as Governor, Rhode Island had an opportunity to program an influx of federal dollars to not only respond to the immediate needs of a public health crisis, but also lay the foundation for realizing the vision for our state in Rhode Island 2030. And we are still putting these dollars to work. They are building affordable and middle-income housing; supporting small businesses, hospitals, nursing homes, and other industries that were hit hard by the pandemic; stabilizing workforces that suffered shortages; and training Rhode Islanders to excel in good-paying, in-demand jobs to help raise incomes for families across our state. Our team in state government is continuing to do the work to carry out these programs with professionalism, dedication, and urgency. They know how important it is to get it right, and together, we are committed to continue delivering results for Rhode Islanders.

With record surpluses now behind us, it is even more important for the State to maintain discipline in its budgeting decisions. Our strategic investments of federal and surplus dollars have helped Rhode Island avoid a recession, and our revenue growth continues to be stable. However, the State faces a modest deficit in Fiscal Year 2025, which we have been able to close without any broad-based tax increases.

One fiscally responsible tool we've used to realize our Rhode Island 2030 goals is leveraging outside dollars. One recent example is the Rhode Island Department of Transportation Municipal, Road & Bridge Fund Program funded with \$20 million in State Fiscal Recovery Funds. All 39 cities and towns are participating with 622 total projects that represent 456 lane miles of road and nearly 24 miles of sidewalk. The State's \$20 million allocation is being leveraged into a total investment of \$74 million because of local matching dollars to complete these transportation

infrastructure projects. In this budget proposal, I am requesting an additional \$5 million in State Fiscal Recovery Funds to expand this in-demand program which is projected to yield a total investment of \$15 million in local road projects.

I am also recommending investments to ensure our multilingual learners accelerate gains in English proficiency; bring online an additional 35 pre-K classrooms totaling 700 seats for the start of the upcoming school year; promote stability in Rhode Island's health care delivery system; and provide supports to eligible small businesses to register as minority and women business enterprises to compete for state procurement opportunities.

The upcoming 2024 elections present an important opportunity to approve long-term, critical investments in our infrastructure – from our institutions of higher education and a permanent home for the State Archives to housing and the environment. I am requesting that initiatives totaling \$345 million in general obligation bonds be placed on the ballot and that Rhode Islanders do their part in supporting them.

If the May Revenue and Caseload Estimating Conferences indicate an improved fiscal outlook, I recommend exploring the following initiatives:

- Providing sales tax relief;
- Reducing the time to implement the Medicaid rate increases from three years to two years;
- Supplementing the targeted educational investments to improve outcomes in this budget proposal;
- Establishing a sustainable funding source to support homelessness initiatives; and
- Investing in electric vehicle rebates.

I look forward to collaborating with the General Assembly and other stakeholders and discussing in detail my Fiscal Year 2025 budget proposal. I am pleased that my administration has been able to close the deficit without raising any broad-based taxes while at the same time finding ways to continue existing investments and start new ones that make a real difference in the lives of everyone on Team Rhode Island.

When I became Governor, I believed that Rhode Island could be better than just a good team. I knew we could be one of the very best. Over the last three years, we've risen to that challenge. We've shown that it's our turn – that we can compete, that we will compete and that if we work together, all we can do is succeed.

In 2024, Team Rhode Island will continue using our skills to make our state one of the very best in the nation. We will use our resources to put people to work in good-paying jobs on projects that will pay dividends for decades to come.

Sincerely,



Daniel J. McKee
Governor
Coach of Team Rhode Island

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Key Fiscal Year 2025 Budget Proposals

Ballot Initiatives

The Governor recommends placing four general obligation bond questions – totaling \$345.0 million – on the November ballot to make long-term, infrastructure improvements for higher education, housing, a state archive facility, and the environment.

Higher Education Facilities – \$135.0 million

- *University of Rhode Island (URI) Biomedical Sciences Building:* Provides \$80.0 million to help build a facility on the Kingston Campus to include the laboratory space necessary to advance cutting-edge discovery, educate tomorrow’s workforce, and accelerate the life sciences industry. The project builds on the creation of the State’s Life Sciences Hub that will fund and incubate Rhode Island-based life sciences companies that promote economic and workforce development and position Rhode Island to compete nationally and internationally.
- *Rhode Island College (RIC) Cybersecurity Building:* Provides \$55.0 million to repair and restore Whipple Hall to support the Institute for Cybersecurity and Emerging Technologies that is preparing students and professionals with the technical and business skills associated with cybersecurity, artificial intelligence, and other emerging technologies.

Housing and Community Opportunity – \$100.0 million

- Increases affordable and middle-income housing production and infrastructure, supports community revitalization, and promotes home ownership.

State Archive and History Center – \$60.0 million

- Establishes a modern, permanent state archive and history center to store and display historical documents central to both the state’s and country’s founding, including copies of the Declaration of Independence, letters from George Washington, and the original Public Laws and Private Acts of the General Assembly.

Green Economy – \$50.0 million

- *Port of Davisville Infrastructure at Quonset:* Provides \$20.0 million to make infrastructure improvements at the port that are part of its master plan, including the development of roads for oversized freight vehicles to access a new terminal and the completion of space for cargo to be offloaded. These projects are upgrading World War II-era infrastructure and positioning the port to accommodate offshore wind project components and logistics staging.
- *Municipal Resiliency:* Provides \$10.0 million in financial assistance to municipalities to restore or improve the resiliency of infrastructure, vulnerable coastal habitats, and river and stream floodplains. These funds are expected to leverage significant matching funds to support local programs to improve community resiliency and public safety in the face of increased flooding, major storm events, and environmental degradation.
- *Newport Cliff Walk:* Provides \$8.0 million to restore or improve the resiliency of the historic tourism infrastructure of the Newport Cliff Walk.
- *Brownfields Remediation and Economic Development:* Provides \$5.0 million for up to 80 percent matching grants to public, private, and nonprofit entities for brownfield remediation projects.

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- *Local Recreation Projects:* Provides \$5.0 million for up to 80 percent matching grants for municipalities to acquire, develop, or rehabilitate local recreational facilities to meet a growing need.
- *Climate Resiliency and Public Access Projects:* Provides \$2.0 million for up to 75 percent matching grants to public and nonprofit entities to restore or improve the resiliency of vulnerable coastal habitats and river and stream floodplains. These funds are expected to leverage significant matching funds to support local programs to improve community resiliency and public safety in the face of increased flooding, major storm events, and environmental degradation.

Education

K-12

The Governor recommends a general revenue increase of \$19.2 million in Education Aid Funding Formula support to public and charter local education agencies, and the Central Falls, Met, and Davies school districts, compared to Fiscal Year 2024 enacted levels. To smooth year-to-year growth in the funding formula, the proposal recommends placing a cap on the per-pupil Core Instruction Amount used in the calculation of the Education Aid Funding Formula that is equal to the average inflation over the past five years, or 3.87 percent in Fiscal Year 2025. Additional investments toward improving educational outcomes include:

- **Increasing support for Multilingual Learners.** Currently, local education agencies receive an additional 15 percent of the Core Instruction Amount for each student in the three lowest English proficiency categories for Multilingual Learners. The Governor recommends increasing this amount from 15 percent to 25 percent, requiring an additional \$16.6 million in Fiscal Year 2025.
- **Improving math and English language arts outcomes.** Better classroom instruction promotes student achievement and helps Rhode Island meet its goal of matching Massachusetts' educational outcome levels by 2030. The Governor recommends investing \$15.0 million to improve student achievement outcomes in math and English language arts. The funding would provide coaching services to the local education agencies with the most acute academic needs, as well as professional development opportunities for teachers and additional funds to meet the needs of students, families, and teachers.
- **Offering Learn365RI grants.** Launched in April 2023, the Learn365RI initiative is shifting the educational model from one predicated on the traditional, 180 school-day calendar to one that prioritizes learning 365 days a year by building partnerships among municipalities, local education agencies, and community-based organizations. The Governor proposes providing \$5.0 million in Fiscal Year 2025 – \$3.0 million in general revenue and \$2.0 million in State Fiscal Recovery Funds – to support high-quality, out-of-school time programming, with an emphasis on critical skill development. In prior years, this initiative was funded through the federal Governor's Emergency Education Relief and State Fiscal Recovery Funds.
- **Expanding eligibility for free school meals.** The proposal includes \$0.8 million to transition roughly 6,500 students in Rhode Island public, charter, and state schools from being eligible for reduced-price breakfast and lunch to receiving both meals at no cost to their families.

Pre-K

The State's goal is to have 5,000 pre-K seats by 2028. The enacted Fiscal Year 2024 budget provided \$1.3 million to prepare 35 classrooms totaling 700 seats for the 2024-2025 school year. The Governor

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recommends increasing pre-K funding from \$22.9 million to \$30.0 million in Fiscal Year 2025 to fund these new seats to bring Rhode Island's total to approximately 3,000. The funds would also support two full-time equivalent positions to support the expansion of Rhode Island's pre-K program.

Higher Education

The Governor recommends increasing the unrestricted state appropriation for the University of Rhode Island (\$3.4 million), Rhode Island College (\$1.9 million) and the Community College of Rhode Island (\$1.7 million).

Health and Human Services

Medicaid Rates

The Office of the Health Insurance Commissioner completed its 2023 review of health insurers' proposed premiums, including for services paid by Medicaid and state agencies under the Executive Office of Health and Human Services' purview. For these programs, the Governor recommends phasing in the rate increases over the next three fiscal years (except Early Intervention as described below), with an initial allocation of \$20.4 million in general revenue and \$31.3 million in federal funds in Fiscal Year 2025.

Early Intervention

Early Intervention promotes the development of infants and toddlers who have a developmental disability or delay. Prior investments using State Fiscal Recovery Funds provided the State's nine Early Intervention providers stabilization grants and performance payments for meeting certain benchmarks, such as recovering referrals to their pre-pandemic levels. To further support this critical program, the Governor recommends fully funding the proposed rate increase from the Office of the Health Insurance Commissioner's 2023 review in Fiscal Year 2025. This requires an investment of \$1.7 million in general revenue and \$2.2 million in federal funds.

Certified Community Behavioral Health Clinics

Certified Community Behavioral Health Clinics provide a comprehensive range of behavioral health services to improve outcomes and reduce the reliance on emergency departments. An investment of \$30 million in State Fiscal Recovery Funds is providing infrastructure grants to community-based behavioral health and social services providers to comply with federal Certified Community Behavioral Health Clinics standards. In this budget proposal, the Governor recommends investing \$29.1 million in general revenue and \$50.6 in federal funds to establish new rates and support operating costs.

Summer Electronic Benefit Transfer Program

Satisfying a mandated, state matching requirement with an investment of \$0.4 million would allow the State to launch a permanent Summer Electronic Benefit Transfer program. The general revenue investment, which pays for approximately half of the program administrative costs, means Rhode Island stands to receive an estimated \$10.2 million to provide families \$40 per month, per eligible child. The program increases food security during the summer months when children may not have access to affordable, nutritious meals.

Anti-Smoking and Vaping Initiatives

The Governor recommends an increase of \$0.4 million for a vaping abatement initiative to encourage students to quit using tobacco products, including e-cigarettes, and avoid days out of school due to suspension. Additionally, the budget proposal increases the per-pack tax on cigarettes from \$4.25 to

INTRODUCTION

\$4.50 effective September 2024 and begins taxing e-cigarettes like other tobacco products that have an 80 percent wholesale tax.

Nursing Home Support

New nursing home rates along with an annual inflationary index take effect in October 2024. The budget proposal includes \$10 million in State Fiscal Recovery Funds, of which 80 percent must be provided to direct care workers, to bridge the gap from July to October and support this sector that has faced staffing and operational challenges.

RIte Share

RIte Share is Rhode Island's health insurance premium assistance program that helps thousands of eligible Rhode Islanders pay for all or part of the cost of employee coverage. Maximizing participation benefits the State by shifting individuals away from more costly, traditional Medicaid. The Governor recommends using approximately \$140,000 in state funds for five full-time equivalent positions, including the conversion of three existing contractors within the Executive Office of Health and Human Services to increase RIte Share participation.

Senior Centers

The budget proposal increases funding from \$1.2 million to \$1.4 million for senior centers to improve the delivery of services, particularly food distribution, transportation, and caregiver support.

Small Businesses, Economy, and Raising Personal Incomes

Retirement Income

Starting in tax year 2025, the Governor recommends raising the exemption for taxable retirement income from \$20,000 to \$50,000 to keep more income in the pockets of older Rhode Islanders living on fixed incomes.

Corporate Minimum Tax

The Governor recommends cutting the corporate minimum tax from \$400 to \$350, which would benefit approximately 65,000 entities.

Destination Marketing

To advertise Rhode Island as a destination for tourism and business travel, the budget proposal provides \$1.4 million toward a destination marketing program, which is currently funded with State Fiscal Recovery Funds.

Net Operating Loss Carryforward

The federal government and many states allow businesses to carry forward operating losses to offset future profits and reduce tax liabilities, which can benefit new businesses that operate without a profit for multiple years. The Governor recommends extending Rhode Island's current, five-year carryforward to 20 years starting with tax year 2025 losses, which mirrors the practice in Massachusetts and Connecticut.

Minority Business Accelerator

Maximizing the participation of minority business enterprises and women business enterprises in state procurements is a critical goal for the State. In 2023, state law was amended to increase the percentage of state contract dollars awarded to these businesses from 10 percent to 15 percent. The Governor

INTRODUCTION

recommends investing \$500,000 to expand efforts through the Division of Equity, Diversity, and Inclusion to register and certify minority business enterprises and women business enterprises.

Main Street RI Streetscape and Placemaking

The proposal includes \$1.0 million for the Main Street RI Streetscape Improvement Fund, which provides grants to municipalities and economic development agencies to revitalize main streets and business districts. Additionally, the Governor recommends reallocating \$2.0 million in State Fiscal Recovery Funds toward a placemaking initiative that supports attraction development and event programming, which have a positive economic ripple effect for local restaurants, hotels, retailers, and other Main Street businesses.

Environment

E-Bike Rebates

The Erika Niedowski Memorial Electric Bicycle rebate incentivizes the purchase of zero-emission electric bicycles through rebates. The budget proposal provides \$500,000 to continue the program that makes these vehicles more affordable and accessible to Rhode Islanders.

Local Agriculture and Seafood Act Grant

To continue stimulating the growth and development of local food and seafood, the proposed budget includes \$700,000 to continue the Local Agriculture and Seafood Act grant program, which prioritizes the entry and sustainability of small or new agriculture and aquaculture producers, supporting Black, Indigenous, and People of Color producers, developing new products and distribution channels, and fostering connections between producers and the market.

Litter-Free Rhody

The Litter-Free Rhody program was launched in 2023 to encourage community involvement in removing trash and litter from state parks, beaches, and management areas. The budget proposal adds 10 groundskeeper positions at the Department of Transportation by repurposing existing vacancies and provides for an anti-litter media campaign, among other costs associated with beautifying the state.

Seafood Marketing Collaboration

The budget proposal includes an increase of \$100,000 for the Seafood Marketing Collaborative, which works with local fishers, seafood producers, and small businesses to increase awareness and consumption of local catch. Seventy percent of the state's seafood is exported, increasing the reliance on imports from other states and regions. The funding would be used to partner with the Atlantic Fisheries Management Council, the leading expert organization on fisheries management and economics, to run public information and engagement campaigns with the goal of increasing economic activity in the fisheries and fishing sectors.

Shoreline Access

Enacted during the 2023 legislative session, the state shoreline access law guarantees access up to 10 feet landward of the visible high-tide line. It is important for the State to provide appropriate outreach and signage for Rhode Islanders to clearly understand how they can exercise this right. Toward that end, the Governor recommends allocating \$25,000 for the Coastal Resources Management Council to provide marker posts, signs, pamphlets, and other materials to disseminate this information.

EXPENDITURE SUMMARY

The following outlines the FY 2024 Revised and the FY 2025 Recommended Budgets as proposed by Governor McKee on January 18, 2024.

Expenditures by Source

The following table shows state expenditures by source of funds. Statewide all funds expenditures for the revised FY 2024 Budget total \$14.409 billion, an increase of \$398.2 million compared to the enacted level. Of this total, \$5.379 billion, or 37.3 percent, is from general revenue. All funds expenditures for FY 2025 are \$13.676 billion, a decrease of \$334.8 million compared to the FY 2024 enacted level. Of this total, \$5.500 billion, or 40.2 percent, is from general revenue.

Enacted and Proposed Expenditures by Source

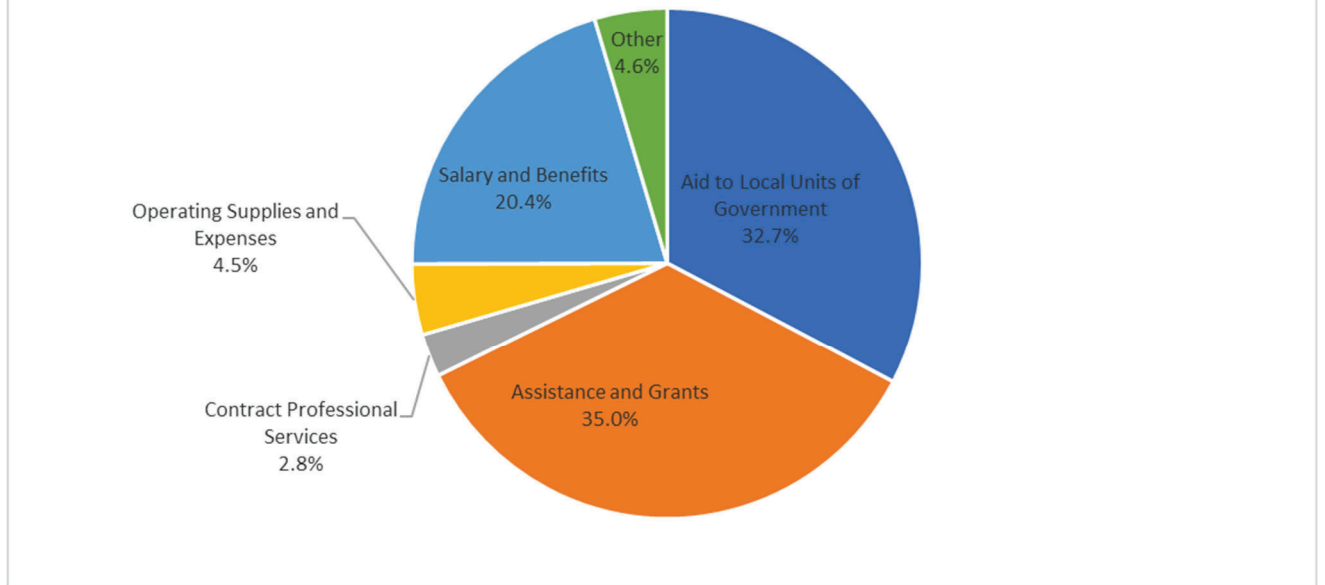
Sources of Funds	FY 2024 Enacted	FY 2024 Revised	Change from Enacted	FY 2025 Recommended	Change from FY 2025 Enacted
General Revenue	\$5,425.1	\$5,378.9	-\$46.2	\$5,500.1	\$74.9
Federal Funds	5,643.0	5,793.7	150.7	4,929.2	(713.8)
Restricted Receipts	392.1	443.0	50.9	450.9	58.7
Other Funds	2,550.6	2,793.4	242.9	2,795.9	245.3
Total (millions)	\$14,010.8	\$14,409.1	\$398.2	\$13,676.1	(\$334.8)

General Revenue Expenditures by Category of Expenditure

Expenditures are sorted into categories to group similar types of expenditures across departments. The below chart shows the percentage of expenditures by category for general revenue. Local aid has increased from 28.0 percent of general revenue spending in FY 2022 to 32.7 percent in FY 2025, driven by additional funding for local education. Personnel expenditures have increased from 19.3 percent of general revenues in FY 2022 to 20.4 percent in FY 2025. Meanwhile, spending on grants and benefits which is comprised of Medical Assistance benefit expenditures increased from 26.8 percent of general revenues in FY 2022 to 35.0 percent in FY 2025, driven by the cessation of the temporary enhancement to each qualifying state's Federal Medical Assistance Percentage (FMAP) from the Families First Coronavirus Response Act (FFCRA), changes in budget presentation for Medicaid revenue receipts within the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals, and increases to various social and human services rates.

EXPENDITURE SUMMARY

FY 2025 General Revenue Expenditures by Category



Expenditures by Functional Unit of Government

The FY 2025 general revenue budget is up \$74.9 million compared to the FY 2024 Enacted Budget. The increases are primarily due to the following changes:

- General Government expenditures are down \$111.5 million; resulting from the Enacted FY 2024 Budget making one-time investments for the defeasance of debt, and the pre-funding of Rebuild RI, First Wave Closing Fund, and the Low-Income Tax Credit. These expenditures will not be recurring in FY 2025.
- Health and Human Services expenditures increase by \$112.0 million; attributable to full implementation of the Office of the Health Insurance Commissioner’s recommend rate increases for Early Intervention services and the start of a three-year implementation for all other social and human services rate increases, investments in Certified Community Behavioral Health Clinics, and adjustments to anticipated caseloads.
- Education expenditures are up \$74.4 million due to proposed changes to education aid.
- Public Safety expenditures are up by \$1.4 million which fully finances all public safety agencies at current services.
- Natural Resources expenditures are down by \$1.3 million which fully finances all natural resources agencies at current services.

EXPENDITURE SUMMARY

General Revenue Appropriations by Function

Sources of Funds	FY 2024 Enacted	FY 2024 Revised	Change from Enacted	FY 2025 Recommended	Change from FY 2024 Enacted
General Government	\$917.8	\$902.1	-\$15.7	\$806.3	(\$111.5)
Health and Human Services	2,038.4	2,004.6	-33.9	2,150.4	112.0
Education	1,806.5	1,813.1	6.5	1,880.9	74.4
Public Safety	600.3	597.8	(2.5)	601.6	1.4
Natural Resources	62.1	61.4	(0.7)	60.8	-1.3
Total (millions)	\$5,425.1	\$5,378.9	-\$46.2	\$5,500.1	\$74.9

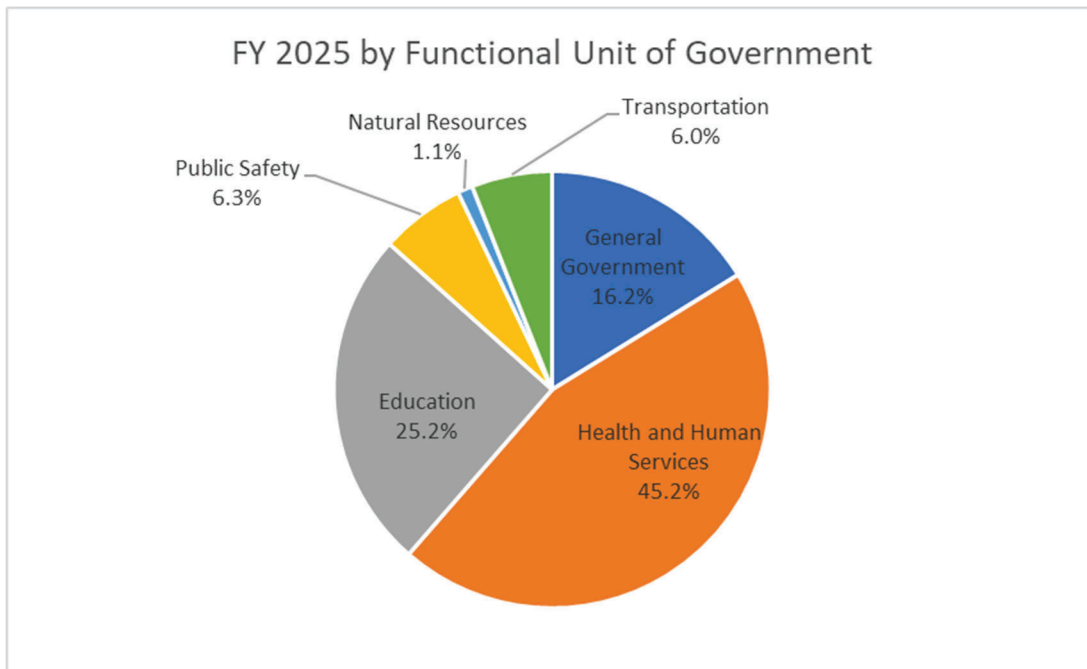
FY 2025 All Funds expenditures by functional units total \$13,675.4 million and include:

General Government

Approximately 16.2 percent of all expenditures are for General Government, totaling \$2.222 billion. This includes agencies that provide general administrative services to other state agencies, assist in developing the state’s workforce, assist municipalities in achieving fiscal health, and those that perform state licensure and regulatory functions.

Human and Human Services

Approximately 45.2 percent of all expenditures are for Health and Human Services, totaling \$6.181 billion. The Health and Human Services function of state government engages in a broad spectrum of activities including, but not limited to, medical assistance, economic support, rehabilitation services, client subsidies, case management, residential supports, behavioral healthcare, and services for at-risk children, advocacy, and medical provider regulation.



Education

Approximately 25.2 percent of all expenditures are for Education, totaling \$3.443 billion. This includes state support for local education aid, support for the state university and colleges, and scholarships.

EXPENDITURE SUMMARY

Public Safety

Approximately 6.3 percent of all expenditures are for Public Safety, totaling \$860.6 million. Public Safety agencies provide law enforcement, adjudication, perform correction and rehabilitative services, and handle emergencies impacting Rhode Island's citizens.

Natural Resources

Approximately 1.1 percent of all expenditures are for Natural Resources, totaling \$152.5 million. Agencies include the Department of Environmental Management (DEM) and the Coastal Resources Management Council (CRMC). The DEM manages and protects Rhode Island's public and common natural assets, including land, air and water resources, while the CRMC seeks to preserve, protect and restore the coastal resources of the State.

Transportation

Approximately 6.0 percent of all expenditures are for Transportation, totaling \$816.7 million. The Department maintains the State's transportation infrastructure.

Please see Appendix A-2 to see a breakdown of each functional unit by source.

CHILDREN’S BUDGET

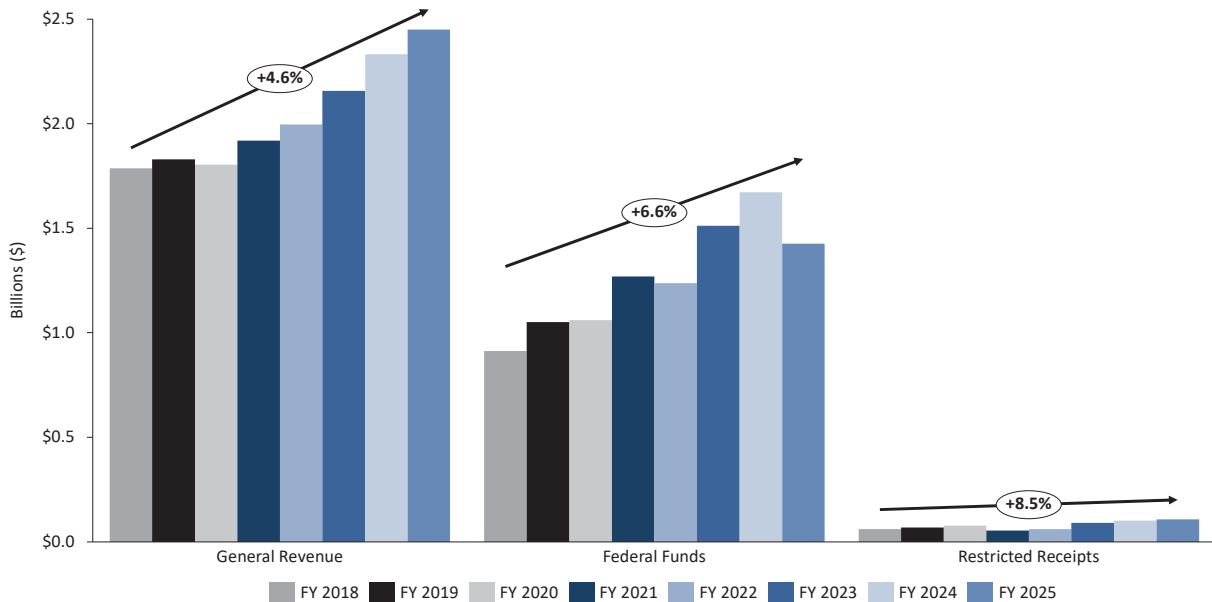
As required under R.I.G.L. § 42- 72.5(2), the following constitutes the FY 2025 Children’s Budget prepared by the Rhode Island Children’s Cabinet.

Pursuant to R.I.G.L. § 42-72.5, the Children’s Cabinet was established within the executive branch and meets monthly to address issues relating to children’s needs and services, with emphasis on those issues that cross departmental lines. By providing the overarching leadership necessary to improve the well-being of children and youth ages 0-24, the Children’s Cabinet strives to set Rhode Island on a path toward a more stable and successful future as outlined in the Rhode Island 2030 Plan.

With leadership from the Office of Management and Budget (OMB), the Children’s Cabinet annually analyzes Cabinet agency appropriations to identify and map investments supportive of the Cabinet’s desired outcomes for children and youth.

Since the beginning of the Children’s Budget analysis in FY 2018, all fund sources have increased. The FY 2025 analysis shows that Rhode Island continues to prioritize children and youth with a 4.6% compound annual growth rate of General Revenue funds since FY 2018. Due to the anticipated end of various federal stimulus funding streams, there is a decrease in federal funds between FY 2024 and FY 2025, but the overall trend remains positive since FY 2018.

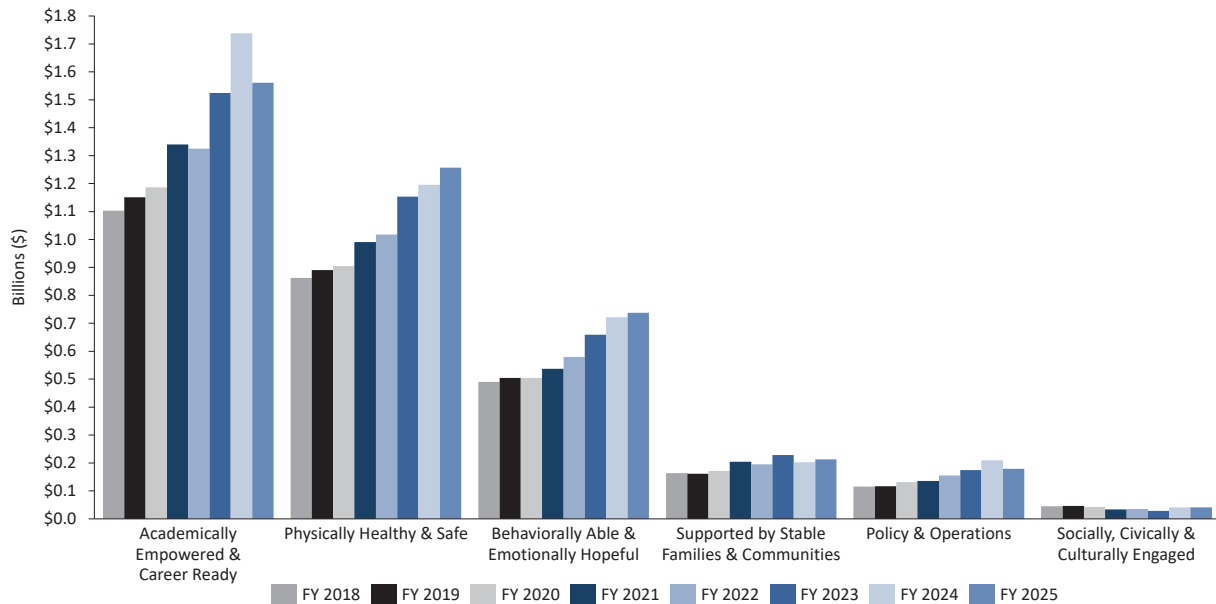
Graph A: Children and Youth Investments by Fund Source, FY 2018 – FY 2025



Since FY 2018, Rhode Island has increased investments across many of the desired outcome areas, with the greatest increases in the categories of Academically Empowered & Career Ready, Physically Healthy & Safe, and Behaviorally Able & Emotionally Hopeful. In FY 2025, while there is a decrease in Academically Empowered & Career Ready due to the anticipated end of federal stimulus funds, the Governor’s Proposed Budget includes vital General Revenue investments in out-of-school learning time, the Multilingual Learner Categorical Fund, and RI Pre-K. Together, these investments will support children and youth in furthering their academic journeys and being on a path to career readiness.

CHILDREN’S BUDGET

Graph B: Investments in Children and Youth by Desired Outcome Area, All Funds, FY 2018 – FY 2024



The analysis also demonstrated that investments in children and youth are allocated across departments, as several outcome areas have multiple departments with related programs and funding. This validates the ongoing value of coordination across agencies to leverage resources and ensure alignment to achieve shared goals. With input from stakeholders, the Children’s Cabinet will continue to use the budget scan to support future analysis and to drive coordination and maximization of these funds.

Children’s Budget Scan Background

The budget analysis represented the sixth year of an initiative conducted as a partnership between the Children’s Cabinet, OMB, and State agencies. The FY 2025 scan used the same protocols as the FY 2024 scan and categorized investments by the desired outcome areas from the Children’s Cabinet strategic plan. These desired outcome areas include:

- *Physically Healthy & Safe.* Children live in safe and healthy living environments, develop appropriately, access high-quality healthcare services, and avoid harmful incidents and behaviors.
- *Behaviorally Able & Emotionally Hopeful.* Children with (or who are at risk of) behavioral health issues receive appropriate preventative supports, interventions, and treatment and make successful transitions.
- *Academically Empowered & Career Ready.* Children access high-quality early learning and development programs to be ready for elementary school; progress appropriately in school; access, afford and complete college; and prepare for and thrive in appropriate in-demand jobs.
- *Socially, Civically, and Culturally Engaged.* Children and youth engage positively with each other and their communities, avoid juvenile justice system involvement, and access community-based programming and supports.
- *Supported by Stable Families and Communities.* Children and families are supported by stable wages and housing and maintain stability during periods of unemployment or under-employment.

CHILDREN'S BUDGET

Agencies were asked to provide estimations and assumptions about budget items where some data was not readily available, such as the percent of program recipients who were children and youth ages 0-24. Figures include these estimations and assumptions and therefore should be regarded as directional rather than conclusive.



Driving Economic Growth

RI 2030 Goal

- Support small businesses and enhance workforce development
- Increase tourism spending
- Improve the quality of transportation infrastructure

Related Performance Measure

- Number of job placements through Real Jobs partnerships
- Total tourist and visitor expenditures
- Percent of bridges in good or fair condition



Enhancing Public Health and Wellness

RI 2030 Goal

- Increase patients in home and community-based settings
- Increase access to quality primary and preventative care
- Decrease overdose deaths

Related Performance Measure

- Percent of long-term care spending on home & community-based settings
- Percent of children that received an early intervention evaluation within 45 days
- Number of opioid overdose fatalities



Strengthening K-12 Education

RI 2030 Goal

- Decrease the level of chronic absence among students
- Increase the high school graduation rate
- Ensure children are successful in school & beyond

Related Performance Measure

- Percent of students who are chronically absent each year
- Four-year graduation rate
- Percent of high school graduates earning college credit or an industry credential



Moving the State into 2030

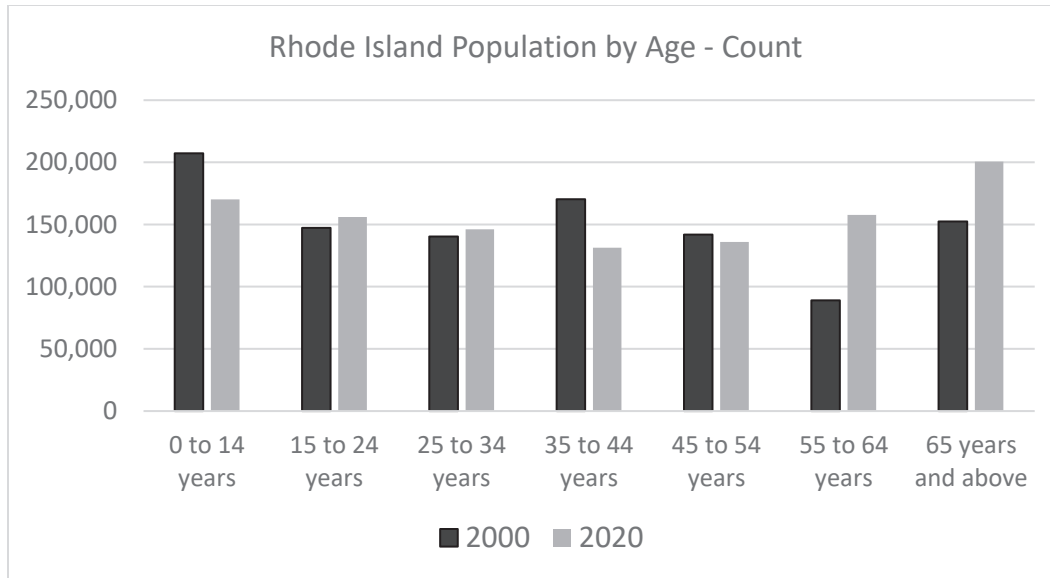
RI 2030 Goal

- Achieve net-zero greenhouse gas emissions by 2050
- Increase government efficiency
- Increase access to reliable, high-speed broadband internet

Related Performance Measure

- State government energy consumption
- Percent of tax filings submitted online
- Percent of internet speed tests taken that recorded a download speed above 100 mbps

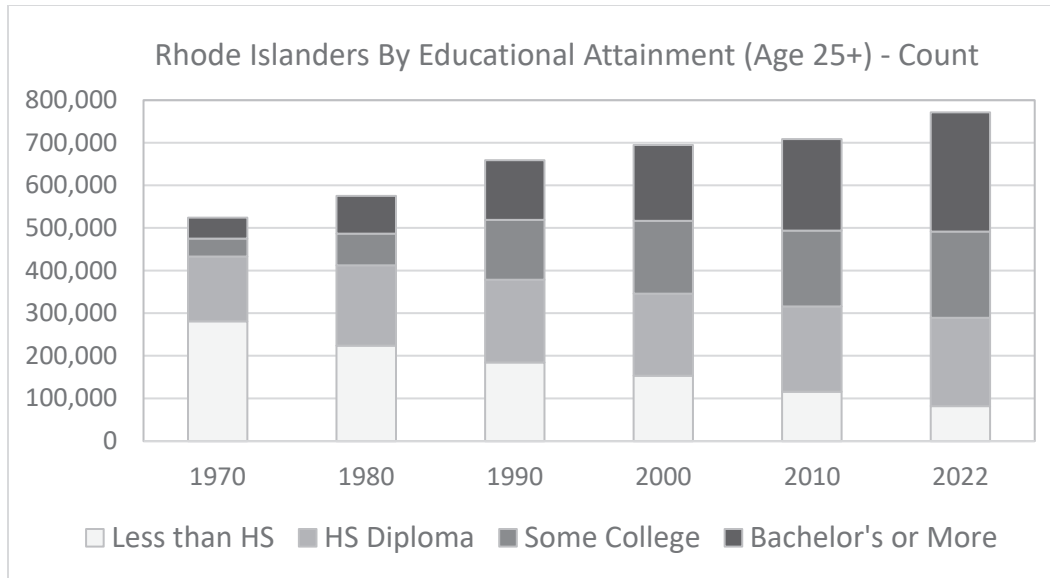
INSIGHTS INTO RHODE ISLAND'S POPULATION



Sources: 2020 and 2022 Decennial Census

Overall, Rhode Island has an aging population. Compared to 20 years ago, there are fewer young Rhode Islanders, with the number of Rhode Islanders aged 14 and below decreasing by 18 percent from 207,171 in 2000 to 170,117 in 2020. During that same interval, the number of Rhode Islanders aged 55 and above increased 48 percent from 241,391 to 358,084.

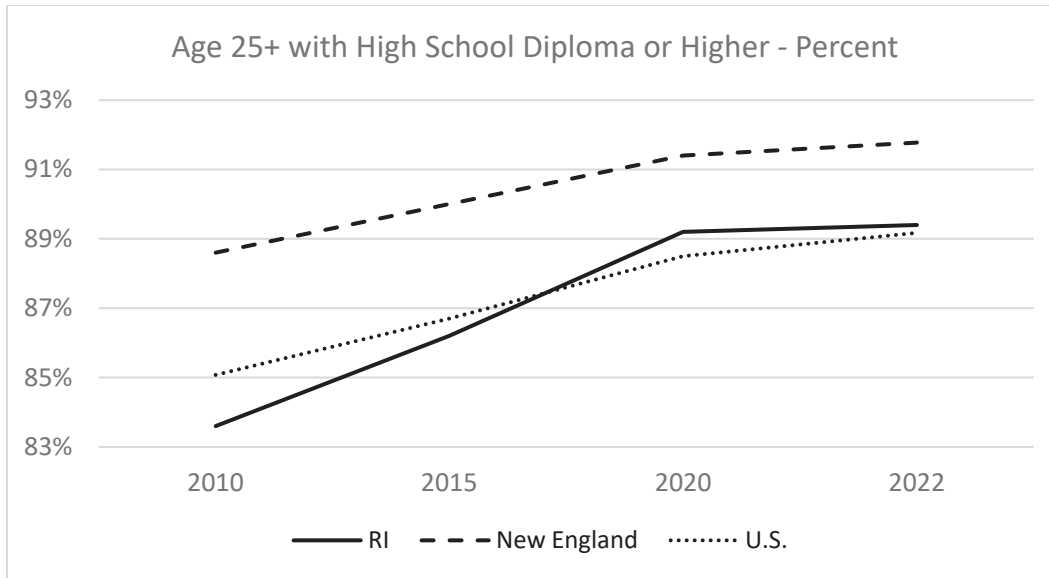
INSIGHTS INTO RHODE ISLAND'S POPULATION



Sources: 1970 – 2000 Decennial Census, 2010, 2022 American Community Survey 5 Year Estimate

The educational attainment of Rhode Islanders has increased significantly over the last 50 years. While in 1970 approximately 54 percent of Rhode Islanders did not have a high school degree, in 2022 only approximately 11 percent of Rhode Islanders did not have one. Meanwhile, the percentage of Rhode Islanders with some college or college degrees has increased from 17 percent to 63 percent during the same period.

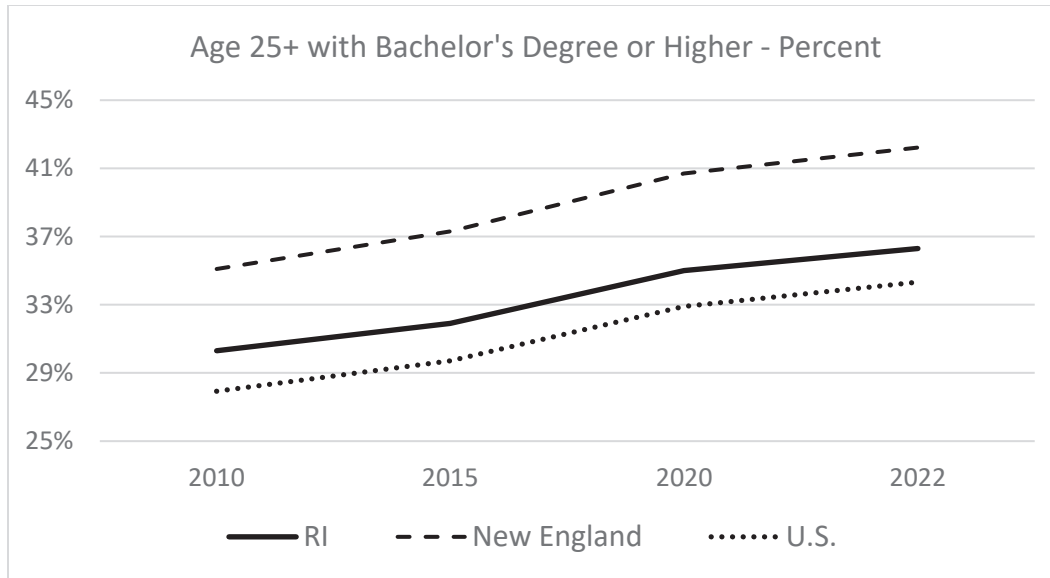
INSIGHTS INTO RHODE ISLAND'S POPULATION



Sources: 2010, 2015, 2020, 2022 American Community Survey 5 Year Estimate

In 2010, Rhode Island was below the national average in the percentage of individuals aged 25 and above with a high school diploma or higher. In 2022, Rhode Island now exceeds the national average with 89.5 percent of individuals having a high school diploma or higher. However, Rhode Island still lags other New England states in educational attainment (New England region was approximately 92 percent in 2022).

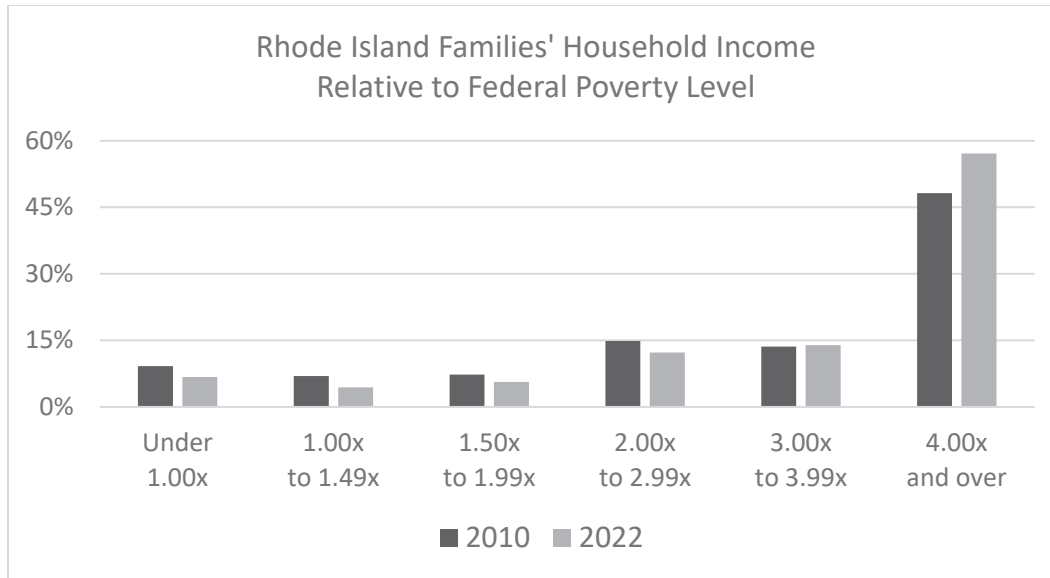
INSIGHTS INTO RHODE ISLAND'S POPULATION



Sources: 2010, 2015, 2020, 2022 American Community Survey 5 Year Estimate

The percentage of Rhode Islanders with a bachelor's degree or higher has increased from approximately 30 percent to 36 percent between 2010 and 2022. Rhode Island's performance on this measure is higher than the national average (34 percent in 2022), but remains lower than that of the New England region (42 percent in 2022).

INSIGHTS INTO RHODE ISLAND'S POPULATION



Sources: 2010 and 2022 American Community Survey 1 Year Estimate

Rhode Islanders' family household income has risen significantly relative to the federal poverty rate between 2010 and 2022. The percentage of Rhode Islanders whose incomes place them at three or more times above the federal poverty level has increased from 62 percent to 71 percent between 2010 and 2022.

RHODE ISLAND'S ECONOMY

Introduction

The Rhode Island economy in 2023 slowed from the rapid gains it had seen during the past two years, as federal fiscal stimulus wound down, Federal Reserve monetary policy tightened financial markets, and the housing market significantly cooled in the face of high interest rates. However, outright recession was averted, and Rhode Island saw modest real growth in key indicators such as gross state product and consumer spending, although real wage and personal income growth slowed. Rhode Island's seasonally adjusted unemployment rate fell to 2.6% in September 2023, a record low in a database that stretches back to 1976. The rate ticked back up slightly to 2.9% in November 2023.

A noteworthy strength in Rhode Island's economy over the last several years has been the continued strong recovery of the state's restaurant, hospitality, and tourism industries. State tax revenue from both restaurants and hotels exceeded pre-pandemic levels in FY 2022. The state saw further growth of 15.3% in revenue from restaurants in FY 2023, alongside 11.1% growth in hotel revenues.

While remaining downside risks in the U.S. and global economies must be acknowledged, the largest sources of volatility in 2022 gave reassuring signals in 2023. Oil, energy, and food prices largely stabilized or even tempered modestly in 2023, compared to their 2022 geopolitically induced spikes. Stubborn inflation finally began responding to Federal Reserve monetary policy and further stabilizations in global supply chains. The U.S. Bureau of Labor Statistics' final consumer price index report on calendar year 2023 shows a final inflation rate of just 3.4% for the year. This remains above the Federal Reserve's stated 2.0% target, but it marks significant progress from the 8.3% inflation experienced in 2022. The Northeast region fared even better, with calendar year 2023 inflation of 2.6%.

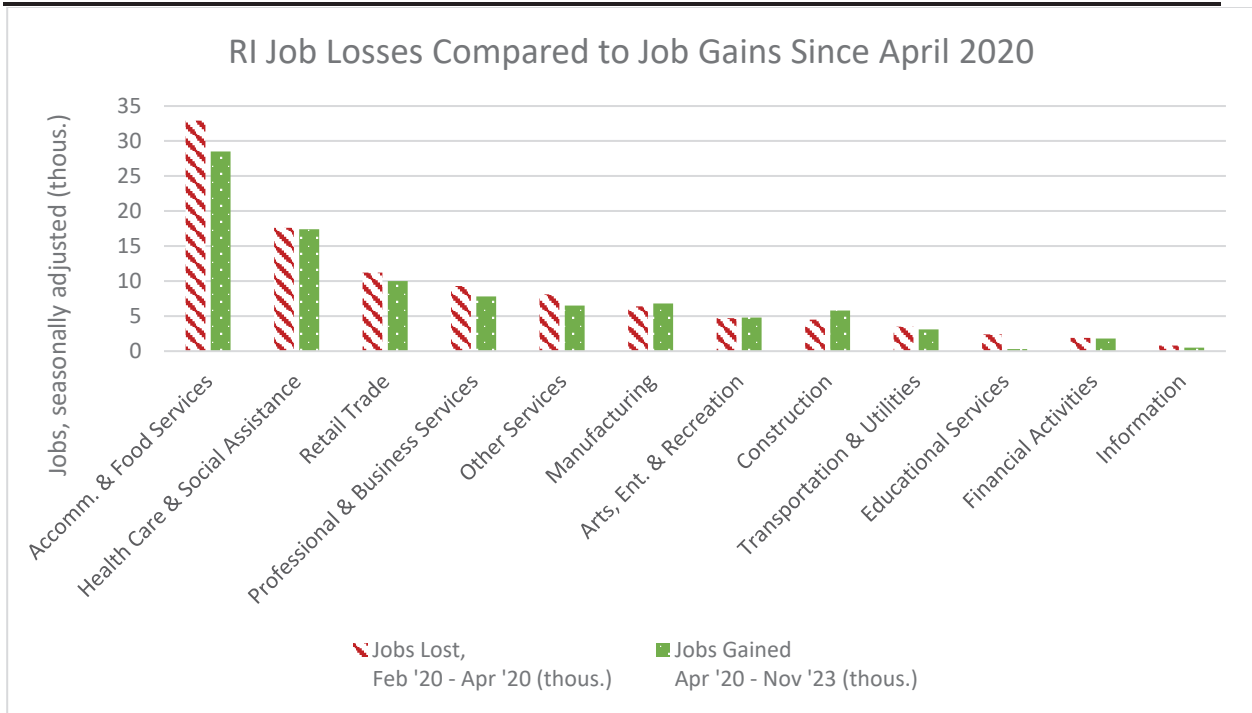
The state's consensus economic forecast predicts that Rhode Island will experience a period of below-trend growth in the near term, though a recession is not forecasted. According to data presented to the November 2023 Consensus Revenue Estimating Conference by economists from S&P Global Market Intelligence, Rhode Island's economic momentum is slowing as the pandemic recovery matures, while inflation, tight labor markets, and a constrained housing market are expected to temper growth from the levels seen over the last two years.

The Labor Market

Rhode Island lost 108,000 jobs between February 2020 and April 2020. As of February 2023, the state had regained 94.5% of those jobs, with the state's total employment topping 500,000 for the first time since the beginning of the pandemic according to the payroll survey of businesses. However, there was slight retrenchment over the course of 2023, and by November that percentage of jobs recovered had slipped to 90.4%. Contrasting those recent job losses have been the results from the other main labor dataset, the household survey, which showed the number of employed Rhode Islanders rising by 8,700 between February 2023 and November 2023. This discrepancy might be due to changing post-pandemic remote work patterns as more Rhode Islanders work remotely for out-of-state businesses.

The largest gains since April 2020 have been experienced by sectors that saw the largest pandemic-related losses. The accommodation and food services, health care and social assistance, and retail trade sectors, the hardest hit parts of the economy, have recovered 87%, 99%, and 89% of jobs lost, respectively. Three sectors—manufacturing; arts, entertainment, and recreation; and construction—have gained back more jobs than were initially lost.

RHODE ISLAND'S ECONOMY

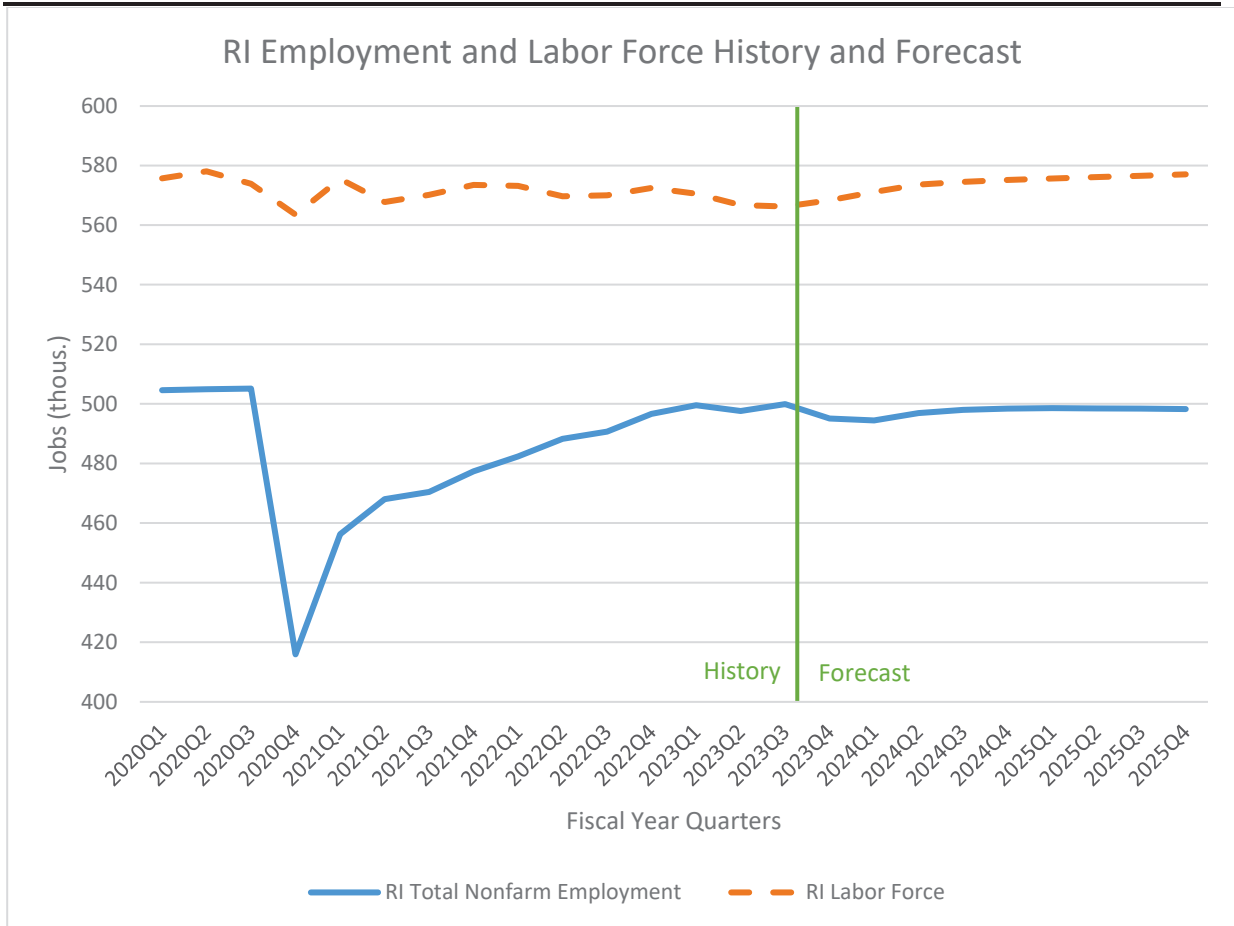


Rhode Island’s labor market continues to be characterized by robust demand for workers, with increases in demand for labor outpacing growth in the state’s labor force. Job openings in Rhode Island, according to the Bureau of Labor Statistics’ Job Openings and Labor Turnover Survey, were 24,000 in January 2021. However, these openings grew to 43,000 by March 2022 before slowly declining to 31,000 in October 2023. The five years prior to the pandemic saw monthly job openings average 22,000.

Rhode Island’s labor force has also rebounded from the pandemic downturns, though not fully, and this progress has leveled off in recent years. As of November 2023, the number of Rhode Islanders in the labor force was nearly identical to its pre-pandemic level in February 2020. Rhode Island’s labor force participation rate was 64.2% in February 2020 and dipped to a low of 61% by April 2020 before rebounding to 63.7% the following month. It remained at 63.7% as of November 2023, having averaged 63.4% since May 2020. This stagnation in labor force trends over the past few years may be attributable at least in part to the simultaneous growth of the population age 55 and over and the downward trend in labor force participation among the same group. These two trends pre-date the pandemic, although the declining labor force participation may have been exacerbated by early retirements during the pandemic.

The consensus economic forecast anticipates that employment growth will be relatively flat in the coming years as the state enters this stage of below-trend growth, ranging from -0.2% growth in FY 2024 to 0.5% in FY 2028. The state’s unemployment rate is expected to remain low at 2.7% in FY 2024, but it is projected to tick up to 4.1% by FY 2026, and to remain above 4% for the next several years.

RHODE ISLAND'S ECONOMY



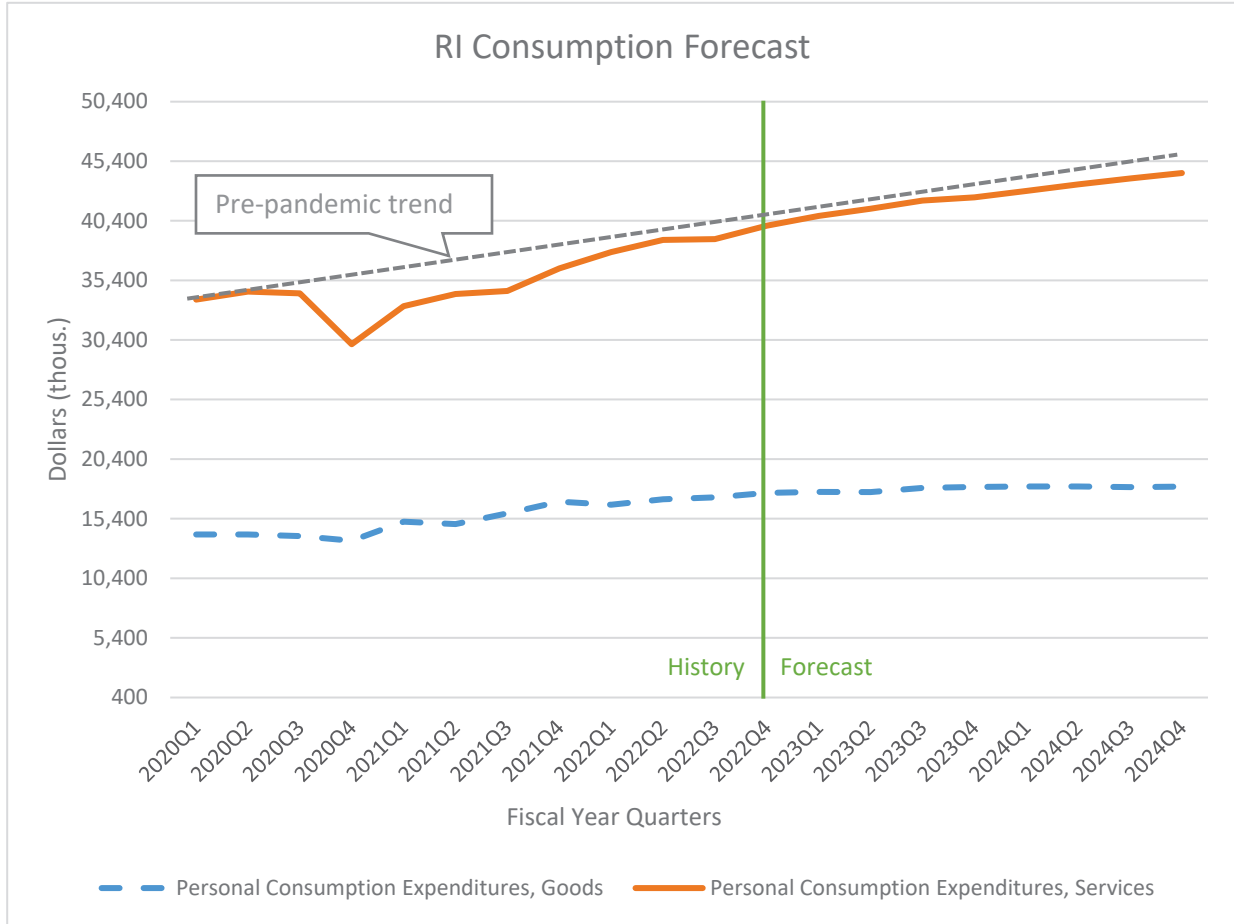
Consumer Spending, Housing, and Inflation

Robust consumer spending continued during FY 2023, growing at 6.4% overall in Rhode Island. As anticipated, the elevated growth in the services sector continued to outpace the growth of goods spending. This trend is attributable to consumers returning to more typical pre-pandemic spending patterns regarding healthcare, restaurant meals, and vacations. The growth of services consumption was 7.3% in FY 2023 and is expected to be 4.8% in FY 2024 before maintaining 4% growth over the following five years. This contrasts with goods consumption growth of 4.3% in FY 2023, which is then estimated to fall to 1.5% in FY 2024, and 0.9% in FY 2025, before leveling off around 2% in the following years. However, earlier forecasts had anticipated negative goods consumption growth as services spending increased, and this prediction has not yet come to fruition.

Price appreciation in the Rhode Island housing market continued in FY 2023, with the median existing single-family home price growing at 6.9% for the year. This growth is expected to fall to 3.7% in FY 2024 and further to 1.1% in FY 2025. High mortgage rates have curtailed the housing market, with home sales of existing single-family homes falling 25.0% in FY 2023. Housing starts are also expected to take a hit due to high rates, falling 25.4% in FY 2024. Starts and sales are forecasted to rebound in FY 2025, growing at 22.8% and 8.7% respectively.

RHODE ISLAND'S ECONOMY

Inflation is expected to moderate significantly in FY 2024, falling to 2.9% after 6.3% growth in FY 2023. FY 2025 is forecasted to see 2.4% growth in prices, falling further to 2.2% in FY 2026 (essentially achieving the Federal Reserve's inflation target). These inflation rates are for the nation, and as noted earlier inflation in the Northeast has fallen more quickly than the national rate.



Revisions to the Consensus Economic Forecast

The economic forecast adopted at the November 2023 Revenue Estimating Conference is shown below. Most notably, that forecast predicts flat growth in overall employment and an uptick in the Rhode Island unemployment rate that it expects will last at least a few years. The forecast largely assumes that the effects of federal fiscal stimulus have passed. These impacts of waning federal fiscal stimulus and continued tight labor markets are the primary drivers of the “pause in growth” forecast. However, the baseline forecast does assume that the U.S. skirts an outright recession, partly based on the continuation of above-trend consumer spending levels, which will drive real GDP growth. However, geopolitical and domestic risks remain salient and could lead to more pessimistic scenarios. These events would include intensification of global conflicts (Russia/Ukraine, Middle East), a credit pullback, a commercial real estate slide, and intensified federal government gridlock.

RHODE ISLAND'S ECONOMY

The November 2023 Consensus Economic Forecast						
Rates of Growth (%)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Nonfarm Employment	-0.2	0.3	0.0	0.3	0.5	0.4
Personal Income	4.0	4.8	4.3	4.2	4.4	4.2
Wage and Salary Income	4.5	4.2	3.8	4.0	4.3	4.1
Dividends, Interest and Rent	5.3	9.3	6.3	4.1	3.7	3.2
Personal Consumption	3.8	3.2	3.5	4.0	4.0	4.0
Nominal Rates						
Housing Starts (Ths.)	0.9	1.1	1.3	1.3	1.3	1.3
RI Unemployment Rate (%)	2.7	3.4	4.1	4.3	4.3	4.2
U.S. CPI-U (%)	2.9	2.4	2.2	2.1	2.2	2.2

REVENUE

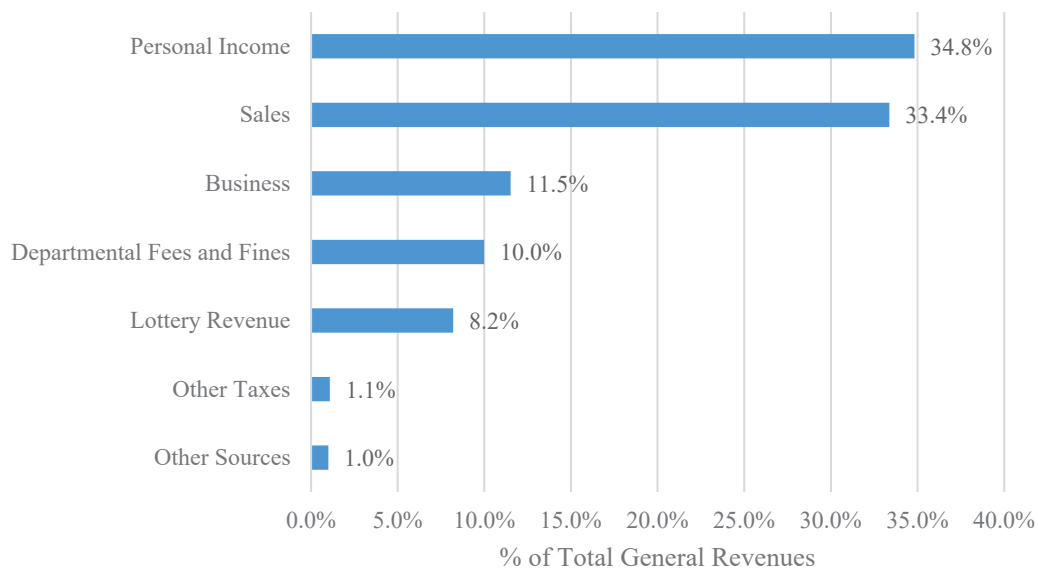
The Governor’s recommended budget is based on estimated general revenue of \$5.323 billion in FY 2024 and \$5.475 billion in FY 2025. Annual estimated growth during FY 2024 and FY 2025 is 2.1 percent and 2.9 percent, respectively.

FY 2024 Revised Revenues

The principals of the November 2023 Revenue Estimating Conference (REC) adopted revenue estimates that were \$42.1 million more than the enacted FY 2024 revenue estimates. The Governor’s revised FY 2024 Budget recommends an increase of \$4.8 million from the amount adopted at the REC. (See *Changes to FY 2024 Enacted Revenue Estimates* in Appendix A.)

The Governor recommends \$2.4 million in general revenue allocated to the Rhode Island Infrastructure Bank in FY 2024 to be transferred to the General Fund. The funds will be utilized to fund the Main Street RI Streetscape Improvement Fund and match requirements for federal funds available from FEMA’s State and Local Cyber security grant program for the Department of Administration. The budget also includes a transfer from \$2.0 million in excess funds from the Underground Storage Tank Fund.

FY 2024 Revised General Revenues

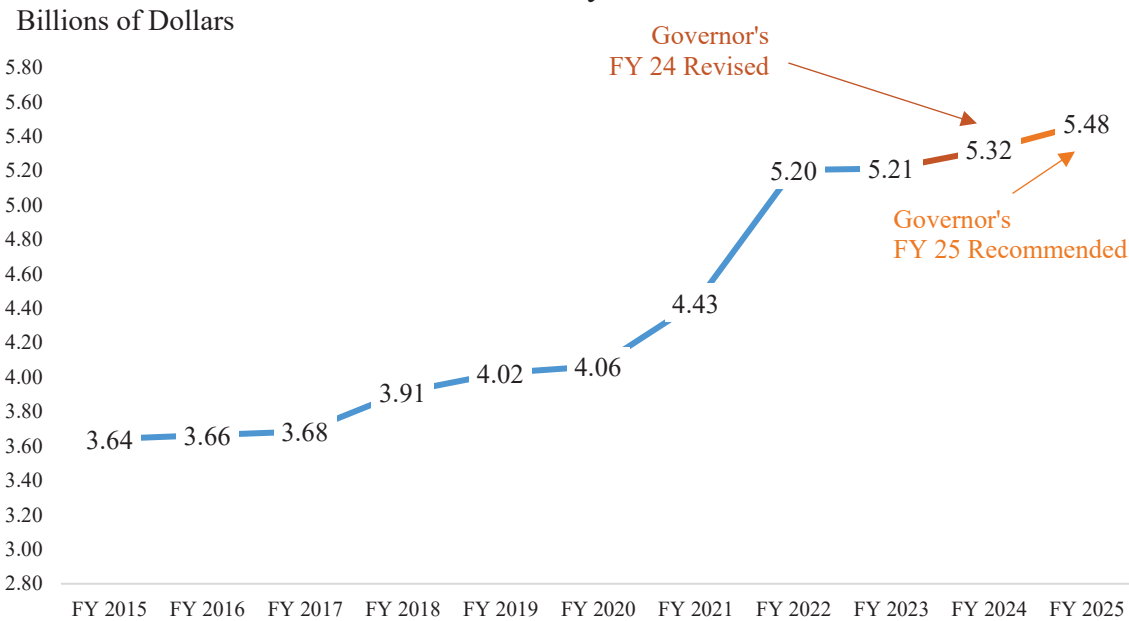


FY 2025 Recommended Revenues

The Governor’s recommended FY 2025 revenues are comprised of \$5.454 billion of revenue estimated at the November 2023 REC for FY 2025 and \$21.1 million of recommended changes to these adopted estimates. Below are descriptions of selected FY 2025 revenue proposals. (See *Changes to FY 2025 Adopted Revenue Estimates* in Appendix A.)

REVENUE

General Fund Revenue: Recent History & Forecast



Increase Tax Relief for Pensions

The Governor recommends increasing the amount of pension and annuity income that is untaxed from \$20,000 to \$50,000 (with joint filers eligible for deductions that are double these amounts). This proposal, effective for tax year 2025, is expected to reduce the taxes of at least 10,000 Rhode Islanders, with an average tax savings of about \$500 per impacted filer. This will reduce personal income tax revenue by \$3.0 million in FY 2025 and \$6.2 million for a full year.

Reduce the Corporate Minimum Tax

The budget proposes to reduce the corporate minimum tax from \$400 to \$350. This impacts over 70,000 taxpayers, the majority of which are limited liability companies and partnerships. This will reduce corporate tax revenue by \$2.3 million in FY 2025 and \$4.7 million for a full year.

Remove Unnecessary and Duplicative Fees

The Governor recommends eliminating six separate fees considered unnecessary or duplicative. This includes a \$50 fee for estate tax filers to file a form with the Division of Taxation. Taxation would also remove a \$25 fee required by entities (often nonprofits) seeking a sales tax exemption certificate.

Three fees from the Department of Business Regulation would be changed or eliminating: streamlining fees required for the installation of large tents, removing a fee for real estate brokers to change brokerages, and providing relief to liquor manufacturers seeking to expand their businesses. The final fee elimination, from the Department of Environmental Management, would replace a required decal for boats related to marine discharge with educational materials and clearer enforcement.

The removal of these fees reduces revenue by \$44,000 in FY 2025, growing to \$291,000 in relief in FY 2026.

Align with Neighboring States

The budget includes three measures to align Rhode Island tax policy with regional practices. The first is an increase in the period that businesses can carry forward a loss that offsets their tax bill from five years to

REVENUE

20 years. Both Massachusetts and Connecticut allow 20-year carryforwards of losses, and Rhode Island's five-year carryforward has diminished its ranking when states are evaluated for tax competitiveness.

The budget also includes a provision that allows cannabis businesses to deduct ordinary business expenses when filing their taxes, which they are currently prohibited from doing by federal law. Rhode Island would join Massachusetts and Connecticut, and at least 10 other states, in decoupling from this federal policy.

Finally, the budget would change the tax credit offered to members of pass-through entities who pay taxes under the state's elective pass-through entity tax. This elective tax was implemented in 2019 in response to the federal limitation of deductions for state and local taxes. Rhode Island's credit would be reduced to 90%, identical to the credit offered in Massachusetts and similar to Connecticut's 87.5% credit.

Increase Proactive Tax Collection

This proposal would increase proactive tax collection efforts in the Division of Taxation by investing in new staff, increasing overtime, and contracting with vendors to leverage new sources of tax data and analysis. In addition, the division would expand the top 100 delinquent taxpayer list to include anyone owing the state more than \$50,000. Overall, these efforts are expected to bring in \$10.4 million of new revenue in FY 2025, with a steady-state increase of \$5 to \$6 million in collections per year.

Enhance the Regulation and Taxation of Tobacco

The FY 2025 budget includes a proposal to tax e-cigarettes at 80% of their wholesale value, in line with the state's current other tobacco products tax. Taxing e-cigarettes would align Rhode Island with all the other states in New England along with 27 other states nationwide. This new tax, effective October 1, 2024, would raise \$5.3 million in FY 2025 and \$6.4 million in the subsequent year. The budget also recommends moving the regulatory and licensing authority over e-cigarettes from the Department of Health to the Division of Taxation, as is currently the case for all tobacco products other than e-cigarettes.

The budget also recommends increasing the state's cigarette tax from \$4.25 a pack to \$4.50 a pack on September 1, 2024. This would increase revenue by \$2.4 million in FY 2025 and \$1.9 million in FY 2026 (revenue is higher in FY 2025 due to the taxation of current cigarette inventory when the rate changes).

GENERAL GOVERNMENT

GENERAL GOVERNMENT

General Government includes agencies that provide general administrative services to all other state agencies, and those that perform state licensure and regulatory functions. It includes: most elected officials, including the Governor, Lieutenant Governor, General Treasurer, the Secretary of State, and the Legislature; administrative agencies, including the Department of Administration, the Department of Revenue, Executive Office of Commerce, the Department of Housing, the Department of Labor and Training, the Board of Elections, and the Commission for Human Rights; and regulatory agencies, including the Department of Business Regulation and the Public Utilities Commission.

GENERAL GOVERNMENT

Department of Administration

The Department of Administration (DOA) provides supportive services to all Rhode Island departments and agencies for the effective coordination and direction of state programs within a changing administrative and fiscal environment, while ensuring accountability and value for public dollars. The Department also provides policy direction for executive leadership in financial and administrative matters.

DOA's principal responsibilities include developing and administering the state budget; determining and maintaining standard specifications for purchases, contracts, bids, and awards for state purchases; maintaining and procuring state facilities; administering the statewide planning program; and managing the personnel of state departments and agencies.

Recent Department achievements and highlights include:

- Implementing the Enterprise Resource Planning (ERP) system, which aims to streamline and automate human resources, financial, and payroll functions.
- Using \$25 million in State Fiscal Recovery Fund (SFRF), the Office of Energy Resources' (OER) Clean Heat RI program launched in September 2023. Clean Heat RI is a heat pump program offering incentives for the installation of high-efficiency heat pumps for households, small to mid-size businesses, and nonprofits.
- S&P Global, Moody's, and Fitch have rated Rhode Island as an investment grade opportunity, with Fitch upgrading the State's outlook from stable to positive. Along with other strategic financial decisions, DOA made a \$62 million supplemental contribution to the State's pension fund to lower pension liability, which remained from when contributions were deferred in the 1990s.
- HealthSource RI (HSRI) launched an automatic enrollment program to help Rhode Islanders avoid unnecessary gaps in health coverage that could occur after Medicaid renewals resumed in 2023. From May through October 2023, about 5,000 individuals continued their coverage via automatic and active enrollments in plans offered through HSRI, with more than 1,800 of those customers automatically enrolled with two months of premium support.
- The Division of Capital Asset Management and Maintenance (DCAMM) is administering a capital project that involves cleaning the State House marble at a cost of \$2.2 million, funded through the Rhode Island Capital Plan Fund (RICAP). The project is expected to be completed in early 2024.

Budget Highlights

E-Bike Rebates.

Allocates \$500,000 to maintain the Erika Niedowski Memorial E-Bike Rebate Program, which provides partial reimbursement for e-bike purchases.

Minority Business Enterprises.

Provides \$500,000 to expand efforts to register and certify minority-owned businesses to increase their participation in state procurements.

AI Cybersecurity Task Force.

Supports a task force responsible for identifying ways to leverage AI capabilities while minimizing risks.

GENERAL GOVERNMENT

Department of Administration

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$824,590,678	\$489,769,564	\$293,843,692	\$292,357,861	\$227,870,824
Federal Funds	\$286,932,303	\$210,085,376	\$212,681,251	\$183,993,462	\$75,120,050
Restricted Receipts	\$32,219,534	\$66,714,157	\$48,486,518	\$59,415,067	\$47,189,447
Other Funds	\$44,877,480	\$45,453,250	\$46,733,016	\$45,274,382	\$43,880,985
RI Capital Plan Fund	\$16,752,645	\$34,381,191	\$116,022,206	\$131,093,886	\$125,336,759
Total Funding	\$1,205,372,641	\$846,403,538	\$717,766,683	\$712,134,658	\$519,398,065
FTE Authorization	650.7	662.7	674.7	674.6	683.6

Full-Time Equivalent Positions

The Governor recommends 683.6 FTE positions in the FY 2025 Budget, and 674.6 FTE positions in the revised FY 2024 Budget. The recommendation in FY 2025 represents an increase of 9.0 FTE positions from the enacted FY 2024 Budget, and the recommendation for the revised FY 2024 Budget represents a reduction of 0.1 FTE positions from the enacted FY 2024 Budget level to reflect current staffing levels.

Proposed FY 2025 Budget Actions

- *Office of Energy Resources – E-Bike Rebates.* The Governor recommends \$500,000 in general revenue for the Office of Energy Resources to maintain the Erika Niedowski Memorial E-Bike Rebate Program, which provides partial reimbursement for e-bike purchases. Without state funding, the program will end by April 2024.
- *Disparity Study.* The Governor recommends \$500,000 in general revenue for the Division of Equity, Diversity, and Inclusion to conduct a disparity study as mandated by R.I.G.L. § 37-14.1-6(d) to evaluate the need for programs to enhance participation in state procurements for minority business enterprises and women business enterprises.
- *Minority Business Enterprise Recruitment and Certification Initiative.* The Governor recommends \$500,000 in general revenue for the Division of Equity, Diversity, and Inclusion to expand efforts to register and certify minority business enterprises and women Business enterprises to increase their participation in state procurements.
- *Office of Energy Resources Staffing.* The Governor recommends an additional 1.0 FTE Assistant Administrator – Financial Management position supported by \$145,644 in restricted receipts to support the implementation of grant programs, such as the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for clean energy and energy efficiency programs.
- *Artificial Intelligence Cybersecurity Task Force.* The Governor recommends \$150,000 in general revenue to support an Artificial Intelligence Cybersecurity Task Force, which will include leaders from government, education, and industry, and be staffed by academic leaders in the artificial intelligence field. The aim of the Task Force is to identify short- and long-term actions and efforts to leverage artificial intelligence capabilities while minimizing risks to the public and private sectors.

GENERAL GOVERNMENT

- *Chief Data Officer and Data Program.* The Governor recommends 1.0 FTE Chief Data Officer position supported by \$263,174 in restricted receipts to lead the implementation of a federated data system, as well as \$1.8 million in restricted receipts from the Information Technology Restricted Receipt account to support program implementation. A federated data management system will connect data systems and enable data-driven decisions across government.
- *Federal Homeland Security Cybersecurity Grant.* The Governor recommends \$1.1 million in general revenue for the state matching requirement associated with \$4.5 million in expected grant funding from the Infrastructure Investment and Jobs Act through the federal State and Local Cybersecurity Grant Program. According to federal funding guidelines, 80 percent of awards to the State must benefit local governments.
- *Information Technology Critical Infrastructure.* The Governor recommends \$4.8 million in Information Processing Internal Service Fund expenditures to support contractual obligations for operations, hardware replacement, and annual licensing and maintenance costs, including a statewide upgrade to Windows 11.
- *Division of Capital Asset Management & Maintenance Project Manager Allocation.* The Governor recommends a decrease of \$1.9 million in general revenue for the Capital Asset Management and Maintenance program. The Department would charge project manager costs directly to relevant projects funded out of the Rhode Island Capital Plan Fund.
- *Shepard Building Operations.* The Governor recommends \$2.1 million in Facilities Management Internal Service Fund expenditures to finance the maintenance and operations at the Shepard Building. This request includes an additional 1.0 FTE building manager position.
- *Division of Capital Asset Management & Maintenance Operating Costs.* The Governor recommends adjustments to Statewide Facility Services Internal Service Fund expenditures to account for \$931,513 in increased property insurance costs and \$300,000 for the first year of a multi-year vehicle replacement plan.
- *Natural Gas.* The Governor recommends a decrease of \$9.2 million in Central Utilities Fund expenditures for an expected decline in natural gas costs, attributable to a pricing change determined at the natural gas supply auction held in fall 2023. These costs are charged to state agencies based on actual usage, and the Governor's recommendation adjusts agency budgets accordingly.
- *Enterprise Resource Planning Maintenance and Operations.* The Governor recommends an increase of \$3.5 million in Internal Service Fund expenditures to finance the maintenance and operations of the Enterprise Resource Planning system beginning January 1, 2025. These costs are charged per employee to state agencies, and the Governor's recommendation adjusts agency budgets by providing \$2.7 million in general revenue to cover these costs.
- *Accounts and Controls Enterprise Resource Planning Staffing.* The Governor recommends an increase of 3.0 FTE positions supported by \$541,647 in Internal Service Fund expenditures to support the rollout, operation, and maintenance of the new Enterprise Resource Planning project. These costs are allocated to the *Enterprise Resource Planning Maintenance and Operations* initiative above.
- *Division of Human Resources Enterprise Resource Planning Staffing.* The Governor recommends an increase of 3.0 FTE positions – 2.0 FTE Human Resource Program Administrator positions and 1.0 FTE Senior Human Resources Business Partner position – supported by \$489,603 in Human Resources Service Center Internal Service Fund expenditures. This recommendation provides additional staffing for Enterprise Resource Planning implementation change management and database work.

GENERAL GOVERNMENT

- *Federal Lobbying Services Contract.* To ensure the State remains compliant with all relevant federal funding requirements and maximizes future resources through competitive awards, the Governor recommends \$180,000 in general revenue for a federal lobbying advisory firm contract. This contract would support future federal funding opportunities and opportunities already awarded to the state.
- *General Obligation Debt Service.* The Governor recommends a decrease of \$19.9 million in general revenue from the enacted FY 2024 level for general obligation bond debt service, attributable to a reduction in outstanding appropriations debt service, anticipated debt service for the City of Central Falls school project, and savings from the defeasance of outstanding debt related to the I-195 Commission that occurred in November 2023.
- *City of Central Falls School Project Debt Service.* The Governor recommends \$7.2 million in general revenue for debt service on the City of Central Falls school project to support \$93.5 million of bonds issued in August 2023. The first phase of this project will construct a new high school facility.
- *Statewide Adjustments.* The Governor recommends a decrease of \$3.4 million in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.
- *SFRF – Ongoing COVID-19 Response.* The Governor recommends reappropriating \$20.6 million of the \$41.8 million in State Fiscal Recovery Funds included in the enacted FY 2024 Budget for other eligible uses. The State has not needed to use the Ongoing COVID-19 Responses funds and does not anticipate needing to use the funds for this purpose for the remainder of FY 2024.
- *SFRF – Pandemic Recovery Office.* The Governor recommends reappropriating \$3.5 million in State Fiscal Recovery Funds included in the enacted FY 2024 Budget for other eligible uses, as the Pandemic Recovery Office has achieved cost savings.
- *SFRF – Auto-Enrollment Program.* The Governor recommends reappropriating \$1.0 million in State Fiscal Recovery Funds in the enacted FY 2024 Budget for other eligible uses. During the ongoing Medicaid redetermination process, data indicates that benefits costs of the program are lower than the original estimates.
- *SFRF – Public Health Response Warehouse Support.* The Governor recommends \$0.8 million in State Fiscal Recovery Funds for the proper storage of personal protective equipment and other necessary COVID-19 response-related supplies, in partnership with the Emergency Management Agency. This amount is in addition to the \$3.4 million in State Fiscal Recovery Funds appropriated for this purpose in FY 2024.
- *SFRF – Community Learning Center Programming Support Grant.* The Governor recommends \$2.0 million in State Fiscal Recovery Funds to be distributed as grants to municipalities that have approved community learning center projects funded by the Community Learning Center Municipal Grant program.

Proposed FY 2024 Budget Revisions

- *General Obligation Debt Service.* The Governor recommends a decrease of \$6.5 million in general revenue from the enacted FY 2024 level for general obligation bond debt service, attributable to an updated debt service schedule.
- *Federal Lobbying Services Contract.* To ensure the State remains compliant with all relevant federal funding requirements and maximizes future resources through competitive awards, the Governor recommends \$90,000 in general revenue for a federal lobbying advisory firm contract. This contract would support future federal funding opportunities and opportunities already awarded to the State.

GENERAL GOVERNMENT

- *Federal Homeland Security Cybersecurity Grant.* The Governor recommends \$250,000 in general revenue for the state matching requirement associated with \$2.4 million in expected grant funding from the Infrastructure Investment and Jobs Act through the federal State and Local Cybersecurity Grant Program. According to federal funding guidelines, 80 percent of awards funded to the State must benefit local governments.
- *Natural Gas.* The Governor recommends a decrease of \$6.5 million for Central Utilities Fund expenditures for an expected decrease in natural gas costs, attributable to a pricing change determined at the natural gas supply auction held in fall 2023. These costs are charged to state agencies based on actual usage, and the Governor recommendation adjusts agency budgets accordingly.
- *Statewide Adjustments.* The Governor recommends a decrease of \$2.1 million in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Department of Business Regulation

The Department of Business Regulation's (DBR) primary function is the implementation of state laws mandating the regulation and licensing of designated businesses, professions, occupations, and other specified activities. The areas regulated include Banking, Securities, Commercial Licensing, Office of Cannabis Regulation, Gaming and Athletics, Insurance, Accountants, and the Division of Building, Design and Fire Professionals.

DBR's mission is to assist, educate, and protect the public through the implementation and enforcement of state laws on these activities while recognizing the need to foster a sound business environment.

The Department issues over 200,000 licenses annually and conducts administrative hearings involving licensees, which can include administrative penalties, denials, suspensions, and/or revocations.

Recent Department achievements and highlights include:

- In Fiscal Year 2023, returned \$967,016 to consumers because of complaint investigations and received \$183,577 in fines or penalties due to oversight activity.
- Through the Office of the Health Insurance Commissioner, implemented the Health Spending Accountability and Transparency Program, which is designed to curb healthcare spending growth, create transparency around healthcare costs and the drivers of cost growth, and reduce the impact of rising costs on residents, businesses, and government.
- Saved Rhode Islanders \$23.8 million by cutting increases proposed by commercial health insurers for 2024, including \$9.2 million for small businesses.
- In accordance with the Cannabis Act, established the three-member Cannabis Control Commission, which oversees the regulation, licensing, enforcement, and control of regulated adult-use and medical cannabis in Rhode Island.
- Upgrading the agency's online licensing system to enhance efficiency, security, and the user experience.
- In October 2022, launched an online, short-term rental registration system as required by state law.

Budget Highlights

Social and Human Service Programs Rate Review.

Allocates \$1.1 million to continue funding for the rate review of social and human service programs having a contract with or licensed by the State.

Cannabis Business Tax Liability.

Decouples Rhode Island from federal tax rules, meaning cannabis businesses would be able to benefit from state tax deductions and credits.

GENERAL GOVERNMENT

Department of Business Regulation

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$19,539,175	\$23,204,707	\$24,371,468	\$24,436,087	\$24,517,764
Federal Funds	\$817,183	\$910,863	\$641,503	\$1,232,597	\$845,863
Restricted Receipts	\$6,469,207	\$6,957,526	\$11,523,017	\$10,923,958	\$12,272,848
Other Funds	\$10,820	\$64,629	\$71,915	\$64,981	\$67,300
RI Capital Plan Fund	-	-	\$5,715,000	\$5,715,000	\$1,941,000
Total Funding	\$26,836,385	\$31,137,725	\$42,322,903	\$42,372,623	\$39,644,775
FTE Authorization	162.0	181.0	181.0	181.0	181.0

Full-Time Equivalent Positions

The Governor recommends 181.0 FTE positions in the FY 2025 Budget, and 181.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Social and Human Service Programs Rate Review.* The Governor recommends \$1.1 million in general revenue to continue funding for the rate review of social and human service programs having a contract with or licensed by the State as functions enumerated in R.I.G.L. § 42-14.5-3(t).
- *Administrator of Office of Cannabis Regulation.* The Governor recommends an increase of \$255,654 in restricted receipts for the addition of an administrator for the Office of Cannabis Regulation. The specific statute for this role can be found in R.I.G.L. § 21-28.11-18.1. The position is nominated by the Governor and requires advice and consent of the State Senate.
- *Cannabis Business Tax Liability.* The Governor recommends allowing Rhode Island businesses licensed under the State’s medical marijuana or adult-use cannabis statutes to deduct ordinary business expenses from taxable income for state tax purposes beginning in tax year 2025, which is estimated to save businesses \$824,642 in FY 2025 and \$1.7 million in FY 2026.
- *Statewide Adjustments.* The Governor recommends a decrease of \$340,421 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Statewide Adjustments.* The Governor recommends a decrease of \$339,295 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Executive Office of Commerce

The Executive Office of Commerce (EOC) plays a pivotal role in stimulating economic growth within the state by providing strategic leadership and direction for economic development initiatives. The EOC oversees several key entities, including the Rhode Island Commerce Corporation, the Department of Business Regulation, the I-195 Redevelopment District Commission, and the Quonset Development Corporation, ensuring a cohesive and dynamic approach to advancing the state's economic objectives.

Recent Office achievements and highlights include:

- Awarded grants totaling \$1.4 million in 2023 for 10 projects through the Main Street RI Streetscape Improvement Fund to help revitalize main streets and downtown business districts.
- Awarded grants totaling \$3.6 million benefitting nearly 500 businesses, as of October 2023, through the Take It Outside program, which is increasing outdoor activities to reduce the transmission rate of viral diseases.
- Awarded grants totaling \$2.2 million to municipalities and partner organizations to fund 32 projects to support the development of outdoor and public space capital improvements or event programming through a placemaking initiative.
- The Small Business Assistance Program partners with qualified lending organizations to assist entrepreneurs and small businesses that encounter difficulty accessing capital from traditional lending institutions. Since inception, the program has awarded over \$33.1 million in loans, leveraging \$6.7 million in Commerce funds, with a less than 4% default rate. The program has been awarded \$550,000 annually over the next five years through the Amazon Johnston community benefits agreement.
- Developing the State's long-term, economic development vision, policy, and strategy, which will incorporate data analysis and review of past reports with Rhode Islanders' feedback.

Budget Highlights

Destination Marketing.

Provides \$1.4 million to support airline routes to Rhode Island T.F. Green International Airport.

Minority Business Accelerator.

Supplements previous investments in minority business enterprises through an investment of \$500,000 to enhance their growth.

Sunset Extensions.

Extends various business and economic development programs for an additional year through December 31, 2025.

GENERAL GOVERNMENT

Executive Office of Commerce

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$84,243,173	\$57,085,654	\$66,421,142	\$66,319,788	\$38,255,983
Federal Funds	\$66,453,957	\$92,398,662	\$174,401,499	\$191,644,660	\$22,000,000
Restricted Receipts	\$5,064,835	\$19,538,012	-	-	-
Other Funds	-	-	-	-	-
RI Capital Plan Fund	\$6,589,069	\$881,228	\$805,000	\$963,819	\$5,896,180
Total Funding	\$162,351,034	\$169,903,556	\$241,627,641	\$258,928,267	\$66,152,163
FTE Authorization	16.0	20.0	5.0	5.0	5.0

Full-Time Equivalent Positions

The Governor recommends 5.0 FTE positions in the FY 2025 Budget, and 5.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Destination Marketing.* The Governor recommends \$1.4 million in general revenue for destination tourism marketing in support of airline routes to Rhode Island T.F. Green International Airport. This amount is in addition to \$3.0 million in State Fiscal Recovery Funds that was appropriated in FY 2023 and FY 2024.
- *Minority Business Accelerator.* The Governor recommends \$0.5 million in general revenue to enhance the growth of minority business enterprises. This amount is in addition to a total of \$6.0 million in State Fiscal Recovery Funds that was appropriated in FY 2023 and FY 2024.
- *Main Streets.* The Governor recommends \$1.0 million in general revenue for the Main Street RI Streetscape Improvement program. This amount is in addition to \$5.0 million in one-time general revenue appropriated in FY 2023 and \$1.0 million appropriated in FY 2024 for the Main Street RI Streetscape Improvement program.
- *Continued Support for Rhode Island Commerce Corporation.* The Governor recommends an additional \$215,553 in general revenue for the Rhode Island Commerce Corporation base appropriation to cover personnel costs, increased health insurance costs, as well as a variety of operating cost increases, such as software and computer equipment upgrades.
- *Rhode Island Industrial-Recreational Building Authority Obligations.* The Governor recommends \$0.5 million in general revenue to fulfill outstanding debt service obligations of the Industrial-Recreational Building Authority for FY 2025.
- *Sunset Extensions.* The Governor recommends extending sunset provisions for the following programs from December 31, 2024, to December 31, 2025: Rhode Island Tax Increment Financing, the Tax Stabilization Incentive, the First Wave Closing Fund, the I-195 Redevelopment Project Fund, the Small Business Assistance Program, the Wavemaker Fellowship, the Main Street RI Streetscape Improvement Fund, the Innovation Initiative, the High School, College, and Employer Partnerships, the Air Service Development Fund, and the Rhode Island Qualified Jobs Incentive Act.

GENERAL GOVERNMENT

- *Statewide Adjustments.* The Governor recommends a decrease of \$5,474 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Statewide Adjustments.* The Governor recommends an increase of \$2,224 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Department of Housing

The Department of Housing (Department) is the State’s lead agency for housing, homelessness, and community development. Established in the 2022 legislative session and amended during the 2023 legislative session, the Department is headed by the Secretary of Housing, who is appointed by the Governor with the advice and consent of the Senate. The current Secretary also serves as Chairperson of the RI Housing and Mortgage Finance Corporation (RIHousing).

The Department is charged with coordinating the housing, homelessness, and community development programs of the State and its departments, agencies, commissions, corporations, and subdivisions.

Recent Department achievements and highlights include:

- RIHousing approved 37 development projects in 2023 that will result in over 2,200 homes, including 500 affordable homes that will be preserved and over 1,700 new units. Municipalities that will have new or preserved housing include Central Falls, Coventry, East Greenwich, East Providence, Jamestown, Johnston, Lincoln, Middletown, Newport, North Kingstown, Portsmouth, Providence, Smithfield, Tiverton, Westerly, and Woonsocket.
- Celebrated 11 ribbon cuttings in 2023 for projects financed in part by RIHousing, with over 500 new homes becoming ready for occupancy. These include developments completed in Bristol, East Greenwich, East Providence, Exeter, Middletown, North Providence, Pawtucket, Providence, Warren, Warwick, and Woonsocket.
- Announced the availability of more than \$90 million for the development, preservation, and operation costs for affordable housing. Among other programs, this includes funding for the newly established Priority Projects Fund and Transit-Oriented Development projects program. The Priority Projects Fund will have a special emphasis on vulnerable Rhode Islanders, such as lower-income Rhode Islanders, older adults, individuals with disabilities, and veterans.
- Supported 1,400 first-time homebuyers with up to \$17,500 for down payment and closing cost assistance.
- Received authorization for a new state-level, low-income housing tax credit (LIHTC). Until 2023, Rhode Island was one of only two northeastern states without a state-level LIHTC program. The program provides tax credit financing to developers through a competitive process and is capped at \$30 million annually.
- Announced a winter homelessness strategy emphasizing prevention, expansion of shelter capacity, and collaboration with key partners to address the increased levels of homelessness Rhode Island is experiencing. This effort includes an approximately 30% increase in shelter beds compared to January 2023 and funding for six agencies to conduct Housing Problem Solving, which provides services aimed at preventing households facing imminent homelessness from entering the shelter system and assisting households experiencing homelessness in securing permanent housing as soon as possible.
- Issued its 2023 annual Integrated Housing report, which highlights the need for increased housing production in the state and provides options regarding potential opportunities to set goals for meeting the state’s housing needs.

Budget Highlights

Ballot Initiatives.

Recommends asking voters for approval of \$100 million to finance programs that increase affordable and middle-income housing production and infrastructure, support community revitalization, and promote home ownership.

GENERAL GOVERNMENT

Department of Housing

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	-	-	\$32,997,895	\$31,494,506	\$9,840,596
Federal Funds	-	-	\$210,993,898	\$284,661,217	\$18,530,670
Restricted Receipts	-	-	\$7,664,150	\$7,664,150	\$7,664,150
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	-	-	\$251,655,943	\$323,819,873	\$36,035,416
FTE Authorization	-	-	38.0	38.0	38.0

Full-Time Equivalent Positions

The Governor recommends 38.0 FTE positions in the FY 2025 Budget, and 38.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends fully financing current operations and staffing authorizations of \$9.8 million in general revenue in FY 2025.
- *Low-Income Housing Tax Credit Program.* The governor recommends \$4.0 million in general revenue in FY 2025 for the Low-Income Housing Tax Credit program.
- *Statewide Adjustments.* The Governor recommends an increase of \$515,778 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Low-Income Housing Tax Credit Program.* The governor recommends \$28.0 million in general revenue in the revised FY 2024 Budget for the Low-Income Housing Tax Credit program.
- *Statewide Adjustments.* The Governor recommends an increase of \$133,947 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Department of Labor and Training

The Department of Labor and Training (DLT) provides workforce development, workforce security, and workforce protection to workers, employers, and citizens. DLT protects the workforce by enforcing labor laws, prevailing wage rates, and workplace health and safety standards. It also provides temporary income support to unemployed and temporarily disabled workers.

The Department executes programs and administers laws governing the following program areas: Income Support, Workforce Development Services, Workers' Compensation, Workforce Regulation and Safety, Labor Market Information, and Community Engagement.

The Income Support Division provides financial assistance to Rhode Islanders who are temporarily out of work; the Workforce Development Services Division administers federal and state employment and training programs that guide job seekers to suitable employment and introduce employers to qualified workers; the Workers' Compensation Division ensures that all required employers have insurance coverage, that appropriate documents are filed to protect injured workers and employers, that claims are paid properly, and that measures are taken to detect and prevent fraud; the Workforce Regulation and Safety Division is charged with enforcing the safety laws that protect Rhode Island's workforce; the Labor Market Information Division is a central resource for a variety of data pertaining to the Rhode Island economy; and the Office of Community Engagement leads DLT's commitment to be a diverse, equitable, and inclusive organization.

Recent Department achievements and highlights include:

- In Fiscal Year 2023, enrolled more than 3,800 jobseekers in DLT's premiere workforce development initiative called Real Jobs RI, with 75% completing their job training and placement programs and 68% being placed into jobs.
- Launched an initiative in April 2023 through which 25 community-based organizations are advising DLT on policies and program delivery rooted in equity and accessibility.
- Continued prioritizing conducting fair, assertive, and balanced labor law enforcement, with approximately 500 cases completed in 2023, resulting in nearly \$600,000 in wages returned to workers and more than \$100,000 in penalties assessed.
- In partnership with the Department of Corrections (DOC), providing a manufacturing training program that has served over 20 incarcerated individuals to date within the Women's facility of the Adult Correctional Institutions. Participants are trained on computer-aided, design machines and earn an Occupational Safety and Health Administration (OSHA) certificate and a Certified Logistics Technician certificate.
- Established the Green Energy Workforce Advisory Committee under the Governor's Workforce Board to serve as a focal point in identifying skills gaps, hiring needs, and career opportunities in the rapidly expanding clean energy and climate resiliency sectors.

Budget Highlights

Workers' Compensation System Study.

Provides \$200,000 in general revenue to conduct a study of the workers' compensation system, including an analysis of rates, benefits, and administrative costs.

Enhanced Real Jobs.

Continues investment of \$30.0 million in State Fiscal Recovery Funds to connect employers impacted by the pandemic to individuals enrolled in workforce training.

GENERAL GOVERNMENT

Department of Labor and Training

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$15,466,165	\$18,204,551	\$17,697,227	\$22,190,882	\$17,990,653
Federal Funds	\$379,125,188	\$150,859,898	\$74,703,378	\$74,768,385	\$42,711,594
Restricted Receipts	\$27,206,409	\$34,183,144	\$30,280,568	\$31,213,509	\$32,037,084
Other Funds	\$366,983,259	\$397,253,035	\$404,952,859	\$474,056,152	\$501,606,931
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$788,781,020	\$600,500,627	\$527,634,032	\$602,228,928	\$594,346,262
FTE Authorization	461.7	461.7	461.7	461.7	461.7

Full-Time Equivalent Positions

The Governor recommends 461.7 FTE positions in the FY 2025 Budget, and 461.7 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$17.9 million in general revenue.
- *Workers' Compensation System Study.* The Governor recommends \$200,000 in general revenue for the Workers' Compensation Advisory Council to conduct a comprehensive study of the Rhode Island workers' compensation system. The study would include an analysis of rates, benefits, and administrative costs, and will be due by January 6, 2025.
- *Statewide Adjustments.* The Governor recommends an increase of \$117,169 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Reappropriations.* The Governor recommends \$4.5 million in general revenue reappropriations from FY 2023, including \$4.0 million for the Healthcare Workforce Support program, \$328,138 for the Work Immersion program, and \$106,998 for Police and Fire Relief funds.
- *Statewide Adjustments.* The Governor recommends an increase of \$10,358 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Department of Revenue

The Department of Revenue (DOR) oversees programs that affect the financial management of every community and touch the daily lives of every Rhode Islander. Its programmatic functions are Taxation, State Lottery, Division of Motor Vehicles, Revenue Analysis, Municipal Finance, and Central Collections.

Recent Department achievements and highlights include:

- Launched a DMV Online Customer Portal that allows Rhode Islanders to complete a number of transactions from home.
- Through the Division of Taxation, processed more than 1.6 million payments and collected \$5.2 billion in state tax revenue.
- Collected more than \$2.7 million in delinquent debt in Fiscal Year 2023.
- Transferred \$435 million from the Lottery to the general fund in Fiscal year 2023 – a Lottery record.
- Through mid-November 2023, bettors placed more than 5.3 million wagers online this calendar year with Sportsbook Rhode Island.
- Through the Office of Revenue Analysis, produced four tax-incentive evaluation reports and a special report analyzing the post-pandemic recovery of hotel and meals tax revenue.
- Distributed more than \$290 million of state aid payments to municipalities.

Budget Highlights

Pension Income.

Allows tax filers to exempt up to \$50,000 of pension income – instead of the current maximum of \$20,000 – starting in tax year 2025.

Corporate Minimum Tax.

Reduces the tax from \$400 to \$350, which is projected to benefit approximately 65,000 entities.

Proactive Tax Collection.

Funds a set of initiatives to boost tax collection efforts that is projected to generate \$10.4 million in revenue in Fiscal Year 2025.

Department of Revenue

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$258,598,504	\$363,463,744	\$397,716,359	\$374,366,590	\$399,021,730
Federal Funds	\$132,797,058	\$132,434,739	\$825,339	\$794,957	\$805,667
Restricted Receipts	\$1,983,339	\$4,575,546	\$9,556,818	\$9,469,077	\$9,481,272
Other Funds	\$365,055,730	\$411,875,227	\$391,084,764	\$422,878,743	\$423,156,930
RI Capital Plan Fund	-	-	\$850,000	\$850,000	-
Total Funding	\$758,434,631	\$912,349,256	\$800,033,280	\$808,359,367	\$832,465,599
FTE Authorization	570.5	575.5	575.5	587.5	599.5

Full-Time Equivalent Positions

The Governor recommends 599.5 FTE positions in the FY 2025 Budget, and 587.5 FTE positions in the revised FY 2024 Budget, both of which are increased from the 575.5 FTE positions in the enacted FY 2024 Budget.

GENERAL GOVERNMENT

Proposed FY 2025 Budget Actions

- *Pension Income Modification.* The Governor recommends increasing the maximum allowed pension modification from \$20,000 to \$50,000 beginning in tax year 2025. This would allow tax filers to exempt up to \$50,000 of pension income and would save Rhode Islanders an estimated \$3.0 million in FY 2025 and \$6.2 million in FY 2026.
- *Corporate Minimum Tax Reduction.* The Governor recommends a \$50 reduction to the corporate minimum tax, from \$400 to \$350, beginning in tax year 2025. This reduction is estimated to save businesses \$2.3 million in FY 2025 and \$4.7 million in FY 2026.
- *Pass-through Entity Tax Credit.* The Governor recommends reducing the State tax credit of the tax paid by the pass-through entity at the entity level that is passed through to an owner on a pro rata basis from 100 percent to 90 percent, beginning in tax year 2025. The comparable percentages in neighboring states include Massachusetts at 90 percent and Connecticut at 87.5 percent. This reduction is estimated to raise \$8.1 million in general revenue in FY 2025 and \$16.5 million in FY 2026.
- *Cigarette Tax Increase.* The Governor recommends increasing the cigarette tax from \$4.25 to \$4.50 per pack, which would raise an estimated \$2.4 million in general revenue in FY 2025.
- *Electronic Nicotine Delivery System Products Taxation and Regulation.* The Governor recommends imposing a tax on electronic nicotine delivery system products, commonly known as e-cigarettes or vaping devices, of 80 percent of the wholesale cost, which would raise an estimated \$3.2 million in general revenue in FY 2025. Licensing responsibility for Electronic Nicotine Delivery System products would be transferred from the Department of Health to the Division of Taxation. The Governor recommends an increase of \$159,292 in general revenue for an additional 2.0 FTE positions to investigate products and to seize and destroy illegal flavored products.
- *Proactive Tax Collection.* The Governor recommends a set of initiatives to enhance tax collection. This includes an increase of \$741,999 in general revenue for an additional 3.0 FTE positions for proactive collection initiatives, for hiring out-of-state attorneys to enforce collections against nonresidents with Rhode Island state tax liabilities, and for leveraging data available from vendors. Additionally, the tax delinquents public disclosure list would be expanded from the current top-100 to those who owe at least \$50,000 and are not in communication with the Division of Taxation. These initiatives would collectively raise \$10.4 million in general revenue in FY 2025.
- *iGaming Personnel.* The Governor recommends an increase of \$2.0 million in Lottery funds for an additional 19.0 FTE positions to oversee iGaming, which will launch in March 2024. iGaming was authorized last year without the Lottery receiving any new FTE positions to run the program. 12.0 FTE positions would start in FY 2024 and an additional 7.0 FTE positions would be added in FY 2025.
- *Elimination of Estate Tax Filing Fee.* The Governor recommends eliminating the \$50 filing fee for estate tax returns for decedents having a date of death on or after January 1, 2025, which would save Rhode Islanders an estimated \$230,000 in general revenue in FY 2026.
- *Elimination of Sales Tax Exemption Fee.* The Governor recommends eliminating the \$25 filing fee for organizations applying for a certificate of exemption from sales and use tax.
- *Net Operating Loss Carryforward Extension.* The Governor recommends extending the Net Operating Loss carryforward provision from five years to 20 years beginning in tax year 2025.
- *Motor Vehicle Excise Tax Phase-out.* The Governor recommends fully funding the Motor Vehicle Excise Tax Phase-out in FY 2025 with \$234.7 million in general revenue. The Motor Vehicle Excise

GENERAL GOVERNMENT

Tax was eliminated in FY 2023. The Governor also recommends eliminating the sales tax inflator that would have increased funding by \$7.7 million in FY 2026.

- *Payments-in-Lieu-of-Taxes.* The Governor recommends financing the Payment-in-Lieu-of-Taxes program at \$49.2 million in general revenue in FY 2025, matching the FY 2024 enacted amount.
- *Tangible Property Reimbursement.* The Governor recommends financing the Tangible Property Reimbursement at \$28.0 million in general revenue in FY 2025, fully funding the program in its first year of operation.
- *Distressed Communities Relief Program.* The Governor recommends financing the Distressed Communities Relief Program at \$12.4 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends an increase of \$548,196 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *iGaming Personnel.* The Governor recommends an increase of \$628,396 in Lottery funds for an additional 12.0 FTE positions to oversee iGaming, which will launch in March 2024. iGaming was authorized last year without the Lottery receiving any new FTE positions to run the program. 12.0 FTE positions would start in FY 2024 and an additional 7.0 FTE positions would be added in FY 2025.
- *Tangible Property Reimbursement.* The Governor recommends a reduction of \$28.0 million in general revenue for the Tangible Property Reimbursement. The tangible tax exemption and the resulting reimbursement of lost revenue to municipalities, as enacted by the General Assembly last year, will not begin until FY 2025.
- *Plate Reissuance Reappropriation.* The Governor recommends the reappropriation of \$5.4 million in general revenue for the plate reissuance process. Full funding for the two-year process was appropriated in FY 2023.
- *Statewide Adjustments.* The Governor recommends an increase of \$171,971 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Legislature

The Rhode Island Legislature, the General Assembly, consists of two chambers. The Senate is comprised of 38 members. The House of Representatives is comprised of 75 members. The Office of the Speaker of the House, President of the Senate Staff, the Joint Committee on Legislative Affairs, the Legislative Council, the Fiscal Advisory Staff, the Office of the Auditor General, the Legislative Press and Public Information Bureau, State Government Internship Office, the Law Revision Office, the Research and Proofing Offices, and the Special Legislative Commissions assist the General Assembly in executing its constitutional role.

Legislature					
Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$42,745,912	\$45,119,050	\$50,998,683	\$57,472,017	\$53,358,280
Federal Funds	\$(3)	-	-	-	-
Restricted Receipts	\$1,300,000	\$1,695,593	\$2,090,093	\$2,405,247	\$2,431,651
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$44,045,908	\$46,814,643	\$53,088,776	\$59,877,264	\$55,789,931
FTE Authorization	298.5	298.5	298.5	298.5	298.5

Full-Time Equivalent Positions

The Governor recommends 298.5 FTE positions in the FY 2025 Budget, and 298.5 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Statewide Adjustments.* The Governor recommends an increase of \$481,823 in general revenue for the financing of agency charges for certain centralized services, including information technology and Enterprise Resource Planning maintenance and operations, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Statewide Adjustments.* The Governor recommends an increase of \$202,312 in general revenue for an increase to the employee health benefit rates.
- *Reappropriation.* The General Assembly closed FY 2023 with a \$12.5 million surplus that was automatically reappropriated. The agency requested only \$6.3 million of that funding in FY 2024.

GENERAL GOVERNMENT

Office of the Governor

The Executive Department, or Office of the Governor, is subject to election by the voters of Rhode Island. The Department is responsible for the enactment of reform and change in the state government for the betterment of the citizens of the State of Rhode Island. In accomplishing this task, the Department coordinates the services of a staff of professionals that oversees various responsibilities, including legislative affairs, communications, community engagement, legal affairs, policy, and boards and commissions.

Office of the Governor

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$7,098,447	\$7,426,985	\$8,406,547	\$8,287,243	\$8,471,265
Federal Funds	-	\$41,852	-	-	-
Restricted Receipts	-	-	-	-	-
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$7,098,447	\$7,468,837	\$8,406,547	\$8,287,243	\$8,471,265
FTE Authorization	45.0	45.0	45.0	45.0	45.0

Full-Time Equivalent Positions

The Governor recommends 45.0 FTE positions in the FY 2025 Budget, and 45.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Statewide Adjustments.* The Governor recommends an increase of \$85,603 in general revenue for the financing of agency charges for certain centralized services, including information technology and Enterprise Resource Planning maintenance and operations, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Statewide Adjustments.* The Governor recommends an increase of \$31,442 in general revenue for an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Office of the Lieutenant Governor

The Lieutenant Governor was established as one of the five general offices subject to voter election under the Constitution of Rhode Island. The Lieutenant Governor fulfills the executive responsibilities of the Governor upon his/her death, resignation, impeachment, or inability to serve. The Lieutenant Governor appoints members of the general public to serve on committees and commissions established by the General Assembly. Additionally, the Lieutenant Governor chairs and serves on various commissions and advisory boards. The Office of the Lieutenant Governor initiates legislation and has assumed advocacy and leadership roles in such areas as emergency management, veterans affairs, education, economic development, the environment, long-term care, healthcare, and elderly affairs. The Office also serves as a liaison between citizens and state agencies.

Office of Lieutenant Governor

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$1,073,989	\$1,316,886	\$1,411,331	\$1,414,391	\$1,447,015
Federal Funds	-	\$(624)	-	-	-
Restricted Receipts	-	-	-	-	-
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$1,073,989	\$1,316,262	\$1,411,331	\$1,414,391	\$1,447,015
FTE Authorization	8.0	8.0	8.0	8.0	8.0

Full-Time Equivalent Positions

The Governor recommends 8.0 FTE positions in the FY 2025 Budget, and 8.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$1.4 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends an increase of \$40,763 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Statewide Adjustments.* The Governor recommends an increase of \$3,060 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Secretary of State

The Secretary of State was established under the Rhode Island Constitution as one of the five general offices subject to voter election. As the custodian of state records, the Department plays a vital role in providing the public with basic information about the workings of State government. The Department consists of six programs and one internal service program.

Secretary of State					
Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$10,137,060	\$11,966,378	\$11,839,843	\$10,902,244	\$12,112,241
Federal Funds	\$1,000,551	\$562,060	\$2,001,207	\$2,001,207	\$2,001,207
Restricted Receipts	\$554,868	\$496,939	\$583,028	\$409,275	\$409,347
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	\$3,757,444
Total Funding	\$11,692,479	\$13,025,377	\$14,424,078	\$13,312,726	\$18,280,239
FTE Authorization	59.0	59.0	61.0	61.0	61.0

Full-Time Equivalent Positions

The Governor recommends 61.0 FTE positions in the FY 2025 Budget, and 61.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Voting Equipment.* The Governor recommends a reduction of \$1.3 million in general revenue for the procurement and maintenance of voting equipment. A change enacted last year to R.I.G.L. § 17-19-3 transferred this responsibility from the Office of the Secretary of State to the Board of Elections.
- *Election Cycle Adjustments.* The increase in funding from FY 2024 to FY 2025 is partially the result of the higher costs of the statewide General Election in FY 2025 relative to the Presidential Preference Primary and the Congressional District 1 special election in FY 2024.
- *Statewide Adjustments.* The Governor recommends an increase of \$62,373 in general revenue for the financing of agency charges for certain centralized services, including information technology and Enterprise Resource Planning maintenance and operations, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Voting Equipment.* The Governor recommends a reduction of \$1.1 million in general revenue for the procurement and maintenance of voting equipment. A change enacted last year to R.I.G.L. § 17-19-3 transferred this responsibility from the Office of the Secretary of State to the Board of Elections.
- *Statewide Adjustments.* The Governor recommends an increase of \$27,139 in general revenue for an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Office of the General Treasurer

The Office of the General Treasurer is established under the Rhode Island Constitution as one of the five general offices subject to election by the voters. The General Treasurer is the custodian of State funds, charged with the safe and prudent management of the State's finances. The General Treasurer serves on the State Investment Commission, the State Retirement Board, the Public Finance Management Board, the Rhode Island Housing and Mortgage Finance Corporation, the Higher Education Assistance Board, the Rhode Island Student Loan Authority, the State Properties Commission, and the Rhode Island Infrastructure Bank. Programs and Sub-Programs are defined to streamline the administration of various functions and resources. Under the control and guidance of the General Treasurer are: the Employees' Retirement System of Rhode Island, the administrative unit for participating public employee groups for both defined benefit and defined contribution plans; the Unclaimed Property Program which collects tangible and intangible abandoned property for the purpose of returning the property to its rightful owner; the Investments and Finance Division which provides investment and cash management services to state government, and issues and manages the State's general obligation debt; the CollegeBound Program and its contribution of fee revenue for state college assistance programs; the Business Office, which validates and distributes the State's imprest/benefit check payments, prints vendor and non-vendor checks, and reconciles a majority of the State's accounts to the financial institutions and the State Controller's records; and the Crime Victim Compensation Program which compensates crime victims for financial losses suffered as a result of a violent crime. Other areas under the Treasurer's responsibility include cooperation with the Executive Office of Health and Human Services in the ABLE savings program (Achieving A Better Life Experience Accounts) for tax free income growth for certain qualified disability expenditures; the care and management of the Abraham Touro Fund; and the Childhood Disease Fund.

Office of the General Treasurer

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$3,424,376	\$3,624,715	\$3,995,808	\$3,980,018	\$3,915,333
Federal Funds	\$574,217	\$706,783	\$766,369	\$763,919	\$763,030
Restricted Receipts	\$14,561,137	\$13,092,060	\$18,578,032	\$18,197,154	\$17,607,485
Other Funds	\$558,549	\$637,964	\$695,256	\$594,949	\$601,026
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$19,118,279	\$18,061,523	\$24,035,465	\$23,536,040	\$22,886,874
FTE Authorization	89.0	89.0	91.0	91.0	91.0

Full-Time Equivalent Positions

The Governor recommends 91.0 FTE positions in the FY 2025 Budget, and 91.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

GENERAL GOVERNMENT

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$22.9 million from all fund sources, including \$3.9 million in general revenue.
- *Statewide Adjustments.* The Governor recommends an increase of \$969 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Statewide Adjustments.* The Governor recommends a decrease of \$15,345 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Board of Elections

The Board of Elections supervises all elections as well as both state and local referenda. The Board supervises the maintenance, preparation, and delivery of voting equipment, election return forms, and other supplies used at polling places. It instructs and certifies all election officials assigned to polls and prepares and distributes poll worker guides and related materials. The Board also appoints, trains, and assigns bipartisan pairs of supervisors for the mail ballot program for institutionally confined persons. It certifies the results of all elections under its jurisdiction, including tabulating machine and mail ballot votes cast; conducts recounts; certifies results to the Secretary of State; issues certificates of election to candidates; and provides an official tabulation of returns.

The Board oversees voter registration and public education activities and provides all registration materials used in the state. It also trains and supervises all individuals who serve as statewide voter registration agents. The Board conducts voter registration drives throughout the state and at each institution of higher education in Rhode Island. It oversees and coordinates the registration of voters at other state agencies and departments as part of the National Voter Registration Act. The Board carries out the mandates of the Rhode Island Campaign Contributions and Expenditures Reporting Act (the "Act"). The Board oversees and monitors the campaign finance activities of candidates, political action committees, and state vendors. The Board's responsibilities also include the development, printing, and distribution of forms required for candidate, committee, and vendor reports. It is also responsible for the publication of manuals describing and explaining the requirements set forth in the statutes. It reviews and makes available for inspection all reports filed, prepares summaries and an annual report, and is authorized to investigate suspected violations of the Act. The Board also oversees and administers the public financing of campaign programs for each of the State's five general offices.

Board of Elections

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$2,591,770	\$5,861,156	\$3,981,728	\$4,679,018	\$5,156,957
Federal Funds	-	\$(5,639)	-	-	-
Restricted Receipts	-	-	-	-	-
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$2,591,770	\$5,855,517	\$3,981,728	\$4,679,018	\$5,156,957
FTE Authorization	13.0	13.0	13.0	13.0	13.0

Full-Time Equivalent Positions

The Governor recommends 13.0 FTE positions in the FY 2025 Budget, and 13.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Voting Equipment.* The Governor recommends an increase of \$640,651 in general revenue for the procurement and maintenance of voting equipment. A change enacted last year to R.I.G.L. § 17-19-3 transferred this responsibility from the Office of the Secretary of State to the Board of Elections.

GENERAL GOVERNMENT

- *Election Cycle Adjustments.* The increase in funding from FY 2024 to FY 2025 is the result of the higher costs of the statewide General Election in FY 2025 relative to the Presidential Preference Primary and the Congressional District 1 special election in FY 2024.
- *Statewide Adjustments.* The Governor recommends an increase of \$42,132 in general revenue for the financing of agency charges for certain centralized services, including information technology and Enterprise Resource Planning maintenance and operations, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Voting Equipment.* The Governor recommends an increase of \$929,996 in general revenue for the procurement and maintenance of voting equipment. A change enacted last year to R.I.G.L. § 17-19-3 transferred this responsibility from the Office of the Secretary of State to the Board of Elections.
- *Statewide Adjustments.* The Governor recommends an increase of \$9,568 in general revenue for an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Rhode Island Ethics Commission

The Rhode Island Ethics Commission was created as an independent, non-partisan division of Rhode Island Government by the voters of Rhode Island through a 1986 amendment to the Rhode Island Constitution. The Commission’s constitutional authority includes adopting a Code of Ethics that applies to all state and municipal elected officials, appointed officials and public employees in such areas that expressly include, but are not limited to, conflicts of interest, confidential information, use of position, contracts with government agencies and financial disclosure. Its constitutional authority also includes the investigation and enforcement of alleged violations of the Code of Ethics and the imposition of penalties for noncompliance. The Ethics Commission administers and enforces a financial disclosure requirement for more than 4,000 public officials annually and makes such filings readily available for public inspection. It issues numerous written advisory opinions each year, maintains public contact with dozens of inquiring citizens each week, and provides regular training to state and municipal public officials and employees as to the requirements of the Code of Ethics. The nine-member Ethics Commission is appointed by the Governor, with a majority of its members nominated by legislative leaders. The staff of the Ethics Commission is headed by an Executive Director/Chief Prosecutor, who is hired by the Commission. The Ethics Commission’s operations are funded solely with general revenue.

Rhode Island Ethics Commission

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$1,801,742	\$1,923,524	\$2,137,059	\$2,162,654	\$2,299,337
Restricted Receipts	-	-	-	-	-
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$1,801,742	\$1,923,524	\$2,137,059	\$2,162,654	\$2,299,337
FTE Authorization	12.0	12.0	12.0	12.0	12.0

Full-Time Equivalent Positions

The Governor recommends 12.0 FTE positions in the FY 2025 Budget, and 12.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations, enacted staffing authorizations, and case management system upgrades, totaling \$2.1 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends an increase of \$168,267 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Proposed FY 2024 Budget Revisions

- *Current Operations.* The Governor recommends full financing for current operations, enacted staffing authorizations, and case management system upgrades, totaling \$2.2 million in general revenue in FY 2024.
- *Statewide Adjustments.* The Governor recommends an increase of \$3,931 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Rhode Island Commission for Human Rights

The Rhode Island Commission for Human Rights enforces Rhode Island anti-discrimination laws in the areas of employment, housing, public accommodations, credit, and, delivery of services. The employment and public accommodation statutes prohibit discrimination based on race, color, sex, religion, age, sexual orientation and gender identity/expression, disability, and ancestral origin. In addition to prohibiting discrimination on the aforementioned bases, the housing and credit statutes also prohibit discrimination based on marital, familial, and military statuses. The housing statute additionally prohibits discrimination on the basis of status as a victim of domestic abuse, housing status and association with members of a protected class. The delivery of services statute prohibits discrimination on the basis of disability. The employment law also prohibits employers from inquiring before a first interview, either via an employment application or otherwise, whether an applicant has been convicted of a crime; certain enumerated exceptions apply. The Commission’s major program activities include outreach and education, intake, investigation, conciliation, and administrative hearings. Staff members perform outreach and education activities voluntarily and frequently after normal working hours. Intake involves the receipt and evaluation of inquiries. If the allegations present a prima facie case of discrimination, a formal charge of discrimination is prepared and forwarded to the respondent. Investigators conduct an impartial analysis of evidence obtained from both parties, compare all elements of the case, and attempt to negotiate a resolution. Where resolution is not achieved, investigators make a recommendation on the merits of the charge to a Preliminary Investigating Commissioner (PIC). The PIC makes a formal ruling as to whether there is “Probable Cause” or “No Probable Cause” in respect to the allegations of the charge. A “No Probable Cause” ruling terminates proceedings at the Commission. Upon a “Probable Cause” ruling, the Commission attempts to conciliate the matter. The parties have the opportunity to elect that the matter be heard in Superior Court. Where conciliation is unsuccessful and the parties have elected to proceed at the Commission, an administrative hearing is conducted. At the administrative hearing, evidence is admitted and sworn testimony is heard before a Commissioner; a court stenographer also is present. The Commission renders a formal decision and order following an administrative hearing.

Rhode Island Commission for Human Rights

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$1,524,555	\$1,758,445	\$2,009,246	\$2,071,702	\$2,055,616
Federal Funds	\$311,672	\$263,984	\$359,101	\$417,949	\$450,110
Restricted Receipts	-	-	-	-	-
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$1,836,227	\$2,022,428	\$2,368,347	\$2,489,651	\$2,505,726
FTE Authorization	14.0	15.0	15.0	15.0	15.0

Full-Time Equivalent Positions

The Governor recommends 15.0 FTE positions in the FY 2025 Budget, and 15.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

GENERAL GOVERNMENT

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$2.0 million in general revenue.
- *Statewide Adjustments.* The Governor recommends an increase of \$44,535 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Reappropriation.* The Governor recommends an increase of \$56,411 in general revenue reappropriations from FY 2023 for the design and implementation of a new case management system.
- *Statewide Adjustments.* The Governor recommends an increase of \$6,146 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

GENERAL GOVERNMENT

Public Utilities Commission

The Public Utilities Commission (PUC) comprises two distinct regulatory bodies: a three-member Commission (Commission) and the Division of Public Utilities and Carriers (Division). The Commission serves as a quasi-judicial tribunal with jurisdiction, powers, and duties to implement and enforce the standards of conduct under R.I.G.L. § 39-1-27.6. Its duties include holding investigations and hearings involving the rates, tariffs, tolls, and charges, and the sufficiency and reasonableness of facilities and accommodations of railroad, ferry boats, gas, electric distribution, water, telephone, telegraph, and pipeline public utilities; the location of railroad depots and stations and the control of grade crossings; the revocation, suspension, or alteration of certificates issued pursuant to R.I.G.L. § 39-19-4; appeals under R.I.G.L. § 39-1-30; petitions under R.I.G.L. § 39-1-31; and proceedings under R.I.G.L. § 39-1-32.

Through participation in the Energy Facility Siting Board, the Commission’s chair also exercises jurisdiction over the siting of major energy facilities, pursuant to R.I.G.L. § 42-98. The Division, which is headed by an Administrator, who is not a Commissioner, exercises the jurisdiction, supervision, powers, and duties not specifically assigned to the Commission, including the execution of all laws relating to public utilities and carriers and all regulations and orders of the Commission governing the conduct and charges of public utilities. The Division has exclusive jurisdiction over the rates, tariffs, tolls, and charges, and the sufficiency and reasonableness of facilities and accommodations of common carriers of property and passengers over the State’s public roadways, pursuant to R.I.G.L. § 39-12, § 39-13, and § 39-14. Additionally, the Division supervises and regulates Community Antenna Television Systems (CATV) in Rhode Island; certifies all public utilities; and has independent regulatory authority over the transactions between public utilities and affiliates, and all public utility equity and debt issuances.

Public Utilities Commission					
Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
Federal Funds	\$523,710	\$522,308	\$593,775	\$702,387	\$711,984
Restricted Receipts	\$10,407,271	\$10,804,459	\$13,667,525	\$13,284,358	\$13,739,288
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$10,930,981	\$11,326,767	\$14,261,300	\$13,986,745	\$14,451,272
FTE Authorization	54.0	54.0	54.0	54.0	56.0

Full-Time Equivalent Positions

The Governor recommends 56.0 FTE positions in the FY 2025 Budget, and 54.0 FTE positions in the revised FY 2024 Budget. This is an increase of 2.0 FTEs in FY 2025 from the enacted FY 2024 budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$14.4 million from all funds in FY 2025.
- *Additional FTEs.* The Governor recommends \$277,873 in restricted receipts for 2.0 FTE positions, a Deputy Chief of Legal Services position and an Administrative Clerk position. The additional FTE

GENERAL GOVERNMENT

positions are recommended to facilitate increased agency capacity to carry out responsibilities previously associated with an agreement maintained with the Office of the Attorney General. The funding for these positions already exists in the agency's budget.

Proposed FY 2024 Budget Revision

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$13.9 million from all funds in the revised FY 2024 budget.

**HEALTH &
HUMAN SERVICES**

HEALTH AND HUMAN SERVICES

The Health and Human Services function of state government engages in a broad spectrum of activities including, but not limited to, medical assistance, economic support, rehabilitation services, client subsidies, case management, residential supports, behavioral healthcare, and services for at-risk children, advocacy, and medical provider regulation.

HEALTH AND HUMAN SERVICES

Executive Office of Health and Human Services

The Executive Office of Health and Human Services (EOHHS) is the principal agency responsible for overseeing the organization, finance, and delivery of publicly funded health and human services.

EOHHS administers the State's Medicaid program and is responsible for managing the Department of Health, Department of Human Services, Office of Healthy Aging, Office of Veterans Services, Department of Children, Youth and Families, and Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The Office and the agencies under its umbrella provide direct services to more than 300,000 Rhode Islanders.

EOHHS strives to foster and strengthen a community-driven, equitable, comprehensive, responsive, and high-quality health and human services system.

Recent Office achievements and highlights include:

- Using the Health Care Planning and Accountability Advisory Council Act (HCPAAC) to implement data-driven healthcare planning and strategic alignment of existing efforts.
- Strengthening the state's healthcare workforce through a year-long, interagency, public-private process that engaged over 400 stakeholders from more than 160 partner organizations and resulted in the development of a Rhode Map to attract, train, and retain the future healthcare workforce.
- Leading an interagency effort to resume annual Medicaid renewals as mandated by the federal government after a three-year moratorium due to the COVID-19 public health emergency. The interagency team has implemented a comprehensive communications and community outreach plan to ensure that all Medicaid members, healthcare providers, and family-serving organizations are aware of the renewal process.
- Launching the Certified Community Behavioral Health Clinics (CCBHCs) model that has been proven to improve community health outcomes, reduce health disparities, support the provision of higher-quality services, and lead to savings. The CCBHC infrastructure grant program is designed to help behavioral health and equity-focused organizations prepare to provide a de-institutionalized, comprehensive range of behavioral health, medical screening and monitoring, and social services to particularly vulnerable populations with complex needs.
- Investing a total of \$45 million in Fiscal Years 2023 and 2024 to address the overdose crisis through investments in social determinants of health, harm reduction, treatment, recovery, and prevention. These investments include addressing emerging issues, such as xylazine-associated wound care, access to substance-use treatment and recovery for adults and youth, and increasing access to life-saving harm reduction materials, including naloxone.
- Providing recuperative care and supportive services for Rhode Islanders experiencing homelessness. Medical respite sites provide homeless Medicaid members with services to prepare for, undergo,

Budget Highlights

Office of the Health Insurance Commissioner's Rate Review.

Phases in new Medicaid rates over the next three years – except for Early Intervention, which is fully funded in Fiscal Year 2025.

Certified Community Behavioral Health Clinics.

Provides \$29.1 million in general revenue, and \$79.9 million in all funds, to establish rates and support operations for CCBHCs – a new approach to coordinated behavioral health services.

Nursing Facility Investments.

Invests \$10.0 million in State Fiscal Recovery Funds to provide temporary relief to nursing facilities until new rates take effect on October 1, 2024.

HEALTH AND HUMAN SERVICES

and recover from medical treatment and to recuperate from injuries and illness instead of being discharged into homelessness or congregate shelter where recuperation is stymied, and long-term disability can result. A pilot medical respite program has served over 70 clients through the Providence location, and a new site in Woonsocket opened in December 2023. Additionally, outreach, engagement, case conferencing, and supportive services delivery for the Pay for Success program launched, and one client has already been connected with a lease agreement.

Executive Office of Health and Human Services

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$993,245,343	\$1,076,415,174	\$1,314,146,804	\$1,280,599,214	\$1,408,896,492
Federal Funds	\$2,249,239,652	\$2,232,280,998	\$2,448,794,456	\$2,367,067,094	\$2,504,657,492
Restricted Receipts	\$65,020,826	\$32,806,267	\$52,072,498	\$60,608,874	\$55,225,999
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$3,307,505,821	\$3,341,502,439	\$3,815,013,758	\$3,708,275,182	\$3,968,779,983
FTE Authorization	190.0	204.0	218.0	218.0	233.0

Full-Time Equivalent Positions

The Governor recommends 233.0 FTE positions in the FY 2025 Budget, and 218.0 FTE positions in the revised FY 2024 Budget. In FY 2025, this represents a total increase of 15.0 FTE positions within the Executive Office of Health and Human Services, of which 6.0 are transfers from other agencies. These FTE positions include:

- Long Term Health System Planning (2.0 FTE)
- RIte Share Investment (5.0 FTE)
- Health and Human Services Communications Consolidation (6.0 FTE)
- Program Integrity (1.0 FTE)
- Certified Community Behavioral Health Clinics (CCBHC) (1.0 FTE)

Proposed FY 2025 Budget Actions

Central Management

- *Long Term Health System Planning.* The Governor recommends an increase of \$778,069 in general revenue, \$931,819 from all sources of funds, to guide the long-term planning of Rhode Island's health care system, inclusive of 2.0 FTE positions.
- *Modern Modular Medicaid Management Information System.* The Governor recommends a total of \$4.6 million in general revenue, \$46.1 million from all sources of funds, to continue the planning and implementation of assessing the current Medicaid Management Information System legacy system and moving to a modern modular system which is required by the Centers for Medicare and Medicaid Services and will move Rhode Island away from single-contract solutions. The project will be financed 90 percent by federal Medicaid dollars.
- *Medicaid IT Modifications.* The Governor recommends an increase of \$1.4 million in general revenue, \$5.3 million from all sources of funds, for the financing of modifications and improvements to the current Medicaid Management Information System.

HEALTH AND HUMAN SERVICES

- *Program Integrity FTE Position.* The Governor recommends an increase of \$41,329 in general revenue, \$82,658 from all sources of funds, for 1.0 FTE position to increase the capacity of the Medicaid Eligibility Quality Control program, which reduces erroneous expenditures by monitoring eligibility determinations and assessing and monitoring the claims processing operations.
- *Communications Consolidation.* The Governor recommends an increase of \$296,349 in general revenue, \$458,144 from all sources of funds, for the transfer of 6.0 FTE positions comprised of communications staff from the health and human services umbrella agencies to the Executive Office of Health and Human Services to standardize the communications efforts across the health and human services agencies, according to R.I.G.L. § 42-7.2-6.1.
- *Opioid Crisis Response Funding.* The Governor recommends \$11.1 million in restricted receipts in for continued support of existing and new initiatives in Rhode Island’s response to the opioid and substance abuse crisis including total financing of \$421,033 in Opioid Stewardship Funds, \$10.6 million in Statewide Opioid Abatement Funds, and \$100,000 in McKinsey Opioid Settlement Funds. There is an additional \$14.1 million in restricted receipts budgeted from other recently awarded settlements. These funds will be budgeted across state agencies once a budget plan is approved by the Advisory Committee.
- *Nursing Facility Payment Methodology Transition.* The Governor recommends an increase of \$1.1 in general revenue, \$2.8 million from all sources of funds, to finance the transition from the Resource Utilization Group payment methodology for nursing facilities to the Patient Driven Payment Method. The Center for Medicare and Medicaid Services is ending technical support for Resource Utilization Group payment calculations on October 1, 2025.
- *Statewide Adjustments.* The Governor recommends a decrease of \$752,060 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Medical Assistance

- *Caseload Estimating Conference.* The Governor’s recommended budget is predicated on the November 2023 Caseload Estimating Conference estimate of \$1.356 billion in general revenue in FY 2025, or a \$89.5 million increase compared to the enacted FY 2024 Budget. This total includes adopted changes to the blended Federal Medical Assistance Percentage rate from 54.75 percent to 55.99 percent.

Adjustments to the Adopted Caseload Estimates

- *Office of the Health Insurance Commissioner’s Rate Review.* The Governor recommends an increase of \$22.2 million in general revenue, \$56.0 million from all sources of funds, to implement the increased social and human services program rates resulting from the Office of the Health Insurance Commissioner’s rate review. The Governor recommends fully implementing the rates for Early Intervention services and phasing the rate increases for all other services over a three-year period, evenly implementing the one-third of rates in FY 2025, FY 2026, and FY 2027.
- *SFRF - Nursing Facility Investments.* The Governor recommends an increase of \$10.0 million in federal funds from the State Fiscal Recovery Fund (SFRF) to provide temporary relief to Rhode Island Nursing Facilities in the first quarter of FY 2025 until the new rates from the ongoing rate review are implemented on October 1, 2025.
- *Certified Community Behavioral Health Clinics Updates.* The Governor recommends a reduction of \$16.0 million in general revenue, \$42.8 million from all sources of funds, to reflect the updated cost estimates resulting from the following policy changes for Certified Community Behavioral

HEALTH AND HUMAN SERVICES

Health Clinics: a delay in the implementation date from February 1, 2024, to July 1, 2024, the financing of 1.0 FTE position with \$54,941 in general revenue and \$109,882 from all sources of funds to maximize the third-party liability recovery of Certified Community Behavioral Health Clinics services, and the decision to forgo an inflation adjustment during the first year of implementation. Inclusive of these adjustments, the budget finances \$29.1 million in general revenue, \$79.7 from all sources of funds.

- *Eliminate Graduate Medical Education Payment.* The Governor recommends a decrease of \$2.5 million in general revenue for the elimination of the graduate medical education payment which subsidizes the costs of residency programs at three Rhode Island hospitals.
- *Managed Care Direct Payments to Hospitals.* The Governor recommends \$88.3 million in general revenue, \$284.0 million from all sources of funds, for managed care organizations direct care payments to hospitals to promote systematic access and quality. The Governor recommends general revenue financing consistent with the FY 2024 enacted Budget, which represents an all funds increase of \$125.0 million in payments to Rhode Island hospitals compared to the FY 2023 Disproportionate Share payment.
- *Income Verification Software.* The Governor recommends an increase of \$1.4 million in general revenue, \$5.6 million from all sources of funds, for the financing of an income verification software subscription to obtain more accurate and timely income data, resulting in a reduction of \$6.4 million in general revenue, \$25.4 million from all sources of funds in the Medical Assistance program of the Executive Office of Health and Human Services, for increased terminations of improperly received Medicaid benefits resulting from more accurate and timely income data obtained through new income verification software. The recommended FY 2025 Budget for the Department of Human Services includes an additional \$1.6 million in general revenue, \$2.8 million from all sources of funds, to finance the subscription costs. This results in a total stateside cost of \$3.0 million in general revenue, \$8.4 million from all sources of funds, with all savings recognized within the budget of the Executive Office of Health and Human Services.
- *Rlte Share Investment.* The Governor recommends an increase of \$143,062 in general revenue, \$286,123 from all sources of funds, for 5.0 FTE positions, inclusive of the conversion of 3.0 contract positions to FTE positions, to increase the technical capacity of the Rlte Share program, generating an estimated \$569,151 in general revenue Medicaid program savings. The additional staffing will enable the expansion of the Rlte Share program, which provides coverage for out-of-pocket costs for Medicaid members enrolled in an employee sponsored private health insurance plan.

Proposed FY 2024 Budget Revisions

Central Management

- *Opioid Crisis Response Funding.* The Governor recommends \$15.4 million in restricted receipts in for continued support of existing and new initiatives in Rhode Island's response to the opioid and substance abuse crisis including total financing of \$412,462 in Opioid Stewardship Funds, \$14.3 million in Statewide Opioid Abatement Funds, and \$352,821 in McKinsey Opioid Settlement Funds.
- *Statewide Adjustments.* The Governor recommends a decrease of \$103,537 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

Medical Assistance

- *Caseload Estimating Conference.* The revised recommendation is predicated on the November 2022 Caseload Estimating Conference estimate of \$1.267 billion in general revenue in FY 2024, \$29.4 million less than the FY 2024 enacted level.

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Adjustments to the Adopted Caseload Estimates

- *Certified Community Behavioral Health Clinics Updates.* The Governor recommends a reduction of \$4.4 million in general revenue, \$11.4 million from all sources of funds, to reflect the updated cost estimates for Certified Community Behavioral Health Clinics resulting from the delay in the implementation date from February 1, 2024, to July 1, 2024.

HEALTH AND HUMAN SERVICES

Department of Children, Youth and Families

The Department of Children, Youth and Families (DCYF) is the state child welfare, children’s mental health, and juvenile justice services agency which promotes safety, permanence, and well-being of children. The Department also plans and implements support programs and service delivery systems which will achieve the goals of developing the full potential of children in care.

DCYF’s mission is to partner with families and communities to raise safe and healthy children and youth in a caring environment, which requires a family-focused and community inclusive approach.

Recent Department achievements and highlights include:

- As of November 2023, served 464 children and youth experiencing a crisis through the Mobile Response and Stabilization Services, with 92% stabilized in the community without psychiatric hospitalization.
- Initiated a round of procurements for DCYF’s entire service array – which was last completed in 2016 – to best meet the evolving needs of the families it serves.
- Collaborating with other state agencies and stakeholders to plan, design, and construct a 16-bed behavioral health, residential treatment facility for female adolescents on a state-owned property in Exeter.
- Embarking on the multiyear development of a modern, comprehensive, child welfare information system to replace the current system, known as RICHIST, which no longer meets DCYF’s needs. The new system will make data readily available to inform decision-making, measure outcomes, meet reporting needs, maximize funding opportunities, and support a mobile workforce.
- Continued work with the Race Equity Advisory Committee, as well as partnering with the Rhode Island Coalition for Children and Families to coordinate efforts and resources for anti-racism and race equity efforts.

Budget Highlights

Licensing of Children’s Behavioral Health Organizations.

Adds 2.0 FTE positions to ensure oversight of the quality of children’s behavioral health services.

Rhode Island Training School.

Adds 8.0 FTE positions to support the permanent opening of another residential wing to accommodate an increased census.

Department of Children, Youth, and Families

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$171,702,486	\$192,600,438	\$217,262,746	\$209,135,694	\$235,873,200
Federal Funds	\$91,849,274	\$92,585,762	\$132,358,539	\$136,031,263	\$109,908,506
Restricted Receipts	\$1,282,440	\$1,023,457	\$1,491,123	\$665,810	\$703,557
Other Funds	-	-	-	-	-
RI Capital Plan Fund	\$56,989	\$157,058	\$15,250,000	\$15,250,000	\$15,250,000
Total Funding	\$264,891,189	\$286,366,715	\$366,362,408	\$361,082,767	\$361,735,263
FTE Authorization	702.5	702.5	705.5	705.5	714.5

HEALTH AND HUMAN SERVICES

Full-Time Equivalent Positions

The Governor recommends 714.5 FTE positions in the FY 2025 Budget, and 705.5 FTE positions in the revised FY 2024 Budget. In FY 2025, this represents a net increase of 9.0 FTE positions in the Department of Children, Youth and Families, which includes the transfer out of 1.0 FTE position to the Executive Office of Health and Human Services.

- Enhance Safety and Security at the Rhode Island Training School (8.0 FTE)
- Licensing of Children’s Behavioral Health Organizations (2.0 FTE)
- Health and Human Services Communications Consolidation (-1.0 FTE)

Proposed FY 2025 Budget Actions

- *Licensing of Children’s Behavioral Health Organizations.* The Governor recommends an increase of \$206,015 in general revenue, \$236,718 from all sources of funds, for the addition of 2.0 FTE positions to conduct licensing of children’s behavioral health organizations to ensure oversight of the quality of children’s behavioral health services.
- *Child Welfare and Children’s Behavioral Health Services Caseload.* The Governor recommends an increase of \$17.4 million in general revenue, \$29.8 million from all sources of funds, for various operational adjustments to the Department’s caseload programs as well as assumptions related to the state and federal sources of funding, including updates to the Federal Medical Assistance Percentage.
- *Enhancing Safety and Security at the Rhode Island Training School.* The Governor recommends an increase of \$949,732 in general revenue for the addition of 8.0 FTE positions for the Rhode Island Training School to support the permanent opening of another residential wing of the school to accommodate an increased census.
- *Communications Consolidation.* The Governor recommends a decrease of \$99,293 in general revenue, \$132,743 from all sources of funds, for the transfer of 1.0 FTE position comprised of communications staff from the health and human services umbrella agencies to the Executive Office of Health and Human Services to standardize the communications efforts across the health and human services agencies, according to R.I.G.L. § 42-7.2-6.1.
- *Statewide Adjustments.* The Governor recommends an increase of \$1.3 million in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Child Welfare and Children’s Behavioral Health Services Caseload.* The Governor recommends an increase of \$1.9 million in general revenue, \$2.8 million from all sources of funds, for various operational adjustments to the Department’s caseload programs as well as assumptions related to the state and federal sources of funding including updates to the Federal Medical Assistance Percentage.
- *Statewide Adjustments.* The Governor recommends an increase of \$526,986 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

HEALTH AND HUMAN SERVICES

Department of Health

The mission of the Department of Health (RIDOH) is to prevent disease and protect and promote the health and safety of Rhode Islanders. The Department's priorities include addressing the socioeconomic and environmental determinants of health, eliminating disparities of health and promoting health equity, and ensuring access to quality health services to Rhode Islanders, including vulnerable populations.

Recent Department achievements and highlights include:

- Coordinated the testing of drinking water from public water systems for a group of harmful chemicals called per- and polyfluoroalkyl substances (PFAS). In addition to public education efforts, RIDOH is partnering on corrective actions with public water systems that exceeded a new Rhode Island PFAS threshold.
- Activated an enhanced system to track non-fatal overdoses that provides real-time, text alerts to first responders and other healthcare professionals, harm reduction organizations, local leaders, and residents in impacted areas. Using this data system, mobile outreach teams deploy peers with lived experience to overdose hotspots each week to connect at-risk populations to treatment, recovery, and harm reduction services.
- Initiated an application to have Rhode Island added to the Psychology Interjurisdictional Compact (PSYPACT) that allows for psychologists in compact states to provide telepsychology services in Rhode Island.
- Rhode Island continued to be a national leader in adolescent immunizations, with the highest rate for 13 to 17-year-olds who are up to date on their human papillomavirus (HPV) vaccines.
- Substantial construction occurred on the site of the new Life Sciences Hub in Providence's Innovation and Design District. The site, which is expected to be ready for occupancy in 2025, will include an 80,000-square-foot State Health Laboratory, life sciences laboratories for Brown University, and biotechnology space.
- Took swift regulatory action requiring the out-of-state owner of Roger Williams Medical Center and Our Lady of Fatima Hospital to do more to support the two Rhode Island Hospitals.

Budget Highlights

Lead Rental Registry.

Allocates \$1.3 million in general revenue to develop a lead rental registry, which is a publicly accessible online database containing information on landlords with pre-1978 properties without a valid certificate of conformance with the Lead Hazard Mitigation Act.

JUUL Settlement.

Invests \$350,000 in general revenue originating from the JUUL Settlement to support school-level vaping intervention programs.

Healthcare Workforce Data.

Recommends that the Department of Health collect workforce data on all healthcare professionals licensed by the Department as part of the licensure process.

HEALTH AND HUMAN SERVICES

Department of Health

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$248,140,610	\$33,548,890	\$35,655,172	\$34,558,400	\$37,353,947
Federal Funds	\$182,432,393	\$193,174,227	\$225,090,085	\$262,579,394	\$193,961,061
Restricted Receipts	\$60,406,433	\$62,899,711	\$66,450,778	\$88,380,907	\$106,844,735
Other Funds	-	-	-	-	-
RI Capital Plan Fund	\$423,988	\$567,023	\$400,000	\$8,989	\$4,021,762
Total Funding	\$491,403,423	\$290,189,850	\$327,596,035	\$385,527,690	\$342,181,505
FTE Authorization	530.4	543.4	574.4	575.6	572.6

Full-Time Equivalent Positions

The Governor recommends 572.6 FTE positions in the FY 2025 Budget, and 575.6 FTE positions in the revised FY 2024 Budget. In FY 2024, this represents a 1.2 FTE position increase to the FY 2024 enacted level to accommodate the immediate hiring of 1.0 FTE position to implement the requirements imposed by the terms of a newly awarded Healthy Eating and Active Living Program through the Centers for Disease Control and Prevention and 0.2 FTE position to restore a 0.8 FTE position in the Women’s Cancer Screening Program to full time. In FY 2025, this represents the transfer of 3.0 FTE communications staff from the Department of Health to the Executive Office of Health and Human Services to standardize the communications efforts across the health and human services agencies. These FTEs include:

- Healthy Eating and Active Living Program (1.0 FTE)
- Women’s Cancer Screening Program (0.2 FTE)
- Communications Consolidation, Executive Office of Health and Human Services Transfer (-3.0 FTE)

Proposed FY 2025 Budget Actions

- *Lead Rental Registry.* The Governor recommends an increase of \$1.3 million in general revenue for development of a statewide lead rental registry as described in R.I.G.L. § 34-18-58. This funding would support information technology, contracted staff, and community outreach. The registry is a publicly accessible online database containing information on landlords with pre-1978 properties without a valid certificate of conformance with the Lead Hazard Mitigation Act. For landlords who do not comply, the Act established civil penalties and prevents the landlord from suing a tenant for non-payment of rent.
- *Cancer Registry.* The Governor recommends an increase of \$135,411 in general revenue to support and sustain current operation of the Cancer Registry as described in R.I.G.L. § 23-12-4. The new funding would supplement existing general revenue funds to support two full-time Hospital Association of Rhode Island staff members who currently maintain and upload medical records into the central registry. The registry allows the Department of Health and the Centers for Disease Control and Prevention to accurately surveil and measure cancer incidence and mortality, observe trends over time, and identify health disparities among individuals diagnosed with cancer.

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- *Healthcare Workforce Data Collection.* The Governor recommends that the Department of Health collect workforce data on all healthcare professionals licensed by the Department as part of the licensure process. Accurate health workforce data will help Rhode Island measure needs in current health professional shortage areas, address key healthcare policy questions, improve healthcare access, and achieve balance of healthcare professionals working in the right settings and geographic locations to meet demand.
- *JUUL Settlement.* The Governor recommends investing \$350,000 in general revenue originating from the JUUL Settlement in the Department of Health to support school-level youth vaping intervention programs in Rhode Island.
- *Opioid Crisis Response Funding.* The Governor recommends restricted receipts in the Department of Health for continued support of existing and new initiatives in Rhode Island's response to the opioid and substance abuse crisis including total financing of \$1.6 million in Opioid Stewardship Funds, and \$3.1 million in Statewide Opioid Abatement Funds. There is an additional \$14.1 million in restricted receipts budgeted within the Executive Office of Health and Human Services from other recently awarded settlements. These funds will be budgeted across state agencies once a budget plan is approved by the Advisory Committee.
- *COVID-19 Response.* In FY 2025, the Governor recommends federal funds totaling \$57.7 million to finance all COVID-19 pandemic response and recovery, which does not include any additional allocation of State Fiscal Recovery Funds.
- *Statewide Adjustments.* The Governor recommends an increase of \$540,073 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Cancer Registry.* The Governor recommends an increase of \$135,411 in general revenue to support and sustain current operation of the Cancer Registry as described in R.I.G.L. § 23-12-4. The new funding would supplement existing general revenue funds to support two full time Hospital Association of Rhode Island staff members who currently maintain and upload medical records into the central registry. The registry allows the Department of Health and the Centers for Disease Control and Prevention the ability to accurately surveil and measure cancer incidence and mortality, observe trends overtime, and identify health disparities among individuals diagnosed with cancer.
- *First Connections/Family Home Visiting Medicaid Budget Transfer.* The Governor recommends a reduction of \$913,796 in general revenue financing, \$1.9 million from all sources of funds, to recognize the Caseload Estimating Conference-adopted Medicaid budget of the First Connections and Family Home Visiting within the Executive Office of Health and Human Services' Medicaid program.
- *Opioid Crisis Response Funding.* The Governor recommends restricted receipts in the Department of Health for continued support of existing and new initiatives in Rhode Island's response to the opioid and substance abuse crisis including total financing of \$2.4 million in Opioid Stewardship Funds, \$4.0 million in Statewide Opioid Abatement Funds, and \$353,107 in McKinsey Opioid Settlement Funds.
- *Healthy Eating and Active Living FTE.* The Governor recommends an increase of 1.0 FTE position financed with federal funds to support the new Healthy Eating and Active Living Program initiative funded through a Centers for Disease Control and Prevention grant. The program aims to increase access to healthier foods and increase access to physical activity in the state.

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- *Women's Cancer Screening Program FTE.* The Governor recommends an increase of 0.2 FTE position financed with federal funds in the Women's Cancer Screening Program. The 0.2 FTE position increase would convert an existing 0.8 Public Health Promotion Specialist FTE position in the Women's Cancer Screening Program to a full-time 1.0 FTE position.
- *Communications Consolidation.* The Governor recommends the transfer of 3.0 FTE communications staff from the Department of Health to the Executive Office of Health and Human Services to standardize the communications efforts across the health and human services agencies.
- *COVID-19 Response.* In FY 2024, the Governor recommends federal funds totaling \$110.5 million, of which \$32.2 million is comprised of State Fiscal Recovery Funds, to finance all COVID-19 pandemic response and recovery activities.
- *Statewide Adjustments.* The Governor recommends a decrease of \$318,387 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

HEALTH AND HUMAN SERVICES

Department of Human Services

The Department of Human Services (DHS) operates programs that help families become strong, productive, healthy, and independent; help adults achieve their full potential; ensure that children are safe, healthy, ready to learn, and able to reach their full potential; honor and care for veterans; and provide services to older adults and individuals with disabilities that enhance their quality of life.

These programs and services provide quality and accessible healthcare, child care, supportive services, and options for working parents as well as individuals and families.

DHS administers programs such as the Supplemental Nutrition Assistance Program (SNAP), Rhode Island Works (RIW), the Child Care Assistance Program (CCAP), and other health and social services programs to help strengthen and stabilize families and individuals in need of support who are living in Rhode Island.

Recent Department achievements and highlights include:

- Distributed more than \$25 million in child care retention bonuses to child care staff and early educators since March 2022 using State Fiscal Recovery Funds (SFRF).
- Effective July 2023, expanded Rhode Island Works eligibility to include pregnant individuals from the onset of pregnancy rather than the beginning of the third trimester.
- Approved to use \$4 million in federal funds to launch a pilot program that extends child care to child care workers with a household income up to 300% of the federal poverty level (FPL).
- Invested \$3 million in Temporary Assistance for Needy Families (TANF) funding to sustain and reopen Head Start and Early Head Start seats, which increases access to early learning opportunities.
- Providing approximately \$3.2 million in general revenue to local organizations and community partners as state-designated grants, as well as an additional \$3 million in SFRF to the Rhode Island Food Bank.
- Increased the monthly, personal needs allowance from \$20 to \$45 for individuals on Supplemental Security Income (SSI) living in an assisted living facility.

Budget Highlights

SNAP Summer EBT.

Provides approximately \$400,000 in general revenue to administer a Summer Electronic Benefit Transfer program that will increase food security for children when school is out of session.

Call Center Workforce.

Adds 10.0 FTE positions for ongoing support of the Department's call center operations during increased eligibility processing activities.

HEALTH AND HUMAN SERVICES

Department of Human Services

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$114,400,672	\$122,222,195	\$155,552,694	\$152,106,751	\$142,005,719
Federal Funds	\$777,034,861	\$744,049,154	\$666,947,828	\$673,679,194	\$646,350,116
Restricted Receipts	\$5,513,645	\$4,450,887	\$5,933,660	\$7,433,917	\$6,243,767
Other Funds	\$3,876,726	\$4,883,234	\$4,147,184	\$4,306,835	\$1,381,116
RI Capital Plan Fund	\$348,156	\$57,330	\$1,415,000	\$1,517,456	\$1,175,000
Total Funding	\$901,174,061	\$875,662,799	\$833,996,366	\$839,044,153	\$797,155,718
FTE Authorization	1047.0	1067.0	1070.0	1070.0	1079.0

Full-Time Equivalent Positions

The Governor recommends 1,079.0 FTE positions in the FY 2025 Budget, and 1,070.0 FTE positions in the revised FY 2024 Budget. In FY 2025, this represents a net increase of 9.0 FTE positions in the Department of Human Services, which includes the transfer out of 1.0 FTE position to the Executive Office of Health and Human Services.

- Call Center Workforce Stabilization (10.0 FTE)
- Health and Human Services Communications Consolidation (-1.0 FTE)

Proposed FY 2025 Budget Actions

- *SNAP Summer EBT.* The Governor recommends an increase of \$419,090 in general revenue and \$838,180 all funds for the administration of a newly available permanent, nationwide Summer Electronic Benefit Transfer Program. This program would provide an estimated \$10.2 million in federal benefits to eligible children in the state, allowing them to continue receiving SNAP benefits in the summer months.
- *Call Center Workforce Stabilization.* The Governor recommends an increase of \$499,887 in general revenue, \$987,943 from all sources of funds, for the addition of 10.0 FTE positions for ongoing support of the Department's call center operations during increased eligibility processing activities attributable to the ending of the Public Health Emergency. Recognizing the increased staffing support's impact on operations, the Governor recommends a decrease of \$872,791 in general revenues, \$1.4 million from all sources of funds, for decreased overtime costs.
- *Income Verification Software.* The Governor recommends an increase of \$1.6 million in general revenue, \$2.8 million from all sources of funds, for the financing of an income verification software subscription to obtain more accurate and timely income data, resulting in a reduction of \$6.4 million in general revenue, \$25.4 million from all sources of funds, in the Medical Assistance program of the Executive Office of Health and Human Services, for increased terminations of improperly received Medicaid benefits resulting from more accurate and timely income data obtained through new income verification software. The recommended FY 2025 Budget for the Executive Office of Health and Human Services includes an additional \$1.4 million in general revenue, \$5.6 million from all sources of funds, to finance the subscription costs. This results in a total statewide cost of \$3.0 million in general revenue, \$8.4 million from all sources of funds, with all savings recognized within the budget of the Executive Office of Health and Human Services.

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- *Child Support Enforcement Case Management System Transition.* The Governor recommends a shift of \$184,167 in general revenue, \$541,667 from all sources of funds, from FY 2024 to FY 2025, to align funding with current project timelines. This project modernizes the current Child Support Enforcement Case Management System, which is one of the final systems supported on the State's legacy mainframe.
- *Senior Centers.* The Governor recommends an additional \$200,000 in community grant funding for senior centers across Rhode Island.
- *Communications Consolidation.* The Governor recommends a decrease of \$102,747 in general revenue, \$147,456 from all sources of funds, for the transfer of 1.0 FTE position comprised of communications staff from the health and human services umbrella agencies to the Executive Office of Health and Human Services to standardize the communications efforts across the health and human services agencies, according to R.I.G.L. § 42-7.2-6.1.
- *Caseload Estimating Conference.* The Governor's recommended budget is predicated on the November 2023 Caseload Estimating Conference estimate of \$29.0 million in general revenue in FY 2025, or a \$22,075 decrease compared to the enacted FY 2024 Budget. This total includes adopted changes to the blended Federal Medical Assistance Percentage rate from 54.75 percent to 55.99 percent.
- *Office of the Health Insurance Commissioner's Rate Review.* The Governor recommends an increase of \$572,545 in general revenue, \$1.3 million from all sources of funds, to implement the increased social and human services program rates resulting from the Office of the Health Insurance Commissioner's rate review. The Governor recommends fully implementing the rates for Early Intervention services and phasing the rate increases for all other services over a three-year period, evenly implementing the one-third of rates in FY 2025, FY 2026, and FY 2027.
- *Statewide Adjustments.* The Governor recommends a decrease of \$739,016 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Child Support Enforcement Case Management System Transition.* The Governor recommends a shift of \$184,167 in general revenue, \$541,667 from all sources of funds, from FY 2024 to FY 2025, to align funding with current project timelines. This project modernizes the current Child Support Enforcement Case Management System which is currently one of the final systems supported on the State's legacy mainframe.
- *Caseload Estimating Conference.* The Governor's recommended budget is predicated on the November 2023 Caseload Estimating Conference estimate of \$28.6 million in general revenue in FY 2024, or a \$548,536 decrease compared to the enacted FY 2024 Budget.
- *Statewide Adjustments.* The Governor recommends a decrease of \$505,931 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

HEALTH AND HUMAN SERVICES

Department of Behavioral Healthcare, Developmental Disabilities and Hospitals

The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) provides services to approximately 50,000 Rhode Islanders, who are living with mental illness and/or substance-use conditions, have developmental disabilities, or need long-term acute care in one of the state hospitals. BHDDH also administers funds which support a statewide network of prevention and mental health promotion initiatives.

The Department has three divisions: Behavioral Health, Developmental Disabilities, and the state hospitals: Eleanor Slater Hospital for medical care located on two campuses, Cranston and Burrillville, and the Rhode Island State Psychiatric Hospital in Cranston.

BHDDH remains true to a set of core values which are embodied in the State's motto: Hope. Promoting and inspiring hope for good health, a safe home, a supportive community, and living a purposeful life. These four pillars support the Department's foundational values of dignity, respect, person-centered choice, and accountability.

Recent Department achievements and highlights include:

- Strengthening the provider network that works with individuals with developmental disabilities by completing a rate review that provides the basis for future investments and an initiative to help providers and self-directing employers stabilize their workforces and build career pathways.
- Reestablishing Eleanor Slater Hospital as a long-term acute care hospital by making infrastructure improvements at the hospital's two campuses and collaborating with other Rhode Island hospitals to identify appropriate critical care patients who can receive extended services at Eleanor Slater Hospital.
- Added 70 substance-use disorder, residential beds to the care system to reduce wait times and improve access to care.
- Participated in a biennial survey of Eleanor Slater Hospital staff by the U.S. Department of Health and Human Services, which showed that perceptions of patient safety and leadership's commitment to safety dramatically improved over the past two years, with the hospital now scoring above nearly all national benchmarks, including those for open communication, supervisor support for safety, and overall safety.
- Received full accreditation at the Rhode Island State Psychiatric Hospital, which opened in October 2022. The Joint Commission surveyors assessed adherence to standards in 19 areas, including life safety, environment of care, medication management, and emergency management.

Budget Highlights

9-8-8 Hotline.

Provides \$2.9 million in all funds to operate the 9-8-8 National Suicide Prevention Lifeline.

JUUL Settlement.

Invests \$50,000 in general revenue originating from the JUUL Settlement to support programs seeking to reduce teenage vaping.

HEALTH AND HUMAN SERVICES

Behavioral Healthcare, Developmental Disabilities and Hospitals

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$259,239,750	\$261,580,691	\$310,886,337	\$322,704,470	\$321,342,155
Federal Funds	\$221,079,897	\$295,064,657	\$349,233,547	\$375,846,199	\$371,599,345
Restricted Receipts	\$2,325,431	\$3,224,851	\$12,328,797	\$15,061,944	\$12,867,116
Other Funds	-	-	-	-	-
RI Capital Plan Fund	\$381,637	\$473,528	\$400,000	\$469,544	\$500,000
Total Funding	\$483,026,715	\$560,343,728	\$672,848,681	\$714,082,157	\$706,308,616
FTE Authorization	1190.4	1200.4	1202.4	1204.4	1203.4

Full-Time Equivalent Positions

The Governor recommends 1,203.4 FTE positions in the FY 2025 Budget, and 1,204.4 FTE positions in the revised FY 2024 Budget. The latter represents an increase of 2.0 FTE positions over the authorization in the enacted FY 2024 Budget, which corresponds to two new positions that will oversee the maintenance and upkeep of state-owned group homes in the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals' portfolio. In addition to these, the FY 2025 recommendation includes a reduction of 1.0 FTE to represent one position moving from the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals to the Executive Office of Health and Human Services.

- State-owned Group Home Upkeep (2.0 FTE)
- Health and Human Services Communications Consolidation (1.0 FTE)

Proposed FY 2025 Budget Actions

- *Office of the Health Insurance Commissioner's Rate Review.* The Governor recommends an increase of \$91,993 in general revenue, \$209,027 from all funds, to implement the increased home health service rates resulting from the Office of the Health Insurance Commissioner's rate review.
- *Conflict Free Case Management.* The Governor recommends \$1.1 million in total funding for the development and implementation of a Conflict Free Case Management system within the Services for the Developmentally Disabled program. This funding includes \$103,696 in general revenue and \$962,764 in federal funds.
- *Group Home Maintenance Staff.* The Governor recommends an increase of \$282,014 in general revenue to facilitate the hiring of new personnel that will oversee the maintenance and upkeep of state-owned group home facilities within the portfolio of the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals. In coordination with the Department of Administration's Division of Capital Asset Management and Maintenance, these new positions would work toward addressing deferred maintenance at group home facilities.
- *Private Community Developmentally Disabled Services Program Caseload Adjustments.* The Governor's recommended budget is predicated on the November 2023 Caseload Estimating Conference estimate of \$462.2 million, including \$258.4 million from federal funds and \$203.7 million from general revenue, \$17.8 million more in general revenue than the enacted FY 2024

HEALTH AND HUMAN SERVICES

Budget. This total includes adopted changes to the blended Federal Medical Assistance Percentage rate from 54.75 percent to 55.99 percent.

- *Opioid Crisis Response Funding.* The Governor recommends restricted receipts in the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals for continued support of existing and new initiatives in Rhode Island's response to the opioid and substance abuse crisis including total financing of \$1.5 million in Opioid Stewardship Funds and \$4.8 million in Statewide Opioid Abatement Funds. There is an additional \$14.1 million in restricted receipts budgeted in the Executive Office of Health and Human Services from other recently awarded settlements. These funds would be budgeted across state agencies once a budget plan is approved by the Advisory Committee.
- *JUUL Settlement.* The Governor recommends investing \$50,000 in general revenue originating from the JUUL Settlement in the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals to support programs seeking to reduce teenage vaping in Rhode Island.
- *Staffing at Eleanor Slater Hospital and the Rhode Island State Psychiatric Hospital.* The Governor recommends an increase of \$273,850 in general revenue, \$276,823 from all sources of funds, to finance personnel changes at Eleanor Slater Hospital and the Rhode Island State Psychiatric Hospital, none of which result in FTE position changes. Three retiring doctor positions at Eleanor Slater Hospital would be backfilled with contractor positions, and the Rhode Island Psychiatric Hospital would hire three additional Mental Health Worker positions to reduce the program's reliance on overtime.
- *Utilization of Past Receipts of Medicare Part D and Non-Medicaid Reimbursements at Eleanor Slater Hospital and Zambarano Hospitals.* The Governor recommends a one-time shift of \$3.6 million from general revenue to restricted receipts to account for the utilization of unused past receipts of Medicare Part D and non-Medicaid reimbursement at the Eleanor Slater Hospital program. While these receipts were collected automatically during the past few years, the Department elected to not spend them while working to recertify the Hospital with federal Medicaid authorities. These funds would be allocated toward applicable program expenses that would otherwise be funded with general revenue.
- *Eleanor Slater Hospital Hospital Licensing Fee.* The Governor recommends \$1.2 million in general revenue for the State payment of the hospital licensing fee and assumes equal revenue collections for the fee. The Governor recommends a budget article to hold the base year constant for FY 2025 for the Eleanor Slater Hospital to align current law for non-government owned hospitals.
- *Federal Medical Assistance Percentage Adjustment and Billing Assumptions for Eleanor Slater and Zambarano Hospitals and Rhode Island Community Living and Supports.* The Governor recommends a total of \$67.4 million in federal Medicaid funds in FY 2025 for the Eleanor Slater and Zambarano Hospitals and the Rhode Island Community Living and Supports program. The recommendation also accounts for the change to the blended FY 2025 Federal Medical Assistance Percentage from 54.89 percent to 55.99 percent.
- *Communications Consolidation.* The Governor recommends a decrease of \$100,617 in general revenue, \$179,158 from all sources of funds, for the transfer of 1.0 communications staff from the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals to the Executive Office of Health and Human Services to standardize the communications efforts across the health and human services agencies.
- *Statewide Adjustments.* The Governor recommends a decrease of \$3.6 million in general revenue for the financing of agency charges for certain centralized services, including facilities management,

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information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

- *Changes in Budget Presentation for Eleanor Slater Hospital and Rhode Island Community Living and Supports.* The Governor's recommended budget makes changes in budget presentation for how Medicaid revenue is recognized at the Eleanor Slater Hospital and Rhode Island Community Living and Supports programs. Further information on these changes is available in the Technical Appendix.
- *SFRF – 9-8-8 Hotline.* The Governor recommends \$1.9 million in State Fiscal Recovery Funds and \$1.0 million in other federal funds to ensure the continued financing of the 9-8-8 National Suicide Prevention Lifeline. This amount is in addition to the combined \$3.5 million in State Fiscal Recovery Funds appropriated for this purpose in the enacted FY 2023 Budget and the enacted FY 2024 Budget. Of the recommended other federal funds, \$875,975 originates from federal Substance Abuse and Mental Health Services Administration grant funding earmarked to finance enhanced services at the Hotline program.

Proposed FY 2024 Budget Revisions

- *Reappropriation – Developmental Disabilities System State Infrastructure and Technology Acquisition.* The Governor recommends an increase of \$2.9 million in general revenue for the automatic reappropriation of unspent FY 2023 funds associated with the Developmental Disability Consent Decree Transformation and Technology Funds. The level of reappropriation originally recommended for these items in August 2023 was \$5.2 million in general revenue, but further consultation with the agency has determined \$2.9 million to be the more appropriate funding level.
- *Eleanor Slater Hospital Hospital Licensing Fee.* The Governor recommends \$1.2 million in general revenue for the State payment of the hospital licensing fee and assumes equal revenue collections for the fee.
- *Private Community Developmentally Disabled Services Program Caseload Adjustments Caseload Adjustments.* The Governor's recommended budget is predicated on the November 2023 Caseload Estimating Conference estimate of \$442.8 million, including \$246.6 million from federal funds and \$196.3 million from general revenue, \$10.4 million more in general revenue than the enacted FY 2024 Budget.
- *Conflict Free Case Management.* The Governor recommends \$2.3 million in total funding for the development and implementation of a Conflict Free Case Management system within the Services for the Developmentally Disabled program. This funding includes \$2.1 million from federal funds and \$233,662 from general revenue, \$59,362 more in general revenue than the enacted FY 2024 Budget.
- *Group Home Maintenance Staff.* The Governor recommends an increase of \$66,008 in general revenue to facilitate the hiring of new personnel that would oversee the maintenance and upkeep of state-owned group home facilities within the portfolio of the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals. In coordination with the Department of Administration's Division of Capital Asset Management and Maintenance, these new positions would work toward addressing deferred maintenance at group home facilities.
- *Opioid Crisis Response Funding.* The Governor recommends restricted receipts in the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals for continued support of existing and new initiatives in Rhode Island's response to the opioid and substance abuse crisis including total financing of \$3.7 million in Opioid Stewardship Funds, \$7.8 million in Statewide Opioid Abatement Funds, and \$250,000 in McKinsey Opioid Settlement Funds.

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- *9-8-8 Hotline.* The Governor recommends \$3.2 million in State Fiscal Recovery Funds and \$671,846 in other federal funds to ensure the continued financing of the 9-8-8 National Suicide Prevention Lifeline. This amount represents an increase of \$1.6 million over the enacted FY 2024 Budget, all of which is a reappropriation of unspent funding appropriated for this purpose in the enacted FY 2023 Budget. The recommended other federal funds originate from federal Substance Abuse and Mental Health Services Administration grant funding earmarked to finance enhanced services at the Hotline program.
- *Statewide Adjustments.* The Governor recommends a decrease of \$2.2 million in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.
- *Changes in Budget Presentation for Eleanor Slater Hospital and Rhode Island Community Living and Supports.* The Governor's revised FY 2024 Budget makes changes in budget presentation for how Medicaid revenue is recognized at the Eleanor Slater Hospital and Rhode Island Community Living and Supports programs. Further information on these changes is available in the Technical Appendix.

HEALTH AND HUMAN SERVICES

Office of the Child Advocate

The Office of the Child Advocate is charged with fulfilling a statutory mandate to protect the legal, civil, and special rights of all children and youth involved in the care of the Department of Children, Youth, and Families (DCYF). In so doing, the Office strives to improve conditions and circumstances through monitoring, compliance, and advocacy. The office is staffed with 10.0 authorized FTE positions. The Office is responsible for oversight of children under DCYF care and yearly monitoring site visits of group-homes and residential programs in the state. The Office also provides direct legal representation for a portion of children voluntarily placed in state care. The Office reviews and monitors systematic and individual issues related to residents at the Rhode Island Training School. It provides direct oversight and on-site visits on a weekly basis. The Office also files Victim Compensation claims for children who have been physically and/or sexually assaulted and are in the care of the State.

Office of the Child Advocate

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$1,033,943	\$1,259,570	\$1,649,914	\$1,625,931	\$1,641,426
Federal Funds	\$54,674	\$11,942	-	\$12,000	-
Restricted Receipts	-	-	-	-	-
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$1,088,617	\$1,271,513	\$1,649,914	\$1,637,931	\$1,641,426
FTE Authorization	10.0	10.0	10.0	10.0	10.0

Full-Time Equivalent Positions

The Governor recommends 10.0 FTE positions in the FY 2025 Budget, and 10.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$1.6 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends a decrease of \$16,120 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

HEALTH AND HUMAN SERVICES

Proposed FY 2024 Budget Revisions

- *Turnover Savings.* The Governor recommends a reduction of \$62,910 in general revenue to recognize turnover savings for one vacancy.
- *Statewide Adjustments.* The Governor recommends a decrease of \$2,144 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

HEALTH AND HUMAN SERVICES

Governor’s Commission on Disabilities

The Commission consists of 18 volunteer Commissioners appointed by the Governor and numerous volunteers who serve on several committees. The Accessibility Committee develops the State’s 504/Americans with Disabilities Act (ADA) Transition Plan, which removes access (physical and communication) barriers in state-owned buildings, schools, colleges, beaches, and parks. This committee oversees the ADA accessibility training and services, as well as monitoring accessibility to state and local government services, including elections. The Disability Business Enterprises Committee certifies small businesses owned by person(s) with a disability to receive preferential points when bidding on state contracts for goods and services. The Employment Committee oversees the ADA employment training and services. The Committee promotes both work and work incentives. The committee also plans an annual employment conference in October (National Disability Employment Awareness Month). The Legislation Committee conducts forums to find out the concerns of people with disabilities and their families during the last full week in July. The Public Awareness Committee develops and oversees a broad public awareness campaign aimed at the adoption of state government policies that will ensure people with disabilities are afforded opportunities to exercise all the rights and responsibilities accorded to citizens of this state. The State Coordinating Committee on Disability Rights steers the State to carry out disability rights laws. The Hearing Board’s members decide if discrimination was caused by access barriers (R.I.G.L. § 42-87). If so, the Board can order corrective action and award damages.

Governor's Commission on Disabilities

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$1,014,840	\$1,153,698	\$1,542,951	\$2,148,870	\$1,528,968
Federal Funds	\$305,139	\$320,336	\$378,638	\$377,937	\$85,000
Restricted Receipts	\$38,404	\$40,254	\$62,131	\$44,656	\$66,539
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$1,358,383	\$1,514,288	\$1,983,720	\$2,571,463	\$1,680,507
FTE Authorization	4.0	5.0	5.0	5.0	5.0

Full-Time Equivalent Positions

The Governor recommends 5.0 FTE positions in the FY 2025 Budget, and 5.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$1.5 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends a decrease of \$11,755 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

HEALTH AND HUMAN SERVICES

Proposed FY 2024 Budget Revisions

- *Reappropriation – Livable Homes Modification Grant Program.* The Governor recommends an increase of \$555,750 in general revenue for the auto-reappropriation for the Livable Home Modification Grant program. The FY 2023 budget included proviso language to allow any fiscal year end unexpended and unencumbered balances for the program to be reappropriated to the next fiscal year. The program partially reimburses accessible home modification that allows individuals who have disabilities to live more safely in their homes and remain in the community.
- *Reappropriation – Community Outreach Grants.* The Governor recommends an increase of \$90,000 in general revenue for the reappropriation for Community Outreach Grants. The program supports to communities, especially those that are underserved, by promoting the Commission’s services and hosting the Commission’s annual public forums to address concerns of people with disabilities and their families.
- *Turnover Savings.* The Governor recommends a reduction of \$30,195 in general revenue to recognize turnover savings relating to the retirement of 1.0 FTE position.
- *Statewide Adjustments.* The Governor recommends an increase of \$3,147 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

HEALTH AND HUMAN SERVICES

Rhode Island Commission on the Deaf and Hard of Hearing

The Rhode Island Commission on the Deaf and Hard on Hearing is a service-providing, coordinating, and advocating entity committed to promoting an environment in which more than 200,000 Rhode Island citizens who are deaf or hard of hearing are afforded equal opportunity in all aspects of their lives. The Commission is independent of any existing agency or department within the State, according to R.I.G.L. § 23-1.8-2. The legislative mandates of the Commission include engagement and advocacy to promote accessibility of services, as well as providing general training and technical assistance on various topics –such as technology, accommodations, culture, legal, and education – related to deaf and hard of hearing issues.

Commission on the Deaf & Hard of Hearing

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$863,783	\$738,910	\$764,208	\$766,497	\$782,651
Federal Funds	\$(3,916)	-	-	-	-
Restricted Receipts	\$(44,527)	\$136,034	\$104,467	\$126,725	\$131,533
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$815,340	\$874,944	\$868,675	\$893,222	\$914,184
FTE Authorization	4.0	4.0	4.0	4.0	4.0

Full-Time Equivalent Positions

The Governor recommends 4.0 FTE positions in the FY 2025 Budget, and 4.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$782,651 in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends an increase of \$16,904 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$766,497 in general revenue in FY 2024.
- *Statewide Adjustments.* The Governor recommends an increase of \$2,289 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

HEALTH AND HUMAN SERVICES

Office of the Mental Health Advocate

The Office of the Mental Health Advocate is directed by statute to insure the legal, civil, and special rights of people with mental illness in Rhode Island. The Office accomplishes its mission by providing legal representation and advocacy related to several issues unique to persons living with mental illness. These include representation at Civil Commitment Proceedings and Petitions for Instruction regarding substituted consent for medication; housing retention, including defending tenants from eviction proceedings; and monitoring and ensuring right to treatment for forensic patients, or persons involved in the criminal justice system who are deemed incompetent to stand trial, not guilty by reason of insanity, or who need specialized services that are not available in a correctional setting. The Office also engages in legislative advocacy, community outreach, education, and collaboration in promoting policies and practices conducive to improving the mental health system and combating stigmatization and discrimination associated with mental illness. The Office also provides consultation to members of the Bar regarding clients with mental health issues and responds to inquiries where direct representation cannot be provided by referral to appropriate services, legal or otherwise.

Office of the Mental Health Advocate

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$716,646	\$832,176	\$976,078	\$921,117	\$981,608
Federal Funds	-	-	-	-	-
Restricted Receipts	-	-	-	-	-
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$716,646	\$832,176	\$976,078	\$921,117	\$981,608
FTE Authorization	4.0	6.0	6.0	6.0	6.0

Full-Time Equivalent Positions

The Governor recommends 6.0 FTE positions in the FY 2025 Budget, and 6.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$981,608 in general revenue in FY 2025.
- *Personnel Increase.* The Governor recommends an increase of \$19,701 in general revenue to increase the compensation of certain staff positions at the agency in the pursuit of mitigating hiring and retention challenges.
- *Statewide Adjustments.* The Governor recommends a decrease of \$10,612 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

HEALTH AND HUMAN SERVICES

Proposed FY 2024 Budget Revisions

- *Turnover Savings.* The Governor recommends a reduction of \$53,443 in general revenue to recognize turnover savings for anticipated staff vacancies.
- *Statewide Adjustments.* The Governor recommends an increase of \$2,544 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

EDUCATION

EDUCATION

The Education function of state government includes services provided by the Department of Elementary and Secondary Education, Public Higher Education (Office of the Postsecondary Commissioner, the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island), the Rhode Island State Council on the Arts, the Rhode Island Atomic Energy Commission, and the Rhode Island Historical Preservation and Heritage Commission.

EDUCATION

Department of Elementary and Secondary Education

The role of the Department of Elementary and Secondary Education (RIDE) is to ensure that students are ready for success in college, career, and life. The Department works with schools and districts to prioritize equity in education, support world-class talent in the classrooms, foster excellence in learning for students, improve governance structures, and engage communities so that everyone has a voice in public education.

In February 2022, the Rhode Island Board of Education approved an updated *Together Through Opportunity: Pathways to Student Success, Rhode Island's Strategic Plan for PK-12 Education*. The strategic plan for 2021-2027 was developed in collaboration with the Rhode Island Office of Postsecondary Education and other key stakeholders and aims to unify students, families, and educators around the priorities and commitments that will advance opportunities for all Rhode Island students.

Recent Department achievements and highlights include:

- Saw increased participation in the 2023 Rhode Island Comprehensive Assessment System (RICAS) assessment, a second year of significant growth in math proficiency with an increase of approximately 2.7 percentage points, and an increase of approximately 2 percentage points in English Language Arts (ELA).
- Developed and launched a statewide strategic planning system that allows all 64 local education agencies in the state and all schools to create vertically aligned improvement plans and connect the plans to data, resources, and colleagues.
- Led campaigns to energize students, families, and educators to promote good school attendance, raise awareness of the negative impact of chronic absenteeism, and underscore in-school academic and social-emotional support resources to support students' success and wellbeing.
- Awarded \$7.5 million in Learning Inside Out Outdoor Classroom grants for 89 projects across 29 local education agencies to create, enhance, and support access to natural resources through outdoor classrooms and schoolyard habitats.
- Launched Educate401.org, an online recruitment and resource hub for current and prospective educators that includes a job board and a user-friendly certification roadmap that guides aspiring teachers through the certification process.
- Started a \$3 million Wellness in Education Leads to Learning initiative that aims to create spaces where students and staff experience a quiet environment to decompress as education systems reimagine facilities to meet the holistic needs of students.
- Created the "Let's Get Ready" Community of Practice program to engage with RIDE's effort to reimagine the high school experience and support local education agencies with the implementation of the Readiness-Based Graduation Requirements, which will go into effect beginning with the Class of 2028.

Budget Highlights

Education Aid Funding Formula.

Increases funding formula aid by \$19.2 million, which raises per-pupil funding to \$12,335 – an increase of \$459.

Multilingual Learners.

Raises the additional amount of per-pupil funding for MLLs in the three lowest proficiency categories from 15% to 25% of the per-pupil amount.

Pre-K

Adds 35 classrooms totaling 700 seats for the start of the 2024-25 school year.

EDUCATION

Elementary and Secondary Education

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$1,328,151,989	\$1,436,665,777	\$1,496,382,952	\$1,496,737,695	\$1,563,472,718
Federal Funds	\$350,595,771	\$454,942,378	\$464,842,075	\$567,802,963	\$312,330,554
Restricted Receipts	\$39,462,405	\$47,252,342	\$47,345,545	\$50,597,914	\$53,019,127
Other Funds	\$353,504	\$171,487	\$359,000	\$359,000	\$59,000
RI Capital Plan Fund	\$842,785	\$555,207	\$13,417,250	\$14,169,714	\$32,967,648
Total Funding	\$1,719,406,455	\$1,939,587,191	\$2,022,346,822	\$2,129,667,286	\$1,961,849,047
FTE Authorization	326.1	326.1	334.1	334.1	337.1

Full-Time Equivalent Positions

The Governor recommends 337.1 FTE positions in the FY 2025 Budget, and 334.1 FTE positions in the revised FY 2024 Budget. The recommendation in FY 2025 represents an increase of 3.0 FTE positions from the enacted FY 2024 Budget, and the recommendation for the revised FY 2024 Budget remains unchanged.

Proposed FY 2025 Budget Actions

Administration of the Comprehensive Education Strategy

- *Career and Technical Education FTE.* The Governor recommends an increase of \$149,028 in general revenue for 1.0 FTE position to support the plan and execution of monitoring RIDE-approved career and technical education programs. This additional capacity would provide technical support and evidence-based recommendations for career and technical education programs to provide students with quality experiences and opportunities to pursue college and career aspirations.
- *Pre-K Expansion FTEs.* The Governor recommends an increase of \$234,961 in general revenue financing for 2.0 FTE positions to support the expansion of the State’s Pre-K program. This would maintain agency capacity to support Pre-K program expansion as time-limited federal funds for FTEs expire.
- *Mathematics and English Language Arts Improvement Strategy.* The Governor recommends \$15.0 million in general revenue to improve student achievement outcomes in mathematics and English language arts. This would provide coaching funds to be distributed to local education agencies with the greatest academic need, as well as professional development for teachers and additional funds to meet the needs of students, teachers, and families. This initiative is recommended with the goal of increasing student achievement and meeting the goals in Rhode Island 2030.
- *Learn365RI.* The Governor recommends \$3.0 million in general revenue to support providing high-quality, out-of-school time programming with a specific focus on critical skill development. In prior years, this initiative was funded through federal Governor’s Emergency Education Relief and the State Fiscal Recovery Funds.
- *Reduced Breakfast and Lunch Subsidy.* The Governor recommends \$812,952 in general revenue financing to support a state subsidy for students eligible for reduced-price breakfast and lunch. This funding would support the provision of free breakfast and lunch to all reduced-eligible students in Rhode Island public, charter, and state schools.

EDUCATION

Education Aid/State School Support

- *Education Aid Funding Formula.* The Governor recommends an increase of \$19.2 million in general revenue in funding formula aid to public and charter local education agencies, and the Central Falls, Met and Davies school districts, as compared to the enacted FY 2024 level. In order to smooth year-to-year growth in the funding formula, the Governor's FY 2025 recommendation includes placing a cap on the per-pupil Core Instruction Amount used in the annual calculation of the Education Aid Funding Formula that is equal to the average inflation over the past five years, or 3.87% in FY 2025. Implementing this cap results in a Core Instruction Amount of \$12,335, an increase of \$459 per pupil over the Core Instruction Amount used in the FY 2024 enacted calculation (\$11,876). Furthermore, the Governor recommends using October student enrollment data in the calculation of Education Aid Funding Formula for the FY 2025 budget to account for statewide enrollment changes.
- *Multilingual Learners.* The Governor recommends an increase of \$16.6 million in general revenue for the Multilingual Learners categorical of the Education Aid Funding Formula. This categorical provides additional aid to the state's Multilingual Learner population. The enacted FY 2024 Budget increased support for the categorical by raising the weight from 10 percent to 15 percent of the per-pupil Core Instruction Amount. The Governor's recommendation increases the weight from 15 percent to 25 percent to provide additional support for this growing demographic of Rhode Island students and brings total general revenue support for the program to \$36.1 million.
- *Pre-K Expansion.* The Governor recommends an additional \$6.9 million in general revenue to increase the number of state Pre-K classrooms by 35 in FY 2025, a total of 2,997 seats. This would bring total support for the program to a total of \$30.0 million in FY 2025. The FY 2023 Budget required RIDE, the Department of Human Services, and the Children's Cabinet to prepare a plan to expand Rhode Island's Pre-K program to 5,000 seats by FY 2028, with a growth model that assumes Pre-K grows by 35 to 40 classrooms per year. The FY 2025 recommendation builds on the Governor's FY 2024 recommendation for Pre-K expansion.
- *Central Falls.* The Governor recommends \$48.3 million in general revenue for the Central Falls School District. This represents a decrease of \$1.1 million compared to the FY 2024 enacted level. The recommendation also includes a total of \$3.3 million from the Multilingual Learners categorical (see above) for the Central Falls School District, an increase of \$1.4 million over the enacted FY 2024 level. The Governor additionally recommends \$7.2 million in general revenue within the Department of Administration budget for debt service on the City of Central Falls school project.
- *Davies Career and Technical High School.* As part of the Education Aid Funding Formula, the Governor recommends \$17.6 million in general revenue for Davies Career and Technical High School. This represents an increase of \$1.9 million compared to the enacted FY 2024 level. The recommendation includes an updated funding formula allocation, as well as an increase of \$1.0 million in general revenue for operating costs associated with the school's transportation costs.
- *Metropolitan Regional Career and Technical Center.* As part of the Education Aid Funding Formula, the Governor recommends \$10.7 million in general revenue for the Metropolitan Regional Career and Technical Center. This represents an increase of \$0.1 million over the enacted FY 2024 level.
- *Rhode Island School for the Deaf.* Funded outside the Education Aid Funding Formula, the Governor recommends \$8.6 million in general revenue for the Rhode Island School for the Deaf. This represents an increase of \$0.1 million over the enacted FY 2024 level.

EDUCATION

- *Group Home Beds.* Per R.I.G.L. § 16-7-22 and §16-64-1.1, the Governor recommends \$1.8 million in general revenue for group home beds, an adjustment to reflect updated group home bed counts. This represents a decrease of \$0.1 million over the enacted FY 2024 level.

Teachers' Retirement

- *Defined Benefit and Defined Contribution Plans.* The Governor recommends a decrease of \$0.5 million in general revenue in FY 2025 compared to the enacted FY 2024 level to adequately fund teachers' retirement, for a total of \$132.3 million in general revenue.

School Construction Aid

- *Traditional Housing Aid.* The Governor recommends an increase of \$2.0 million in general revenue in FY 2025 that represents an increase of \$2.0 million over the enacted FY 2024 level, for a total of \$106.2 million in general revenue.
- *Statewide Adjustments.* The Governor recommends an increase of \$570,946 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Group Home Beds.* Per R.I.G.L. § 16-7-22 and §16-64-1.1, the Governor recommends \$1.9 million in general revenue for group home beds, an adjustment to reflect updated group home bed counts. This represents an increase of \$0.2 million over the enacted FY 2024 level.
- *Statewide Adjustments.* The Governor recommends an increase of \$193,559 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

EDUCATION

Higher Education

Office of the Postsecondary Commissioner

The Office of the Postsecondary Commissioner (OPC) is the administrative and research arm supporting the work of the Council on Postsecondary Education, which is responsible for providing oversight for the public higher education system that consists of Rhode Island College, the Community College of Rhode Island, and the Office of the Postsecondary Commissioner.

OPC serves as the definitive resource for information on and the interpretation of Council on Postsecondary Education policy for public higher education and the postsecondary institutions in Rhode Island that are under the authority of the Council on Postsecondary Education. OPC looks for shared opportunities to advance the objectives of postsecondary education with the public and independent institutions.

Recent Office achievements and highlights include:

- Celebrated the one-year anniversary of the Woonsocket Education Center, which is making progress in increasing the number of participants and event attendees. New partnerships with businesses in northern Rhode Island, especially the City of Woonsocket, are strengthening efforts to address the training and educational needs in this region. The center held a first-of-its-kind event in Rhode Island, with every Woonsocket High School senior attending a Free Application for Federal Student Aid (FAFSA) enrollment event at the center during the school day to create their Federal Student Aid account so they are prepared once the FAFSA portal opens.
- In 2023, OPC's Rhode Island Reconnect program aided 776 people in their efforts to enroll and persist in postsecondary degree programs and workforce training.
- Increased by 54% the number of students in postsecondary education and workforce training in the three workforce centers – Westerly Education Center, Rhode Island Nursing Education Center, and the Woonsocket Education Center.
- By legislative directive, the management of the state's longitudinal data system was incorporated into OPC and is governed by a newly appointed board of directors. This move centers the data within its contributing agencies' existing partnership structure and strengthens partnerships with state researchers.

Budget Highlights

Institutional Support.

Increases the State's unrestricted appropriation to the URI, RIC, and CCRI.

Ballot Initiatives.

Recommends asking voters for approval of \$80 million for the URI Biomedical Sciences Building and \$55 million for the RIC Cybersecurity Building.

EDUCATION

Higher Education

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$266,718,346	\$264,356,298	\$304,808,336	\$311,116,918	\$311,989,386
Federal Funds	\$9,927,384	\$10,881,439	\$43,456,833	\$23,435,115	\$4,960,773
Restricted Receipts	\$4,213,232	\$7,484,695	\$6,732,644	\$6,743,784	\$8,669,141
Other Funds	\$954,912,368	\$996,434,308	\$988,605,454	\$997,974,996	\$1,043,375,681
RI Capital Plan Fund	\$18,281,288	\$28,559,034	\$106,052,389	\$88,865,696	\$102,795,643
Total Funding	\$1,254,052,619	\$1,307,715,774	\$1,449,655,656	\$1,428,136,509	\$1,471,790,624
FTE Authorization	4386.3	4387.3	4394.3	4394.3	4395.3

Full-Time Equivalent Positions

The Governor recommends 4,349.3 FTE positions for the three institutions of higher education in the FY 2025 Budget, and 4,349.3 FTE positions in the revised FY 2024 Budget. The latter is unchanged from the enacted FY 2024 Budget. Individual FTE position totals for the proposed FY 2025 Budget are as follows:

- University of Rhode Island: 2,551.0
- Rhode Island College: 949.2
- Community College of Rhode Island: 849.1

For the Office of the Postsecondary Commissioner, the Governor recommends 46.0 FTE positions in the FY 2025 Budget, and 45.0 FTE positions in the revised FY 2024 Budget. The latter is unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

Office of the Postsecondary Commissioner

- *Westerly Education Center Operations Coordinator.* The Governor recommends an increase of \$110,754 in restricted receipts for an additional 1.0 FTE position to serve as Operations Coordinator at the Westerly Education Center.
- *Dual and Concurrent Enrollment.* The Governor recommends an increase of \$2.3 million in general revenue to maintain the current funding level for dual and concurrent enrollment programs for high school students at the University of Rhode Island, Rhode Island College, and Community College of Rhode Island. The general revenue funding replaces funding drawn from the reserves of the Division of Higher Education Assistance, which are functionally exhausted.
- *Shepard Building Maintenance and Parking Contract.* The Governor recommends a reduction of \$2.0 million in general revenue for Shepard Building maintenance and parking expenses. The Office of the Postsecondary Commissioner previously held the parking contract and allocated maintenance funding to URI. The parking contract has been reduced, and maintenance and parking costs will be allocated to all agencies that are tenants in the building.
- *Statewide Adjustments.* The Governor recommends an increase of \$65,267 in general revenue for the financing of agency charges for certain centralized services, including facilities management,

EDUCATION

information technology, and Enterprise Resource Planning maintenance and operations, combined with an increase to the employee health benefit rates.

Institutional Operations

- *University of Rhode Island.* The Governor recommends an increase of \$3.4 million in general revenue compared to the enacted Fiscal Year 2024 level. Of the increase, \$2.7 million is intended to cover rising costs for personnel and operating current services, and \$620,711 is intended to cover billings for the new Enterprise Resource Planning system.
- *Rhode Island College.* The Governor recommends an increase of \$1.9 million in general revenue compared to the enacted FY 2024 level. Of the increase, \$1.7 million is intended to cover rising costs for personnel and operating current services, and \$172,561 is intended to cover billings for the new Enterprise Resource Planning system.
- *Community College of Rhode Island.* The Governor recommends an increase of \$1.7 million in general revenue from the enacted FY 2024 level. Of the increase, \$1.5 million is intended to cover rising costs for personnel and operating current services and \$180,179 is intended to cover billings for the new Enterprise Resource Planning system.
- *Rhode Island Promise Scholarship.* Included in the Office of the Postsecondary Commissioner's budget, the Governor recommends a reduction of \$689,994 in general revenue from the enacted FY 2024 level for the continued support of the Rhode Island Promise Scholarship for recently graduated high school seniors that enroll at the Community College of Rhode Island. Total FY 2025 funding for this scholarship is \$7.9 million. The reduction is due to updated enrollment projections.
- *Hope Scholarship.* Included in the Office of the Postsecondary Commissioner's budget, the Governor recommends a decrease of \$624,500 in general revenue from the FY 2024 enacted level for the continued support of the Hope Scholarship for juniors and seniors at Rhode Island College. Total FY 2025 funding for this scholarship is \$3.4 million. The reduction is due to updated enrollment projections. The recommendation fully funds the Hope Scholarship at the level estimated by the College, which has decreased due to updated enrollment projections.
- *Last Dollar Scholarship.* Included in the Office of the Postsecondary Commissioner's budget, the Governor recommends an increase of \$1.3 million in general revenue to maintain total funding for the Last Dollar Scholarship at the current level of \$9.9 million. The program, which funds scholarships for Rhode Island residents at the University of Rhode Island, Rhode Island College, Community College of Rhode Island, and in-state private institutions, received no general revenue funding as recently as FY 2023, but the reserves of the Division of Higher Education Assistance, which had been one of the two funding sources, are functionally exhausted.

Debt Service

- *University of Rhode Island.* The Governor recommends a reduction of \$149,112 in general revenue from the enacted FY 2024 level for general obligation bond debt service, attributable to an updated debt service schedule for the University.
- *Rhode Island College.* The Governor recommends a reduction of \$554,337 in general revenue from the enacted FY 2024 level for general obligation bond debt service, attributable to an updated debt service schedule for the College.
- *Community College of Rhode Island.* The Governor recommends an increase of \$246,717 in general revenue from the enacted FY 2024 level for general obligation bond debt service, attributable to an updated debt service schedule for the College.

EDUCATION

Proposed FY 2024 Budget Revisions

Office of the Postsecondary Commissioner

- *Shepard Building Moving Expenses.* The Governor recommends an increase of \$300,000 in general revenue for expenses related to the agency's move to the Shepard Building.
- *Shepard Building Parking Contract.* The Governor recommends a reduction of \$597,000 in general revenue for the parking contract to reflect updated usage expectations.
- *Statewide Adjustments.* The Governor recommends an increase of \$9,891 in general revenue for the financing of agency charges for certain centralized services, including facilities management, combined with an increase to the employee health benefit rates.

Institutional Operations

- *University of Rhode Island.* The Governor recommends an increase of \$5.8 million in general revenue to address the University's portion of an FY 2023 statewide shortfall in the Health Benefits Fund. This amount will be remitted to the Health Benefits Fund, and as a result this appropriation will not contribute to resources available for current operations. The impact on other state agencies related to the Health Benefits Fund shortfall is recognized as an FY 2023 closing adjustment.
- *Rhode Island College.* For the same reasons as above, the Governor recommends an increase of \$1.6 million in general revenue to address the College's portion of an FY 2023 statewide shortfall in the Health Benefits Fund.
- *Community College of Rhode Island.* For the same reasons as above, the Governor recommends an increase of \$1.5 million in general revenue to address the College's portion of an FY 2023 statewide shortfall in the Health Benefits Fund.
- *Rhode Island Promise Scholarship.* Included in the Office of the Postsecondary Commissioner's budget, the Governor recommends a reduction of \$1.0 million in general revenue from the FY 2024 enacted level for the continued support of the Rhode Island Promise Scholarship for recently graduated high school seniors that enroll at the Community College of Rhode Island. Total FY 2024 funding for this scholarship is \$7.6 million. The recommendation fully funds Rhode Island Promise at the level estimated by the College, which has decreased due to updated enrollment projections.
- *Hope Scholarship.* Included in the Office of the Postsecondary Commissioner's budget, the Governor recommends a reduction of \$1.6 million in general revenue from the enacted FY 2024 level for the continued support of the Hope Scholarship for juniors and seniors at Rhode Island College. Total FY 2024 funding for this scholarship is \$2.4 million. The recommendation fully funds the Hope Scholarship at the level estimated by the College, which has decreased due to updated enrollment projections.

Debt Service

- *University of Rhode Island.* The Governor recommends an increase of \$119,366 in general revenue from the enacted FY 2024 level for general obligation bond debt service, attributable to an updated debt service schedule for the University.
- *Rhode Island College.* The Governor recommends an increase of \$113,233 in general revenue from the enacted FY 2024 level for general obligation bond debt service, attributable to an updated debt service schedule for the College.
- *Community College of Rhode Island.* The Governor recommends an increase of \$145,052 in general revenue from the enacted FY 2024 level for general obligation bond debt service, attributable to an updated debt service schedule for the College.

EDUCATION

Rhode Island Council on the Arts

The Rhode Island State Council on the Arts (RISCA) was established in 1967. RISCA achieves its mission by distributing grants and offering technical assistance and support to artists, arts organizations, schools, community centers, social service organizations, and local governments. RISCA employs a variety of methods to carry out its work, including grant-making, strategic partnerships, and public outreach.

Rhode Island Council on the Arts					
Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$2,023,260	\$2,129,661	\$2,292,758	\$2,303,238	\$2,395,211
Federal Funds	\$1,453,013	\$1,082,807	\$987,000	\$986,151	\$996,126
Restricted Receipts	\$3,781	\$33,164	\$5,000	\$2,961	-
Other Funds	\$426,206	\$153,983	\$585,000	\$585,000	\$585,000
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$3,906,261	\$3,399,615	\$3,869,758	\$3,877,350	\$3,976,337
FTE Authorization	9.6	9.6	10.0	10.0	10.0

Full-Time Equivalent Positions

The Governor recommends 10.0 FTE positions in the FY 2025 Budget, and 10.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$2.4 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends an increase of \$28,051 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$2.3 million in general revenue in FY 2024.
- *Statewide Adjustments.* The Governor recommends an increase of \$3,127 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

EDUCATION

Rhode Island Atomic Energy Commission

The Rhode Island Nuclear Science Center (RINSC) is located at the University of Rhode Island, Bay Campus, in Narragansett. The RINSC operates a 2-MWth research reactor and provides laboratories and classrooms for research and educational programs for the University of Rhode Island (URI) and other colleges and universities in Rhode Island and throughout New England. The RINSC has operated on a daily basis without incident since 1962, providing medical, biological, environmental, and materials research, offering educational programs, and supporting commercial activities benefiting the citizens of Rhode Island. Much of the research and educational activities are funded by grants from federal agencies. In addition, the staff administers the radiation safety program for the University of Rhode Island under an agreement with the University, providing partial financial support for three staff members.

Rhode Island Atomic Energy Commission

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$1,055,145	\$1,035,829	\$1,158,737	\$1,173,765	\$1,180,419
Federal Funds	\$206,885	\$206,885	-	-	-
Restricted Receipts	\$10,632	\$7,735	\$25,036	\$25,036	\$25,036
Other Funds	\$276,691	\$286,136	\$344,971	\$338,026	\$338,456
RI Capital Plan Fund	\$15,924	\$21,174	\$50,000	\$50,000	\$50,000
Total Funding	\$1,565,277	\$1,557,759	\$1,578,744	\$1,586,827	\$1,593,911
FTE Authorization	8.6	8.6	8.6	8.6	8.6

Full-Time Equivalent Positions

The Governor recommends 8.6 FTE positions in the FY 2025 Budget, and 8.6 FTE positions in the revised FY 2024 Budget, unchanged from the FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and staffing authorizations, totaling \$1.59 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends an increase of \$12,590 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Statewide Adjustments.* The Governor recommends an increase of \$2,075 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

EDUCATION

Historical Preservation and Heritage Commission

The Rhode Island Historical Preservation and Heritage Commission is the state office for historic preservation and for sponsorship of state heritage activities. It is Rhode Island’s only statewide preservation program to identify and protect historic buildings, districts, and archeological sites. The Commission is responsible for developing a state historical preservation plan, and for survey and planning activities which provide for in-depth studies of each city and town to identify, evaluate, and record sites, structures, districts, and objects of historical, architectural, cultural, or archeological significance to the State. The Commission sponsors and/or coordinates heritage festivals, heritage seminars, conferences, and symposia, and publishes scholarly and popular works relating to the social, political, and cultural development of the State. It also coordinates programs with other private or public groups or agencies to meet the cultural needs of Rhode Island’s citizens. The Commission also develops and implements programs for the preservation of historic resources. Federal and state projects are reviewed by the Commission to assess their effect on specific cultural resources. The Commission administers programs of financial assistance, which include grants, loans, and tax credits for restoration projects. A wide range of information and technical assistance is provided to citizens who own historic properties or are interested in preserving the heritage of their neighborhood and community. The Commission certifies municipal historic district zoning programs, which must meet minimum standards, and annually administers funds to these “certified local governments.”

Historical Preservation and Heritage Commission

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$1,305,113	\$1,040,750	\$1,905,557	\$1,735,012	\$1,898,100
Federal Funds	\$632,902	\$636,937	\$1,143,147	\$1,223,734	\$1,267,431
Restricted Receipts	-	\$12	\$422,800	\$422,800	\$419,300
Other Funds	\$106,252	\$104,557	\$110,327	\$143,833	\$142,829
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$2,044,267	\$1,782,255	\$3,581,831	\$3,525,379	\$3,727,660
FTE Authorization	15.6	15.6	15.6	15.6	15.6

Full-Time Equivalent Positions

The Governor recommends 15.6 FTE positions in the FY 2025 Budget, and 15.6 FTE positions in the revised FY 2024 Budget, unchanged from the FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$1.89 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends an increase of \$23,537 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

EDUCATION

Proposed FY 2024 Budget Revisions

- *Statewide Adjustments.* The Governor recommends a decrease of \$49,606 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

PUBLIC SAFETY

PUBLIC SAFETY

The quality of life in Rhode Island is enhanced through the administration of a public safety system that provides law enforcement, adjudicates justice, protects life and property, and handles emergencies impacting Rhode Island's citizens. The seven agencies included in public safety are the Department of Corrections; the court system (Attorney General; the Judiciary; and the Office of the Public Defender); the Homeland security system (Military Staff/National Guard and the Emergency Management Agency); and the Department of Public Safety (State Police, Capitol Police & Sheriffs, E-911, and the Municipal Police Training Academy).

PUBLIC SAFETY

Office of the Attorney General

The Office of the Attorney General is established under the Rhode Island Constitution as one of the five general officers subject to election by the voters. As the State’s central legal agency, the Attorney General is responsible for the prosecution of all felony criminal cases, misdemeanor appeals, and misdemeanor cases brought by state law enforcement action in the various district courts. The Attorney General initiates legal action to protect the interests of the citizens of Rhode Island regarding compliance with the Open Meetings Act and the Access to Public Records Act, and protection of the public from deceptive business practices and anti-trust violations. Additionally, the Attorney General provides legal advice to state officers and represents all agencies, departments, and commissions in litigation. The State Bureau of Criminal Identification, the central repository for all criminal records in the state, is operated and maintained by the Attorney General. The Office of Attorney General is divided into four programs: Criminal, Civil, Bureau of Criminal Identification, and General.

Office of Attorney General					
Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$30,772,379	\$32,228,827	\$34,862,891	\$35,381,472	\$35,103,418
Federal Funds	\$2,776,619	\$2,406,890	\$2,909,219	\$3,213,191	\$3,265,105
Restricted Receipts	\$2,206,820	\$2,332,042	\$5,305,685	\$5,985,733	\$6,938,104
Other Funds	-	-	-	-	-
RI Capital Plan Fund	\$336	\$45,231	\$150,000	\$2,040,000	\$150,000
Total Funding	\$35,756,155	\$37,012,990	\$43,227,795	\$46,620,396	\$45,456,627
FTE Authorization	247.1	249.1	264.1	264.1	264.1

Full-Time Equivalent Positions

The Governor recommends 264.1 FTE positions in the FY 2025 Budget, and 264.1 FTE positions in the revised FY 2024 Budget, unchanged from the enacted 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends financing for current operations and enacted staffing authorizations, totaling \$35.1 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends an increase of \$283,108 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Reappropriation.* In accordance with R.I.G.L. § 35-3-15, the Governor authorized a reappropriation of unexpended FY 2023 appropriations totaling \$398,210 for the Office of the Attorney General, supporting outstanding obligations for an ongoing information technology hardware project as well as an office space reconfiguration project.

PUBLIC SAFETY

- *Statewide Adjustments.* The Governor recommends an increase of \$121,568 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

PUBLIC SAFETY

Department of Corrections

The Department of Corrections (DOC) contributes to public safety by maintaining a balanced correctional system of institutional and community programs that provide a range of custodial options, supervision, and rehabilitative services to facilitate successful offender reentry into the community upon release.

DOC maintains appropriate, safe, secure, and humane correctional environments while providing for community-based management, supervision, and intervention services for criminal offenders. The Department's correctional facilities, collectively known as the Adult Correctional Institutions (ACI), are located at the Pastore Center in Cranston.

The Department's other major functions include serving state, municipal, and nonprofit agencies through the Central Distribution Center; performing grounds maintenance activities at the Pastore Center and other public grounds; and operating Correctional Industries, which provides work opportunities for incarcerated individuals and services to governmental agencies and nonprofit organizations, ranging from printing to modular workstation furniture construction and installation.

Recent Department achievements and highlights include:

- Anticipates completing the installation of Wi-Fi at all Adult Correctional Institutions (ACI) facilities by fall 2024. Incarcerated individuals will have access to a secure, closed internet system for remote learning opportunities, online commissary orders, and telemedicine services. Additionally, the Department will be able to digitize recordkeeping for counts and daily activity logs.
- Collaborating with the Department of Labor and Training (DLT) to have job coaches visit the Men's Minimum Security and Women's facilities and assist incarcerated individuals with resume writing, job searches, interview preparation, and support with how to discuss their justice involvement with potential employers, etc.
- Providing currently and formerly incarcerated individuals with an affordable pathway to accredited post-secondary and certificate programs that are infused in the reentry process through the Reentry Campus Program. Participants are enrolled in a variety of programs at Roger Williams University, including case management and criminal justice.
- In partnership with Building Futures Rhode Island, launched a pre-apprenticeship program in 2023, which will serve more than 50 incarcerated individuals over three years. Successful participants earn a nationally recognized certification, and participants have a direct pipeline into Building Futures Rhode Island's apprenticeship program upon release. One group graduated from the program, and a second group began the program in December 2023.

Budget Highlights

Behavioral Management Unit.

Provides \$10.6 million in capital funds to create a Behavioral Management Unit, which will provide acute and long-term mental health services for Severely and Persistently Mentally Ill incarcerated individuals.

HVAC System.

Invests \$24.0 million in capital funds in Fiscal Year 2025 to help replace the aging HVAC system at the Intake Service Center.

PUBLIC SAFETY

Department of Corrections

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$242,260,516	\$284,260,537	\$281,010,856	\$277,361,279	\$293,746,087
Federal Funds	\$7,290,463	\$2,374,706	\$2,219,859	\$23,417,738	\$1,819,835
Restricted Receipts	\$2,062,202	\$1,753,198	\$1,433,109	\$2,031,875	\$1,386,843
Other Funds	-	-	-	-	-
RI Capital Plan Fund	\$4,233,274	\$3,104,491	\$4,100,000	\$13,804,593	\$31,226,325
Total Funding	\$255,846,455	\$291,492,931	\$288,763,824	\$316,615,485	\$328,179,090
FTE Authorization	1424.0	1427.0	1460.0	1461.0	1461.0

Full-Time Equivalent Positions

The Governor recommends 1,461.0 FTE positions in the FY 2025 Budget, and 1,461.0 FTE positions in the revised FY 2024 Budget. This represents an increase of 1.0 FTE position relative to the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- Operating Expenditure Increases.** The Governor recommends a net increase of \$7.6 million to resolve structural shortfalls in the Department’s general revenue financing level. These increases are primarily attributable to the restoration of savings embedded in FY 2024 appropriations that have been deemed unachievable coupled with various increases required to fully finance the Department’s general operating expense base. These increases mirror those recommended in the Governor’s revised FY 2024 Budget, as detailed in the section below, but are partially offset by savings in overtime resulting from newly recruited Correctional Officer classes in FY 2024/2025.
- FTE Position Transfer.** The Governor recommends adding 1.0 FTE and \$192,188 in general revenue to support the transfer of a Chief Inspector from the Department of Administration to the Department’s investigations office.
- Nursing Contract.** The Governor recommends \$1.8 million in FY 2025 as a reserve to cover increased personnel costs associated with the upcoming agreement with the Rhode Island Brotherhood of Correctional Officers for nursing staff. The increase reflects reworked pay scales and other benefits, such as tuition/training reimbursement and retroactive payments.
- Opioid Crisis Response Funding.** The Governor recommends restricted receipts in the Department of Corrections for continued support of existing and new initiatives in Rhode Island’s response to the opioid and substance abuse crisis including total financing of \$1.3 million in Opioid Stewardship Funds. There is an additional \$14.1 million in restricted receipts budgeted in the Executive Office of Health and Human Services from other recently awarded settlements. These funds would be budgeted across state agencies once a budget plan is approved by the Advisory Committee.
- Statewide Adjustments.** The Governor recommends an increase of \$3.3 million for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

PUBLIC SAFETY

Proposed FY 2024 Budget Revisions

- *Approved FY 2023 Reappropriations.* In accordance with R.I.G.L. § 35-3-15, the Governor recommends \$1.8 million in approved reappropriations of unspent funds from FY 2023. These funds shall be used for radio system replacements, web server hosting costs, nursing personnel costs, and outstanding retroactive payments to certain classes of employees.
- *FY 2024 Deficit Resolution and Operating Expenditure Increases.* The Governor recommends an increase of \$12.2 million to resolve structural shortfalls in the Department's general revenue financing level. This increase is attributable to restoration of unachieved savings initiatives and increases in various "per diem" operating expenses such as food, medical supplies and services, educational programming, and clothing which have risen with inflation and rising inmate population.
- *FTE Position Transfer.* The Governor recommends adding 1.0 FTE and \$190,809 in general revenue to support the transfer of a Chief Inspector from the Department of Administration to the Department's investigations office.
- *SCAAP Offset Increase.* The Governor recommends a reduction of \$1.3 million in general revenue and corresponding increase in federal funds to reflect the receipt of additional federal funding for the State Criminal Alien Assistance Program (SCAAP) in FY 2024. This amount is additive to the \$1.3 million already budgeted.
- *Nursing Contract.* The Governor recommends \$1.6 million in FY 2024 as a reserve to cover increased personnel costs associated with the upcoming agreement with the Rhode Island Brotherhood of Correctional Officers for nursing staff. The increase reflects reworked pay scales and other benefits, such as tuition/training reimbursement and retroactive payments.
- *Opioid Crisis Response Funding.* The Governor recommends restricted receipts in the Department of Corrections for continued support of existing and new initiatives in Rhode Island's response to the opioid and substance abuse crisis including total financing of \$2.0 million in Opioid Stewardship Funds.
- *Statewide Adjustments.* The Governor recommends a \$2.7 million increase for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.
- *SFRF - FY 2024 Expenditure Support.* The Governor recommends \$20.0 million in State Fiscal Recovery Funds to be used for increased personnel expenses incurred by the Department as a result of recruiting and retention challenges exacerbated by the COVID-19 pandemic. The Department's operating and personnel expenses qualify for federal support under the revenue replacement category of the State Fiscal Recovery Fund final rule.

PUBLIC SAFETY

Judiciary

Rhode Island has a unified court system composed of six statewide courts. The Supreme Court is the court of last resort, the Superior Court is the court of general jurisdiction, and the Family, District, Traffic Tribunal, and Workers' Compensation courts are courts of limited jurisdiction. The entire system in Rhode Island is state-funded, except for probate courts, which are the responsibility of cities and towns, and the municipal courts, which are local courts of limited jurisdiction. The Chief Justice of the Supreme Court is the executive head of the Rhode Island Judiciary and has authority over the judicial budget. The Chief Justice appoints the State Court Administrator and an administrative staff to handle budgetary and general administrative functions. Under the direction of the Chief Justice, the State Court Administrator has control of judicial appropriations for all state courts, except those as provided otherwise by law. Each court has responsibility over its own operations and has a chief judge who appoints an administrator to handle internal court management.

Judiciary					
Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$109,663,084	\$113,993,543	\$121,387,370	\$122,770,901	\$124,266,261
Federal Funds	\$4,023,489	\$3,528,236	\$4,972,193	\$4,637,314	\$4,417,956
Restricted Receipts	\$11,712,940	\$12,323,496	\$14,912,867	\$14,772,671	\$14,839,020
Other Funds	-	-	-	-	-
RI Capital Plan Fund	\$4,847,504	\$4,860,110	\$5,625,000	\$6,026,122	\$4,375,000
Total Funding	\$130,247,017	\$134,705,385	\$146,897,430	\$148,207,008	\$147,898,237
FTE Authorization	726.3	739.3	743.3	743.3	745.3

Full-Time Equivalent Positions

The Governor recommends 745.3 positions in the FY 2025 Budget, and 743.3 FTE positions in the revised FY 2024 Budget. The revised FY 2024 recommendation is unchanged from the enacted FY 2024 level. In FY 2025, the Governor recommends 2.0 additional FTE positions for new court reporter positions required under a union agreement.

Proposed FY 2025 Budget Actions

- *Superior Court Reporters.* The Governor recommends \$234,652 in general revenue and 2.0 FTE positions for the addition of two court reporter positions in Superior Court.
- *Statewide Adjustment.* The Governor recommends an increase of \$1.0 million in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Reappropriation.* R.I.G.L. § 35-3-15(a) requires that all or a portion of the Judiciary's balance of unspent general revenue appropriations from the prior fiscal year to be reappropriated as directed by the State Court Administrator. As such, the Governor includes a \$2.0 million reappropriation allocated to the Indigent Defense Fund, apportioned evenly between the revised FY 2024 Budget and the FY 2025 Budget.

PUBLIC SAFETY

- *Statewide Adjustments.* The Governor recommends an increase of \$385,656 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

PUBLIC SAFETY

Military Staff

The agency is directed by the Adjutant General who is appointed by the Governor. The Adjutant General is nominated as a Major General by the President and confirmed by the United States Senate. The Adjutant General directs the establishment, operation, organization and maintenance of the military forces of the State, composed of reserve units of the United States Army and Air Force, the Rhode Island National Guard and State Historic Militia. The National Guard Program budget is financed with approximately 26 percent general revenue and state capital funds and 74 percent federal funds, as well as direct federal funding for active duty guardsmen, services, and construction costs. Additionally, there exists between the State of Rhode Island and National Guard Bureau (NGB) a legal contract referred to as the Master Cooperative Agreement (MCA). The MCA provides for State support for the Federal mission in the form of employment of State personnel, the purchase of goods and services through State vendors, and provides a readied, state-of-the-art trained military force. The State is obligated through the MCA to match the federal funds with general revenues as a condition of the grant. Military training is 100% federally financed. The Rhode Island National Guard is authorized in excess of 3,300 members (2,178 in the Army National Guard and 1,136 in the Air National Guard). National Guard installations located in Rhode Island include fourteen armories, three air bases, two training sites, and ten support buildings and shops including one Army Aviation Support Facility (AASF), four Organizational Maintenance Shops (OMS) and one Combined Support Maintenance Shop (CSMS). Federal equipment housed and secured at these facilities is valued in excess of \$500 million dollars. The estimated annual economic impact on the State attributed to National Guard programs exceeds \$238 million dollars.

Military Staff

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$2,891,177	\$2,913,982	\$3,650,802	\$3,574,619	\$3,106,655
Federal Funds	\$20,424,640	\$23,366,634	\$64,747,657	\$46,284,202	\$86,857,534
Restricted Receipts	-	\$27,022	\$55,000	\$55,000	\$55,000
Other Funds	-	-	-	-	-
RI Capital Plan Fund	\$1,255,236	\$842,907	\$7,453,846	\$3,821,909	\$11,433,991
Total Funding	\$24,571,053	\$27,150,545	\$75,907,305	\$53,735,730	\$101,453,180
FTE Authorization	92.0	93.0	93.0	93.0	93.0

Full-Time Equivalent Positions

The Governor recommends 93.0 FTE positions in the FY 2025 Budget, and 93.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$3.1 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends a decrease of \$30,540 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

PUBLIC SAFETY

Proposed FY 2024 Budget Revisions

- *Statewide Adjustments.* The Governor recommends a decrease of \$33,635 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

PUBLIC SAFETY

Rhode Island Emergency Management Agency

The Rhode Island Emergency Management Agency (RIEMA) is responsible for establishing, sustaining, and coordinating the resources of the federal, state, local governments, non-governmental organizations, and the private sector to effectively meet the challenges faced during a natural and/or man-made incident. This will be accomplished by the Director through the Governor’s authority under R.I.G.L. § 30-15. The organization’s primary goal is to create and oversee a statewide system with an all-hazards approach to emergency management and homeland security. The Agency is also responsible to strengthen the 32 core capabilities outlined by the National Preparedness Goal as established by Presidential Policy Directive 8 to reduce loss of life and property within the State of Rhode Island during natural and/or man-made incidents. The Agency and the State Emergency Operation Center (SEOC) will provide a central location from which all state government at any level can provide interagency coordination and executive decision-making in support of any regional incident or local response. This will be done by information collection and evaluation, executive decision-making, priority setting, management, coordination and tracking of resources, and interoperable communication facilitation to support any overall response efforts.

Rhode Island Emergency Management Agency

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$4,874,532	\$5,615,004	\$6,632,962	\$6,838,583	\$7,165,529
Federal Funds	\$69,965,364	\$68,626,239	\$38,504,601	\$30,536,190	\$28,880,583
Restricted Receipts	\$215,909	\$158,384	\$406,774	\$408,572	\$412,371
Other Funds	-	-	-	-	-
RI Capital Plan Fund	\$1,494,400	\$2,391,183	\$4,716,375	\$5,728,648	\$220,000
Total Funding	\$76,550,205	\$76,790,809	\$50,260,712	\$43,511,993	\$36,678,483
FTE Authorization	33.0	35.0	37.0	37.0	39.0

Full-Time Equivalent Positions

The Governor recommends 39.0 FTE positions in the FY 2025 Budget, and 37.0 FTE positions in the revised FY 2024 Budget. The FY 2025 recommendation reflects an increase of 2.0 FTE positions over the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Public Safety Warehouse.* The Governor recommends an increase of \$577,848 in general revenue to support the operations of the Emergency Management Agency’s public safety warehouse. These funds would be used for contract staff and operating expenses to ensure continuous functioning of the warehouse, which contains the State’s stockpile of personal protective equipment, medical supplies, and other emergency supplies. The funds would also be used to hire an additional FTE position to manage warehouse operations and contracted professional warehouse staff. Within the Department of Administration, the Governor recommends \$778,347 in State Fiscal Recovery Funds to finance the warehouse lease into FY 2026.

PUBLIC SAFETY

- *Assistant Director of Communications Position.* The Governor recommends an increase of \$194,055 in general revenue for 1.0 FTE position to supervise the public information programs and function as the principal public information officer.
- *Statewide Adjustments.* The Governor recommends a decrease of \$231,597 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Providence County Flood Assistance.* The Governor recommends an increase of \$200,000 in general revenue to support the response to the September 2023 flooding in Providence County. This includes matching funds for the FEMA Individual Assistance Program resulting from President Biden's January 7, 2024, disaster declaration as well as support for on-the-ground operations.
- *Statewide Adjustments.* The Governor recommends an increase of \$5,658 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

PUBLIC SAFETY

Department of Public Safety

The Department of Public Safety (DPS) was created in 2008 to consolidate the State’s public safety agencies to more efficiently deliver services provided by the State Police, E-911 Uniform Emergency Telephone System, Capitol Police, Municipal Police Training Academy, Division of Sheriffs, and Public Safety Grants Administration Office. DPS’ priorities are protecting lives and promoting safety for Rhode Islanders, and increasing public confidence and accountability.

Recent Department achievements and highlights include:

- Purchased more than 1,600 body worn cameras through October 2023 and provided more than 1,600 hours of training through the Statewide Body Worn Camera Program, which includes grant funding from the U.S. Department of Justice.
- Launching the 59th Rhode Island State Police Recruit Training Academy for up to 40 recruits in January 2024.
- Completed grounds improvements to the Rhode Island State Police Training Academy, including an expanded firing range, to enhance training opportunities for the State Police and other law enforcement agencies.
- Upgraded the Next Generation 911 (NG911) network for E-911 in August 2023.
- Received a \$375,000 U.S. Department of Homeland Security/FEMA Port Security Grant to replace the State Police Marine Unit vessel.

Budget Highlights

Statewide Computer Aided Dispatch and Records Management System.

Funds the development of a modern, unified, and interoperable platform for dispatch and public safety records.

Department of Public Safety					
Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$99,798,069	\$111,485,599	\$137,013,201	\$136,595,944	\$122,424,040
Federal Funds	\$15,852,279	\$11,947,216	\$24,157,221	\$43,543,813	\$22,744,693
Restricted Receipts	\$7,933,821	\$8,910,239	\$10,350,524	\$9,262,884	\$12,509,218
Other Funds	\$4,158,119	\$2,907,645	\$4,014,917	\$3,833,313	\$3,753,912
RI Capital Plan Fund	\$1,598,838	\$2,388,616	\$14,168,473	\$8,278,447	\$23,620,048
Total Funding	\$129,341,126	\$137,639,314	\$189,704,336	\$201,514,401	\$185,051,911
FTE Authorization	628.6	632.2	632.2	632.0	633.0

Full-Time Equivalent Positions

The Governor recommends 633.0 FTE positions in the FY 2025 Budget, and 632.0 FTE positions in the revised FY 2024 Budget. In FY 2025, this reflects a net increase of 0.8 FTE positions from the enacted FY 2024 level for an additional Capitol Police Officer coupled with a downward technical revision of 0.2 FTE positions. In the revised FY 2024 Budget recommendation, the 0.2 FTE position reduction represents solely the technical revision also proposed in FY 2025.

PUBLIC SAFETY

Proposed FY 2025 Budget Actions

- *FY 2025 Launch of Statewide Computer Aided Dispatch and Records Management System.* In accordance with R.I.G.L. § 42-28.10, the Governor recommends the development and implementation of a new centralized public safety computer-aided dispatch and records management system to be utilized by the Department of Public Safety and various other participating state and local law enforcement agencies. Once implemented, law enforcement entities statewide will have a modern, unified, and interoperable platform for dispatch and public safety records. Presently, the decades-old legacy systems used are approaching obsolescence, with extremely minimal product support still available. To date, 28 individual state and local agencies have stated an intent to participate, with the potential for approximately 21 additional participants by the time of substantial system completion.
- *FY 2025 Computer Aided Dispatch and Records Management System Development Costs.* Initial product development costs in FY 2025 totaling \$3.0 million would be largely defrayed by available balances of E-911 wireline and wireless surcharge restricted receipts of \$2.5 million, combined with federal financing from both FEMA and the National Highway Traffic Safety Administration.
- *Capitol Police FTE Position.* The Governor recommends an increase of \$98,999 in general revenue for the addition of one Capitol Police FTE to bolster overall security at the State House.
- *Statewide Adjustments.* The Governor recommends an increase of \$925,691 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Reappropriation.* Pursuant to R.I.G.L. § 35-3-15, the Governor recommends a reappropriation from FY 2023 to FY 2024 of \$864,703 for various equipment acquisitions, including computers, vehicle lighting packages, munitions, a vehicle, and radio dispatch hardware. Additional reappropriations for the Statewide Body-Worn Camera Program, per Article 10 of the FY 2024 Appropriations Act, totals \$531,946. Combined, the Governor's reappropriation recommendation totals \$1.4 million for the Department of Public Safety.
- *State Police and Division of Sheriffs Vehicles.* The Governor recommends re-purposing \$3.3 million of the FY 2024 agency general revenue surplus to directly purchase fleet vehicles for the State Police and the Division of Sheriffs, in lieu of utilizing the State Fleet Revolving Loan Fund for vehicle acquisitions.
- *Statewide Adjustments.* The Governor recommends an increase of \$217,348 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

PUBLIC SAFETY

Office of the Public Defender

The Office of the Public Defender is statutorily mandated to represent indigent adults and juveniles who are charged with criminal offenses or who are in jeopardy of losing custody of their children to the State. Referrals come from the Supreme, Superior, District, and Family courts. All who are financially eligible are assigned to a staff attorney for representation in the appropriate court. The Office carries out a single program: representation of indigent individuals. Within this program are activities associated with adult and juvenile criminal matters; termination of parental rights; and dependency and neglect petitions filed by the Department of Children, Youth and Families. The Office offers appellate representation in the Rhode Island Supreme Court in those areas in which it offers trial-level representation. Assisting the attorneys who deliver the primary service of the Office is a support staff of social workers, investigators, interpreters, information technology staff, intake staff, and clerical staff. The Public Defender is appointed by the Governor with the advice and consent of the Senate for a six-year term.

Office of Public Defender					
Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$13,546,645	\$13,750,533	\$15,694,120	\$15,240,194	\$15,835,559
Federal Funds	\$32,580	\$23,453	\$100,665	\$105,035	\$85,035
Restricted Receipts	-	-	-	-	-
Other Funds	-	-	-	-	-
RI Capital Plan Fund	-	-	-	-	-
Total Funding	\$13,579,225	\$13,773,985	\$15,794,785	\$15,345,229	\$15,920,594
FTE Authorization	99.0	100.0	104.0	104.0	104.0

Full-Time Equivalent Positions

The Governor recommends 104.0 FTE positions in the FY 2025 Budget, and 104.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted 2024 Budget.

Proposed FY 2025 Budget Actions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$15.8 million in general revenue in FY 2025.
- *Statewide Adjustments.* The Governor recommends a general revenue increase of \$145,208 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Statewide Adjustments.* The Governor recommends an increase of \$60,109 in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

NATURAL RESOURCES

NATURAL RESOURCES

The Natural Resources function includes the Department of Environmental Management and the Coastal Resources Management Council. Certain debt service for general obligation bonds issued to finance capital projects for the Narragansett Bay Commission and the Rhode Island Infrastructure Bank are appropriated in the Department of Administration, though these agencies themselves are not part of the state budget. A major focus shaping the goals and mission of the Department of Environmental Management and the Coastal Resources Management Council is and will continue to be climate change and its impact on Rhode Island.

NATURAL RESOURCES

Department of Environmental Management

The Department of Environmental Management (DEM) serves as the chief steward of the state’s natural resources, with the mission of protecting, restoring, and promoting the environment to ensure Rhode Island remains a wonderful place to live, work, raise a family, and visit.

DEM manages state parks, beaches, campgrounds, wildlife management areas, and state forests; promotes fishing, shellfishing, and agriculture; and works to ensure that all residents and visitors can enjoy a diverse mix of well-maintained, scenic, and accessible outdoor recreation facilities and opportunities. It is responsible for protecting natural habitats to maintain species biodiversity.

DEM is charged with protecting the environment by ensuring compliance with federal and state environmental laws and regulations through inspection, permitting, enforcement, and restoration. It educates residents, businesses, and organizations to practice an environmental ethic based upon an understanding of how their actions affect the environment, including preventing pollution and minimizing waste at the source. DEM promotes green jobs and economic opportunities that preserve the state’s resources and improve quality of life.

Recent Department achievements and highlights include:

- With support from DEM staff, the Rhode Island Executive Climate Change Coordinating Council (EC4) approved a \$3 million budget to support Rhode Island’s implementation of the Act on Climate. The budget achieves a balance between resilience and reducing carbon emissions.
- In November 2023, published a draft report detailing the presence of per- and polyfluoroalkyl substances – known as PFAS – in the Rhode Island environment. PFAS are often referred to as “forever chemicals” because they resist typical biological, chemical, and physical degradation processes and remain in the environment and in the human body longer than other toxic contaminants.
- Continued investing in the Port of Galilee, which is one of Rhode Island’s economic and jobs powerhouses, by replacing 1,000 feet of steel bulkhead, removing and replacing heavy-duty docks for large, commercial vessels, strengthening and rehabilitating many other docks to enhance safety and use, and raising the height of the bulkhead and docks to combat sea level rise and protect against storm surge.
- Disseminated a draft, environmental justice policy that touches every aspect of DEM’s operations – from recruiting and hiring more people of color to directing solutions at the historic and disproportionate burden of environmental hazards faced by minority and low-wealth neighborhoods.
- Partnered with Skills for Rhode Island’s Future to develop a six-week program for high school students to explore DEM careers through job shadowing, guest speakers, and hands-on field trips.
- In response to the expected increase in wildfires, using low-severity, prescribed burns to reduce the buildup of combustible materials on forest floors and grasslands and offering wildfire training classes to build staff and volunteer capacity.

Budget Highlights

Litter-Free Rhody.

Provides \$100,000 in general revenue to promote a public information and engagement campaign to reduce litter and foster community and intergovernmental partnerships to address litter on a statewide level.

Seafood Marketing Collaborative.

Invests \$100,000 in general revenue to support the Rhode Island Seafood Marketing Collaborative, which works with local fishers, seafood producers, and small businesses to increase awareness and consumption of local catch.

NATURAL RESOURCES

- In May 2023, co-hosted The Ocean Race – a prestigious, world-sailing competition – at the only North American stopover at Fort Adams State Park in Newport. Key partners Sail Newport and 11th Hour Racing brought thousands of schoolchildren to the event to learn about sustainability and ocean stewardship.

Department of Environmental Management

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$71,024,381	\$81,631,405	\$58,678,560	\$57,925,657	\$57,178,456
Federal Funds	\$25,166,130	\$28,034,573	\$31,088,283	\$38,313,152	\$36,020,076
Restricted Receipts	\$13,676,295	\$14,180,496	\$17,806,478	\$21,065,302	\$21,304,790
Other Funds	\$98,135	\$23,533	\$1,806,552	\$1,802,446	\$1,803,769
RI Capital Plan Fund	\$11,120,417	\$9,677,185	\$18,430,202	\$17,908,123	\$30,065,077
Total Funding	\$121,085,359	\$133,547,193	\$127,810,075	\$137,014,680	\$146,372,168
FTE Authorization	401.0	417.0	425.0	425.0	437.0

Full-Time Equivalent Positions

The Governor recommends 437.0 FTE positions in the FY 2025 Budget, and 425.0 FTE positions in the revised FY 2024 Budget. The revised FY 2024 recommendation is unchanged from the FY 2024 enacted level. In FY 2025, the Governor recommends an additional 12.0 FTE positions as described below.

Proposed FY 2025 Budget Actions

- *Litter-Free Rhody.* The Governor recommends \$100,000 in general revenue to continue the Litter-Free Rhody program. This program promotes a public information and engagement campaign to reduce litter and fosters community and intergovernmental partnerships to address litter issues on a statewide level.
- *Seafood Marketing Collaborative.* The Governor recommends an increase of \$100,000 in general revenue to support the Rhode Island Seafood Marketing Collaborative, which works with local fishers, seafood producers, and small businesses to increase awareness and consumption of local catch. The funding would be used to partner with the Atlantic Fisheries Management Council, the leading expert organization on fisheries management and economics, to run public information and engagement campaigns with the goal of increasing economic activity in the fisheries and fishing sectors.
- *Parks and Recreation FTE.* The Governor recommends adding 12.0 FTE positions in FY 2025 to support operations at parks and beaches. Parks and beaches are typically staffed with seasonal temporary employees, but full-time employees will provide much-needed stability in park and beach operations, such as maintenance, security, and public engagement. It is expected that reducing reliance on declining seasonal employees will mitigate adverse incidents at State facilities and encourage public compliance with park and beach regulations.
- *West Nile Virus/EEE Mosquito Surveillance.* The Governor recommends an increase of \$200,000 in general revenue to support continued surveillance of mosquito-borne infectious diseases, particularly West Nile Virus and Eastern Equine Encephalitis.

NATURAL RESOURCES

- *Statewide Adjustments.* The Governor recommends a decrease of \$64,380 in general revenue for the financing of agency charges for certain centralized services, including facilities management, information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Disposal of Firefighting Foam.* The Governor recommends an increase of \$200,000 in general revenue for disposal of PFAS-contaminated firefighting foam in collaboration with the Office of the State Fire Marshal.
- *Underground Storage Tank Transfer.* The Governor recommends transferring \$2.0 million in restricted receipts from the Underground Storage Tank Fund to general revenues.
- *Statewide Adjustments.* The Governor recommends a \$150,443 increase in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

NATURAL RESOURCES

Coastal Resources Management Council

Rhode Island law mandates the Coastal Resources Management Council (CRMC) to preserve, protect, develop and, where possible, restore the coastal resources of the state. The council is administered by 16 appointed representatives from the public and from state and local governments and staffed by professional engineers, biologists, environmental scientists, and marine resource specialists. The public is given regular opportunities at public hearings to comment on the management of state coastal resources. The council carries out its permitting, enforcement and planning functions primarily through its management programs. Coastal Resources Management Plans are considered to be the environmental management “blueprint” for coastal zone management in the state and are drafted to meet federal mandates. Special Area Management Plans address specific issues associated with designated management areas. Municipal Harbor Management Plans address issues at the municipal level regarding the management of activities occurring in, or on, the waters of a town. The CRMC is closely involved with the National Oceanic and Atmospheric Administration of the U.S. Department of Commerce in a series of initiatives to improve the management of the state’s coastal resources. In 1996, legislation authorized the CRMC as the lead agency (including permitting and planning activities) for dredging and aquaculture, as well as transferring certain freshwater wetlands and permitting responsibility from the Department of Environmental Management to the council. The CRMC oversees the Coastal Habitat Restoration Program to include and is charged with developing a Marine Resources Development Plan and an Ocean Special Area Management plan. The CRMC is also the lead agency on siting of offshore windfarms, the first of which in the country was built off the coast of New Shoreham.

Coastal Resources Management Council

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Revenue	\$2,659,663	\$2,744,410	\$3,396,395	\$3,483,722	\$3,607,384
Federal Funds	\$1,907,080	\$1,776,739	\$2,264,374	\$3,133,386	\$2,319,579
Restricted Receipts	\$225,000	\$230,000	\$250,000	\$250,000	\$250,000
Other Funds	-	-	-	-	-
RI Capital Plan Fund	\$600,612	\$1,900,000	-	\$100,000	-
Total Funding	\$5,392,354	\$6,651,149	\$5,910,769	\$6,967,108	\$6,176,963
FTE Authorization	30.0	32.0	32.0	32.0	32.0

Full-Time Equivalent Positions

The Governor recommends 32.0 FTE positions in the FY 2025 Budget, and 32.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- *Shoreline Access Campaign.* The Governor recommends \$25,000 in general revenue to implement shoreline access legislation enacted in 2023. R.I.G.L. § 46-23-26 requires the Coastal Resources Management Council to provide signage and informational resources apprising the public of various provisions of the law, including the location of rights-of-way to the shoreline.
- *Statewide Adjustments.* The Governor recommends an increase of \$41,351 in general revenue for the financing of agency charges for certain centralized services, including facilities management,

NATURAL RESOURCES

information technology, human resources, Enterprise Resource Planning maintenance and operations, natural gas billings, combined with an increase to the employee health benefit rates.

Proposed FY 2024 Budget Revisions

- *Current Operations.* The Governor recommends full financing for current operations and enacted staffing authorizations, totaling \$3.5 million in general revenue in FY 2024.
- *Statewide Adjustments.* The Governor recommends a \$15,805 increase in general revenue for the financing of agency charges for certain centralized services, including facilities management and natural gas billings, combined with an increase to the employee health benefit rates.

TRANSPORTATION

TRANSPORTATION

Department of Transportation

The Department of Transportation (RIDOT) serves as the steward of a statewide multimodal transportation network, consisting of 2,900 lane miles of roadway, 1,175 bridges, five rail stations, and over 60 miles of bike and pedestrian paths.

RIDOT provides for the maintenance and construction of quality infrastructure that reflects the transportation needs of Rhode Islanders. In addition to traditional highway construction and maintenance activities, the Department has considerable responsibility for intermodal transportation, including planning, developing, and implementing projects in the areas of transit, rail, water, bicycle, and pedestrian transportation, in addition to responsibilities for air quality planning and coordination for all transportation projects.

Recent Department achievements and highlights include:

- Through the landmark 2016 RhodeWorks legislation, spearheading 303 projects that are addressing 402 bridges at a total value of \$4.2 billion. As of September 2023, the Department has completed 232 projects, including the repair and replacement of 269 bridges.
- Accelerated more than 100 projects, valued at \$2.2 billion, by an average of four years because of the 2021 Infrastructure Investment and Jobs Act (IIJA). Additionally, the Department is wrapping up its second year of a five-year, nearly \$500 million investment in paving.
- Launched the Municipal Road and Bridge Program in 2023 that is assisting cities and towns complete 621 road, bridge, and sidewalk projects through an investment of \$20 million in State Fiscal Recovery Funds (SFRF).
- Received more than \$1.3 billion in special federal funding (including the increase through the IIJA). This includes about \$270 million in the form of competitive grants. These dollars allowed RIDOT to begin significant bridge reconstruction and replacement projects, including the Henderson Bridge, the Washington Bridge, the Providence Viaduct North, the Huntington Viaduct, and bridges along the Route 37 corridor.
- Completed the largest Department reorganization in its history, transitioning to a best-practice project management structure. The Department went from having about 50 percent of its projects being on-time and on-budget to more than 90 percent being on time and on budget.

Budget Highlights

Statewide Litter Campaign.

Funds 10 groundskeeper positions tasked with managing roadside litter and debris removal, graffiti removal, roadside tree removal, and other activities.

Municipal Roads.

Provides an additional \$5.0 million in State Fiscal Recovery Funds to improve municipal transportation infrastructure.

RIPTA Operating Grant.

Transfers \$10.0 million in State Fiscal Recovery Funds because of a revenue shortfall.

TRANSPORTATION

Department of Transportation

Source of Funds	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
Federal Funds	\$417,382,706	\$495,535,838	\$460,859,663	\$450,470,057	\$432,772,781
Restricted Receipts	\$2,555,165	\$(2,749,665)	\$6,210,256	\$6,116,460	\$6,116,969
Other Funds	\$185,141,502	\$205,548,363	\$242,115,073	\$340,667,854	\$237,613,505
RI Capital Plan Fund	\$66,191,402	\$62,022,420	\$149,904,118	\$183,883,266	\$140,216,575
Total Funding	\$671,270,775	\$760,356,957	\$859,089,110	\$981,137,637	\$816,719,830
FTE Authorization	755.0	755.0	755.0	755.0	755.0

Full-Time Equivalent Positions

The Governor recommends 755.0 FTE positions in the FY 2025 Budget, and 755.0 FTE positions in the revised FY 2024 Budget, unchanged from the enacted FY 2024 Budget.

Proposed FY 2025 Budget Actions

- Statewide Litter Campaign.* The Governor recommends 10.0 FTE Groundskeeper positions within the existing FTE authorization of 755.0 FTE for the Statewide Anti-Litter Campaign. These positions would manage roadside litter and debris removal, graffiti removal, roadside tree removal, tree trimming and brush clearing, pothole patching, small equipment maintenance and repairs, and snow plowing using small trucks that do not require a commercial driver's license.
- Municipal Road Program.* The Governor recommends an additional \$5.0 million in State Fiscal Recovery Funds for the Municipal Roads Program, bringing the total investment in the program to \$25.0 million. In recognition of the need to improve transportation infrastructure on municipal roads, the program provides funding to municipalities for the construction and maintenance of roads, sidewalks, and bridges up to 33 percent of total project costs. As of December 2023, all 39 cities and towns submitted applications and are participating in the program. According to the Pandemic Recovery Office, planned expenditures to date leverage \$20.0 million of State Fiscal Recovery Funds into a total investment of \$74.0 million on municipal roads projects. The additional \$5.0 million of State Fiscal Recovery Funds would be distributed equally, with each municipality eligible for \$128,205 for new or existing projects.
- Rhode Island Public Transit Authority Operating Grant.* The Governor recommends a one-time State Fiscal Recovery Fund transfer of \$10.0 million to assist the Rhode Island Public Transit Authority's projected FY 2025 operating deficit. The Authority estimates a revenue shortfall of more than \$18.1 million in FY 2025. This one-time transfer seeks to aid the Authority's short-term needs as it conducts an efficiency review of all transit operations and administration to identify opportunities for greater efficiency and cost reduction. This study, which is due January 1, 2025, will include, but not be limited to, an analysis of fixed-route service, including operating costs, ridership statistics, per-rider costs, and other relevant data for each route.
- Gas Tax Redistribution.* The Governor recommends a budget neutral legislative change to redistribute existing gas tax revenue between the Office of Healthy Aging and the Rhode Island Public Transit Authority. In addition to the Authority's five-cent portion of gas tax, the Authority receives 79 percent of one cent of gas tax per gallon from the Office of Healthy Aging for elderly/disabled

TRANSPORTATION

transportation program annually. This article would pass the \$0.0079 directly to the Authority to streamline administrative processes.

Proposed FY 2024 Budget Revisions

- *Maintenance and Garage Facility Purchase.* The Governor recommends maintaining \$8.0 million in gas tax carryforward proceeds for the purchase of the leased maintenance and garage facility located on Allens Avenue in Providence.

EXECUTIVE SUMMARY
APPENDIX A
SCHEDULES

FY 2025 General Revenue Budget Surplus

	FY 2022 Audited	FY 2023 Draft Audited	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommend
Surplus					
Opening Surplus	\$374,425,433	\$209,649,745	\$368,706,714	\$412,262,966	\$195,871,918
Adjustment to Opening Surplus- FEMA	155,277,927	270,762,495	5,055,846	14,717,153	-
Adjustment to Opening Surplus- Other	-	-	-	-	-
Reappropriated Surplus	8,446,365	19,442,046	-	45,152,130	-
Subtotal	\$538,149,725	\$499,854,286	\$373,762,560	\$472,132,249	\$195,871,918
General Taxes	\$4,350,459,869	\$4,235,156,196	\$4,289,123,096	\$4,301,600,000	\$4,454,200,000
Changes to the Adopted Estimates				(46,200)	16,857,756
Subtotal	\$4,350,459,869	\$4,235,156,196	\$4,289,123,096	\$4,301,553,800	\$4,471,057,756
Departmental Revenues	\$433,130,859	\$491,637,590	517,968,317	531,100,000	494,200,000
Changes to the Adopted Estimates				493,834	4,195,696
Subtotal	\$433,130,859	\$491,637,590	\$517,968,317	\$531,593,834	\$498,395,696
Other Sources					
Other Miscellaneous	\$10,586,336	\$32,701,548	\$24,083,875	\$30,200,000	\$26,900,000
Changes to the Adopted Estimates				4,366,807	-
Lottery	\$388,641,696	\$434,666,769	\$428,600,000	\$436,800,000	\$458,800,000
Changes to the Adopted Estimates				-	-
Unclaimed Property	\$21,425,309	\$18,502,832	\$16,500,000	\$18,700,000	\$20,100,000
Changes to the Adopted Estimates				-	-
Subtotal	\$420,653,341	\$485,871,149	\$469,183,875	\$490,066,807	\$505,800,000
Total Revenues	\$5,204,244,069	\$5,212,664,935	\$5,276,275,288	\$5,323,214,441	\$5,475,253,452
Transfer to Budget Reserve and Cash Stabilization Account	(\$167,360,085)	(\$162,669,440)	(\$169,349,460)	(\$172,064,322)	(\$170,133,761)
Total Available	\$5,575,033,709	\$5,549,849,781	\$5,480,688,388	\$5,623,282,368	\$5,500,991,609
Actual/Enacted Expenditures	\$5,239,941,918	\$5,074,929,254	\$5,425,140,429	\$5,425,140,429	5,500,088,983
Reappropriations (from prior year)				45,152,130	
Nov Caseload Est. Conference Changes				(19,553,380)	
Other Changes in Expenditures				(71,798,235)	
Total Expenditures	\$5,239,941,918	\$5,074,929,254	\$5,425,140,429	\$5,378,940,944	\$5,500,088,983
Intrafund Transfers to Restricted Accounts	(106,000,000)	(4,444,444)	-	-	-
Transfer to Supplemental State Budget Reserve	-	(6,530,493)	(\$55,000,000)	(\$55,000,000)	-
Transfer to Employees' Retirement System	-	(6,530,493)	-	-	-
Partial Repeal of RIGL 35-6-1(e)	-	-	-	6,530,493	-
Total Ending Balances	\$229,091,791	\$457,415,096	\$547,959	\$195,871,918	\$902,626
Reappropriations (to following year)	(19,442,046)	(45,152,130)	-	-	-
Free Surplus	\$209,649,745	\$412,262,966	\$547,959	\$195,871,918	\$902,626

* FY 2023 Final Audited Closing Statements are unpublished as of January 18, 2024. "Draft Audited" figures represent most accurate data available as of the date of budget release, but remain subject to further revision.

Expenditures from All Funds

	FY 2022	FY 2023	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Government					
Department of Administration	\$1,205,372,641	\$846,403,538	\$717,766,683	\$712,134,658	\$519,398,065
Department of Business Regulation	\$26,836,385	\$31,137,725	\$42,322,903	\$42,372,623	\$39,644,775
Executive Office of Commerce	\$162,351,034	\$169,903,556	\$241,627,641	\$258,928,267	\$68,652,163
Department of Housing	-	-	\$251,655,943	\$323,819,873	\$36,035,416
Department of Labor and Training	\$788,781,020	\$600,500,627	\$527,634,032	\$602,228,928	\$594,346,262
Department of Revenue	\$758,434,631	\$912,349,256	\$800,033,280	\$808,359,367	\$832,465,599
General Assembly	\$44,045,908	\$46,814,643	\$53,088,776	\$59,877,264	\$55,789,931
Office of Lieutenant Governor	\$1,073,989	\$1,316,262	\$1,411,331	\$1,414,391	\$1,447,015
Secretary of State	\$11,692,479	\$13,025,377	\$14,424,078	\$13,312,726	\$18,280,239
Office of the General Treasurer	\$19,118,279	\$18,061,523	\$24,035,465	\$23,536,040	\$22,886,874
Board of Elections	\$2,591,770	\$5,855,517	\$3,981,728	\$4,679,018	\$5,156,957
Rhode Island Ethics Commission	\$1,801,742	\$1,923,524	\$2,137,059	\$2,162,654	\$2,299,337
Office of the Governor	\$7,098,447	\$7,468,837	\$8,406,547	\$8,287,243	\$8,471,265
Rhode Island Commission for Human Rights	\$1,836,227	\$2,022,428	\$2,368,347	\$2,489,651	\$2,505,726
Public Utilities Commission	\$10,930,981	\$11,326,767	\$14,261,300	\$13,986,745	\$14,451,272
Subtotal - General Government	\$3,041,965,533	\$2,668,109,580	\$2,705,155,113	\$2,877,589,448	\$2,221,830,896
Health and Human Services					
Executive Office of Health and Human Services	\$3,307,505,821	\$3,341,502,439	\$3,815,013,758	\$3,708,275,182	\$3,968,779,983
Department of Children, Youth, and Families	\$264,891,189	\$286,366,715	\$366,362,408	\$361,082,767	\$361,735,263
Department of Health	\$491,403,423	\$290,189,850	\$327,596,035	\$385,527,690	\$342,181,505
Behavioral Healthcare, Developmental Disabilities and Hospitals	\$483,026,715	\$560,343,728	\$672,848,681	\$714,082,157	\$706,308,616
Department of Human Services	\$901,174,061	\$875,662,799	\$833,996,366	\$839,044,153	\$797,155,718
Commission on the Deaf & Hard of Hearing	\$815,340	\$874,944	\$868,675	\$893,222	\$914,184
Governor's Commission on Disabilities	\$1,358,383	\$1,514,288	\$1,983,720	\$2,571,463	\$1,680,507
Office of the Child Advocate	\$1,088,617	\$1,271,513	\$1,649,914	\$1,637,931	\$1,641,426
Office of the Mental Health Advocate	\$716,646	\$832,176	\$976,078	\$921,117	\$981,608
Subtotal - Health and Human Services	\$5,451,980,195	\$5,358,558,452	\$6,021,295,635	\$6,014,035,682	\$6,181,378,810
Education					
Elementary and Secondary Education	\$1,719,406,455	\$1,939,587,191	\$2,022,346,822	\$2,129,667,286	\$1,961,849,047
Office of the Postsecondary Commissioner	\$41,814,388	\$43,532,333	\$65,553,323	\$62,687,737	\$51,278,008
University of Rhode Island	\$873,337,238	\$906,846,062	\$993,235,954	\$968,863,531	\$1,015,940,011
Rhode Island College	\$160,657,328	\$179,367,158	\$208,467,982	\$214,931,905	\$210,135,912
Community College of Rhode Island	\$178,243,665	\$178,085,355	\$182,398,397	\$181,653,336	\$194,436,693
Rhode Island Council on the Arts	\$3,906,261	\$3,399,615	\$3,869,758	\$3,877,350	\$3,976,337
Rhode Island Atomic Energy Commission	\$1,565,277	\$1,557,759	\$1,578,744	\$1,586,827	\$1,593,911
Historical Preservation and Heritage Commission	\$2,044,267	\$1,782,255	\$3,581,831	\$3,525,379	\$3,727,660
Subtotal - Education	\$2,980,974,879	\$3,254,157,728	\$3,481,032,811	\$3,566,793,351	\$3,442,937,579
Public Safety					
Office of Attorney General	\$35,756,155	\$37,012,990	\$43,227,795	\$46,620,396	\$45,456,627
Department of Corrections	\$255,846,455	\$291,492,931	\$288,763,824	\$316,615,485	\$328,179,090
Judiciary	\$130,247,017	\$134,705,385	\$146,897,430	\$148,207,008	\$147,898,237
Military Staff	\$24,571,053	\$27,150,545	\$75,907,305	\$53,735,730	\$101,453,180
Rhode Island Emergency Management Agency	\$76,550,205	\$76,790,809	\$50,260,712	\$43,511,993	\$36,678,483
Department of Public Safety	\$129,341,126	\$137,639,314	\$189,704,336	\$201,514,401	\$185,051,911
Office of Public Defender	\$13,579,225	\$13,773,985	\$15,794,785	\$15,345,229	\$15,920,594
Subtotal - Public Safety	\$665,891,236	\$718,565,959	\$810,556,187	\$825,550,242	\$860,638,122
Natural Resources					
Department of Environmental Management	\$121,085,359	\$133,547,193	\$127,810,075	\$137,014,680	\$146,372,168
Coastal Resources Management Council	\$5,392,354	\$6,651,149	\$5,910,769	\$6,967,108	\$6,176,963
Subtotal - Natural Resources	\$126,477,713	\$140,198,342	\$133,720,844	\$143,981,788	\$152,549,131
Transportation					
Department of Transportation	\$671,270,775	\$760,356,957	\$859,089,110	\$981,137,637	\$816,719,830
Subtotal - Transportation	\$671,270,775	\$760,356,957	\$859,089,110	\$981,137,637	\$816,719,830
Total:	\$12,938,560,331	\$12,899,947,018	\$14,010,849,700	\$14,409,088,148	\$13,676,054,368

Expenditures from General Revenue

	FY 2022	FY 2023	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Government					
Department of Administration	\$824,590,678	\$489,769,564	\$293,843,692	\$292,357,861	\$227,870,824
Department of Business Regulation	\$19,539,175	\$23,204,707	\$24,371,468	\$24,436,087	\$24,517,764
Executive Office of Commerce	\$84,243,173	\$57,085,654	\$66,421,142	\$66,319,788	\$38,255,983
Department of Housing	-	-	\$32,997,895	\$31,494,506	\$9,840,596
Department of Labor and Training	\$15,466,165	\$18,204,551	\$17,697,227	\$22,190,882	\$17,990,653
Department of Revenue	\$258,598,504	\$363,463,744	\$397,716,359	\$374,366,590	\$399,021,730
General Assembly	\$42,745,912	\$45,119,050	\$50,998,683	\$57,472,017	\$53,358,280
Office of Lieutenant Governor	\$1,073,989	\$1,316,886	\$1,411,331	\$1,414,391	\$1,447,015
Secretary of State	\$10,137,060	\$11,966,378	\$11,839,843	\$10,902,244	\$12,112,241
Office of the General Treasurer	\$3,424,376	\$3,624,715	\$3,995,808	\$3,980,018	\$3,915,333
Board of Elections	\$2,591,770	\$5,861,156	\$3,981,728	\$4,679,018	\$5,156,957
Rhode Island Ethics Commission	\$1,801,742	\$1,923,524	\$2,137,059	\$2,162,654	\$2,299,337
Office of the Governor	\$7,098,447	\$7,426,985	\$8,406,547	\$8,287,243	\$8,471,265
Rhode Island Commission for Human Rights	\$1,524,555	\$1,758,445	\$2,009,246	\$2,071,702	\$2,055,616
Subtotal - General Government	\$1,272,835,546	\$1,030,725,359	\$917,828,028	\$902,135,001	\$806,313,594
Health and Human Services					
Executive Office of Health and Human Services	\$993,245,343	\$1,076,415,174	\$1,314,146,804	\$1,280,599,214	\$1,408,896,492
Department of Children, Youth, and Families	\$171,702,486	\$192,600,438	\$217,262,746	\$209,135,694	\$235,873,200
Department of Health	\$248,140,610	\$33,548,890	\$35,655,172	\$34,558,400	\$37,353,947
Behavioral Healthcare, Developmental Disabilities and Hospitals	\$259,239,750	\$261,580,691	\$310,886,337	\$322,704,470	\$321,342,155
Department of Human Services	\$114,400,672	\$122,222,195	\$155,552,694	\$152,106,751	\$142,005,719
Commission on the Deaf & Hard of Hearing	\$863,783	\$738,910	\$764,208	\$766,497	\$782,651
Governor's Commission on Disabilities	\$1,014,840	\$1,153,698	\$1,542,951	\$2,148,870	\$1,528,968
Office of the Child Advocate	\$1,033,943	\$1,259,570	\$1,649,914	\$1,625,931	\$1,641,426
Office of the Mental Health Advocate	\$716,646	\$832,176	\$976,078	\$921,117	\$981,608
Subtotal - Health and Human Services	\$1,790,358,073	\$1,690,351,742	\$2,038,436,904	\$2,004,566,944	\$2,150,406,166
Education					
Elementary and Secondary Education	\$1,328,151,989	\$1,436,665,777	\$1,496,382,952	\$1,496,737,695	\$1,563,472,718
Office of the Postsecondary Commissioner	\$25,438,409	\$16,718,621	\$30,102,355	\$27,065,045	\$30,622,180
University of Rhode Island	\$120,194,762	\$121,948,714	\$138,821,474	\$144,744,923	\$142,199,440
Rhode Island College	\$66,124,960	\$68,537,023	\$76,546,642	\$78,276,224	\$77,881,228
Community College of Rhode Island	\$54,960,215	\$57,151,940	\$59,337,865	\$61,030,726	\$61,286,538
Rhode Island Council on the Arts	\$2,023,260	\$2,129,661	\$2,292,758	\$2,303,238	\$2,395,211
Rhode Island Atomic Energy Commission	\$1,055,145	\$1,035,829	\$1,158,737	\$1,173,765	\$1,180,419
Historical Preservation and Heritage Commission	\$1,305,113	\$1,040,750	\$1,905,557	\$1,735,012	\$1,898,100
Subtotal - Education	\$1,599,253,853	\$1,705,228,315	\$1,806,548,340	\$1,813,066,628	\$1,880,935,834
Public Safety					
Office of Attorney General	\$30,772,379	\$32,228,827	\$34,862,891	\$35,381,472	\$35,103,418
Department of Corrections	\$242,260,516	\$284,260,537	\$281,010,856	\$277,361,279	\$293,746,087
Judiciary	\$109,663,084	\$113,993,543	\$121,387,370	\$122,770,901	\$124,266,261
Military Staff	\$2,891,177	\$2,913,982	\$3,650,802	\$3,574,619	\$3,106,655
Rhode Island Emergency Management Agency	\$4,874,532	\$5,615,004	\$6,632,962	\$6,838,583	\$7,165,529
Department of Public Safety	\$99,798,069	\$111,485,599	\$137,013,201	\$136,595,944	\$122,424,040
Office of Public Defender	\$13,546,645	\$13,750,533	\$15,694,120	\$15,240,194	\$15,835,559
Subtotal - Public Safety	\$503,806,402	\$564,248,025	\$600,252,202	\$597,762,992	\$601,647,549
Natural Resources					
Department of Environmental Management	\$71,024,381	\$81,631,405	\$58,678,560	\$57,925,657	\$57,178,456
Coastal Resources Management Council	\$2,659,663	\$2,744,410	\$3,396,395	\$3,483,722	\$3,607,384
Subtotal - Natural Resources	\$73,684,044	\$84,375,815	\$62,074,955	\$61,409,379	\$60,785,840
Total:	\$5,239,937,918	\$5,074,929,256	\$5,425,140,429	\$5,378,940,944	\$5,500,088,983

Expenditures from Federal Funds

	FY 2022	FY 2023	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Government					
Department of Administration	\$286,932,303	\$210,085,376	\$212,681,251	\$183,993,462	\$75,120,050
Department of Business Regulation	\$817,183	\$910,863	\$641,503	\$1,232,597	\$845,863
Executive Office of Commerce	\$66,453,957	\$92,398,662	\$174,401,499	\$191,644,660	\$22,000,000
Department of Housing	-	-	\$210,993,898	\$284,661,217	\$18,530,670
Department of Labor and Training	\$379,125,188	\$150,859,898	\$74,703,378	\$74,768,385	\$42,711,594
Department of Revenue	\$132,797,058	\$132,434,739	\$825,339	\$794,957	\$805,667
General Assembly	(\$3)	-	-	-	-
Office of Lieutenant Governor	-	(\$624)	-	-	-
Secretary of State	\$1,000,551	\$562,060	\$2,001,207	\$2,001,207	\$2,001,207
Office of the General Treasurer	\$574,217	\$706,783	\$766,369	\$763,919	\$763,030
Board of Elections	-	(\$5,639)	-	-	-
Office of the Governor	-	\$41,852	-	-	-
Rhode Island Commission for Human Rights	\$311,672	\$263,984	\$359,101	\$417,949	\$450,110
Public Utilities Commission	\$523,710	\$522,308	\$593,775	\$702,387	\$711,984
Subtotal - General Government	\$868,535,836	\$588,780,262	\$677,967,320	\$740,980,740	\$163,940,175
Health and Human Services					
Executive Office of Health and Human Services	\$2,249,239,652	\$2,232,280,998	\$2,448,794,456	\$2,367,067,094	\$2,504,657,492
Department of Children, Youth, and Families	\$91,849,274	\$92,585,762	\$132,358,539	\$136,031,263	\$109,908,506
Department of Health	\$182,432,393	\$193,174,227	\$225,090,085	\$262,579,394	\$193,961,061
Behavioral Healthcare, Developmental Disabilities and Hospitals	\$221,079,897	\$295,064,657	\$349,233,547	\$375,846,199	\$371,599,345
Department of Human Services	\$777,034,861	\$744,049,154	\$666,947,828	\$673,679,194	\$646,350,116
Commission on the Deaf & Hard of Hearing	(\$3,916)	-	-	-	-
Governor's Commission on Disabilities	\$305,139	\$320,336	\$378,638	\$377,937	\$85,000
Office of the Child Advocate	\$54,674	\$11,942	-	\$12,000	-
Subtotal - Health and Human Services	\$3,521,991,974	\$3,557,487,076	\$3,822,803,093	\$3,815,593,081	\$3,826,561,520
Education					
Elementary and Secondary Education	\$350,595,771	\$454,942,378	\$464,842,075	\$567,802,963	\$312,330,554
Office of the Postsecondary Commissioner	\$7,971,942	\$8,519,337	\$23,456,833	\$23,435,115	\$4,960,773
University of Rhode Island	-	-	\$20,000,000	-	-
Community College of Rhode Island	\$1,955,442	\$2,362,102	-	-	-
Rhode Island Council on the Arts	\$1,453,013	\$1,082,807	\$987,000	\$986,151	\$996,126
Rhode Island Atomic Energy Commission	\$206,885	\$206,885	-	-	-
Historical Preservation and Heritage Commission	\$632,902	\$636,937	\$1,143,147	\$1,223,734	\$1,267,431
Subtotal - Education	\$362,815,955	\$467,750,446	\$510,429,055	\$593,447,963	\$319,554,884
Public Safety					
Office of Attorney General	\$2,776,619	\$2,406,890	\$2,909,219	\$3,213,191	\$3,265,105
Department of Corrections	\$7,290,463	\$2,374,706	\$2,219,859	\$23,417,738	\$1,819,835
Judiciary	\$4,023,489	\$3,528,236	\$4,972,193	\$4,637,314	\$4,417,956
Military Staff	\$20,424,640	\$23,366,634	\$64,747,657	\$46,284,202	\$86,857,534
Rhode Island Emergency Management Agency	\$69,965,364	\$68,626,239	\$38,504,601	\$30,536,190	\$28,880,583
Department of Public Safety	\$15,852,279	\$11,947,216	\$24,157,221	\$43,543,813	\$22,744,693
Office of Public Defender	\$32,580	\$23,453	\$100,665	\$105,035	\$85,035
Subtotal - Public Safety	\$120,365,434	\$112,273,374	\$137,611,415	\$151,737,483	\$148,070,741
Natural Resources					
Department of Environmental Management	\$25,166,130	\$28,034,573	\$31,088,283	\$38,313,152	\$36,020,076
Coastal Resources Management Council	\$1,907,080	\$1,776,739	\$2,264,374	\$3,133,386	\$2,319,579
Subtotal - Natural Resources	\$27,073,210	\$29,811,312	\$33,352,657	\$41,446,538	\$38,339,655
Transportation					
Department of Transportation	\$417,382,706	\$495,535,838	\$460,859,663	\$450,470,057	\$432,772,781
Subtotal - Transportation	\$417,382,706	\$495,535,838	\$460,859,663	\$450,470,057	\$432,772,781
Total:	\$5,318,165,115	\$5,251,638,308	\$5,643,023,203	\$5,793,675,862	\$4,929,239,756

Expenditures from Restricted Receipts

	FY 2022	FY 2023	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Government					
Department of Administration	\$32,219,534	\$66,714,157	\$48,486,518	\$59,415,067	\$47,189,447
Department of Business Regulation	\$6,469,207	\$6,957,526	\$11,523,017	\$10,923,958	\$12,272,848
Executive Office of Commerce	\$5,064,835	\$19,538,012	-	-	-
Department of Housing	-	-	\$7,664,150	\$7,664,150	\$7,664,150
Department of Labor and Training	\$27,206,409	\$34,183,144	\$30,280,568	\$31,213,509	\$32,037,084
Department of Revenue	\$1,983,339	\$4,575,546	\$9,556,818	\$9,469,077	\$9,481,272
General Assembly	\$1,300,000	\$1,695,593	\$2,090,093	\$2,405,247	\$2,431,651
Secretary of State	\$554,868	\$496,939	\$583,028	\$409,275	\$409,347
Office of the General Treasurer	\$14,561,137	\$13,092,060	\$18,578,032	\$18,197,154	\$17,607,485
Public Utilities Commission	\$10,407,271	\$10,804,459	\$13,667,525	\$13,284,358	\$13,739,288
Subtotal - General Government	\$99,766,600	\$158,057,436	\$142,429,749	\$152,981,795	\$142,832,572
Health and Human Services					
Executive Office of Health and Human Services	\$65,020,826	\$32,806,267	\$52,072,498	\$60,608,874	\$55,225,999
Department of Children, Youth, and Families	\$1,282,440	\$1,023,457	\$1,491,123	\$665,810	\$703,557
Department of Health Behavioral Healthcare, Developmental Disabilities and Hospitals	\$60,406,433	\$62,899,711	\$66,450,778	\$88,380,907	\$106,844,735
Department of Human Services	\$2,325,431	\$3,224,851	\$12,328,797	\$15,061,944	\$12,867,116
Department of Human Services	\$5,513,645	\$4,450,887	\$5,933,660	\$7,433,917	\$6,243,767
Commission on the Deaf & Hard of Hearing	(\$44,527)	\$136,034	\$104,467	\$126,725	\$131,533
Governor's Commission on Disabilities	\$38,404	\$40,254	\$62,131	\$44,656	\$66,539
Subtotal - Health and Human Services	\$134,542,652	\$104,581,461	\$138,443,454	\$172,322,833	\$182,083,246
Education					
Elementary and Secondary Education	\$39,462,405	\$47,252,342	\$47,345,545	\$50,597,914	\$53,019,127
Office of the Postsecondary Commissioner	\$3,460,794	\$6,724,778	\$5,904,272	\$5,948,968	\$7,854,557
Community College of Rhode Island	\$752,438	\$759,917	\$828,372	\$794,816	\$814,584
Rhode Island Council on the Arts	\$3,781	\$33,164	\$5,000	\$2,961	-
Rhode Island Atomic Energy Commission	\$10,632	\$7,735	\$25,036	\$25,036	\$25,036
Historical Preservation and Heritage Commission	-	\$12	\$422,800	\$422,800	\$419,300
Subtotal - Education	\$43,690,050	\$54,777,948	\$54,531,025	\$57,792,495	\$62,132,604
Public Safety					
Office of Attorney General	\$2,206,820	\$2,332,042	\$5,305,685	\$5,985,733	\$6,938,104
Department of Corrections	\$2,062,202	\$1,753,198	\$1,433,109	\$2,031,875	\$1,386,843
Judiciary	\$11,712,940	\$12,323,496	\$14,912,867	\$14,772,671	\$14,839,020
Military Staff	-	\$27,022	\$55,000	\$55,000	\$55,000
Rhode Island Emergency Management Agency	\$215,909	\$158,384	\$406,774	\$408,572	\$412,371
Department of Public Safety	\$7,933,821	\$8,910,239	\$10,350,524	\$9,262,884	\$12,509,218
Subtotal - Public Safety	\$24,131,692	\$25,504,381	\$32,463,959	\$32,516,735	\$36,140,556
Natural Resources					
Department of Environmental Management	\$13,676,295	\$14,180,496	\$17,806,478	\$21,065,302	\$21,304,790
Coastal Resources Management Council	\$225,000	\$230,000	\$250,000	\$250,000	\$250,000
Subtotal - Natural Resources	\$13,901,295	\$14,410,496	\$18,056,478	\$21,315,302	\$21,554,790
Transportation					
Department of Transportation	\$2,555,165	(\$2,749,665)	\$6,210,256	\$6,116,460	\$6,116,969
Subtotal - Transportation	\$2,555,165	(\$2,749,665)	\$6,210,256	\$6,116,460	\$6,116,969
Total:	\$318,587,454	\$354,582,057	\$392,134,921	\$443,045,620	\$450,860,737

Expenditures from Other Funds

	FY 2022	FY 2023	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Government					
Department of Administration	\$61,630,125	\$79,834,441	\$162,755,222	\$176,368,268	\$169,217,744
Department of Business Regulation	\$10,820	\$64,629	\$5,786,915	\$5,779,981	\$2,008,300
Executive Office of Commerce	\$6,589,069	\$881,228	\$805,000	\$963,819	\$8,396,180
Department of Labor and Training	\$366,983,259	\$397,253,035	\$404,952,859	\$474,056,152	\$501,606,931
Department of Revenue	\$365,055,730	\$411,875,227	\$391,934,764	\$423,728,743	\$423,156,930
Secretary of State	-	-	-	-	\$3,757,444
Office of the General Treasurer	\$558,549	\$637,964	\$695,256	\$594,949	\$601,026
Subtotal - General Government	\$800,827,552	\$890,546,524	\$966,930,016	\$1,081,491,912	\$1,108,744,555
Health and Human Services					
Department of Children, Youth, and Families	\$56,989	\$157,058	\$15,250,000	\$15,250,000	\$15,250,000
Department of Health Behavioral Healthcare, Developmental Disabilities and Hospitals	\$423,988	\$567,023	\$400,000	\$8,989	\$4,021,762
Department of Human Services	\$381,637	\$473,528	\$400,000	\$469,544	\$500,000
Department of Human Services	\$4,224,882	\$4,940,563	\$5,562,184	\$5,824,291	\$2,556,116
Subtotal - Health and Human Services	\$5,087,496	\$6,138,172	\$21,612,184	\$21,552,824	\$22,327,878
Education					
Elementary and Secondary Education	\$1,196,289	\$726,694	\$13,776,250	\$14,528,714	\$33,026,648
Office of the Postsecondary Commissioner	\$4,943,242	\$11,569,597	\$6,089,863	\$6,238,609	\$7,840,498
University of Rhode Island	\$753,142,476	\$784,897,348	\$834,414,480	\$824,118,608	\$873,740,571
Rhode Island College	\$94,532,368	\$110,830,135	\$131,921,340	\$136,655,681	\$132,254,684
Community College of Rhode Island	\$120,575,570	\$117,811,396	\$122,232,160	\$119,827,794	\$132,335,571
Rhode Island Council on the Arts	\$426,206	\$153,983	\$585,000	\$585,000	\$585,000
Rhode Island Atomic Energy Commission	\$292,615	\$307,311	\$394,971	\$388,026	\$388,456
Historical Preservation and Heritage Commission	\$106,252	\$104,557	\$110,327	\$143,833	\$142,829
Subtotal - Education	\$975,215,018	\$1,026,401,021	\$1,109,524,391	\$1,102,486,265	\$1,180,314,257
Public Safety					
Office of Attorney General	\$336	\$45,231	\$150,000	\$2,040,000	\$150,000
Department of Corrections	\$4,233,274	\$3,104,491	\$4,100,000	\$13,804,593	\$31,226,325
Judiciary	\$4,847,504	\$4,860,110	\$5,625,000	\$6,026,122	\$4,375,000
Military Staff	\$1,255,236	\$842,907	\$7,453,846	\$3,821,909	\$11,433,991
Rhode Island Emergency Management Agency	\$1,494,400	\$2,391,183	\$4,716,375	\$5,728,648	\$220,000
Department of Public Safety	\$5,756,957	\$5,296,261	\$18,183,390	\$12,111,760	\$27,373,960
Subtotal - Public Safety	\$17,587,707	\$16,540,183	\$40,228,611	\$43,533,032	\$74,779,276
Natural Resources					
Department of Environmental Management	\$11,218,552	\$9,700,719	\$20,236,754	\$19,710,569	\$31,868,846
Coastal Resources Management Council	\$600,612	\$1,900,000	-	\$100,000	-
Subtotal - Natural Resources	\$11,819,164	\$11,600,719	\$20,236,754	\$19,810,569	\$31,868,846
Transportation					
Department of Transportation	\$251,332,904	\$267,570,784	\$392,019,191	\$524,551,120	\$377,830,080
Subtotal - Transportation	\$251,332,904	\$267,570,784	\$392,019,191	\$524,551,120	\$377,830,080
Total:	\$2,061,869,841	\$2,218,797,403	\$2,550,551,147	\$2,793,425,722	\$2,795,864,892

Full-Time Equivalent Positions

	FY 2022	FY 2023	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
General Government					
Department of Administration	650.7	662.7	674.7	674.6	683.6
Department of Business Regulation	162.0	181.0	181.0	181.0	181.0
Executive Office of Commerce	16.0	20.0	5.0	5.0	5.0
Department of Housing	-	-	38.0	38.0	38.0
Department of Labor and Training	461.7	461.7	461.7	461.7	461.7
Department of Revenue	570.5	575.5	575.5	587.5	599.5
General Assembly	298.5	298.5	298.5	298.5	298.5
Office of Lieutenant Governor	8.0	8.0	8.0	8.0	8.0
Secretary of State	59.0	59.0	61.0	61.0	61.0
Office of the General Treasurer	89.0	89.0	91.0	91.0	91.0
Board of Elections	13.0	13.0	13.0	13.0	13.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0	12.0
Office of the Governor	45.0	45.0	45.0	45.0	45.0
Rhode Island Commission for Human Rights	14.0	15.0	15.0	15.0	15.0
Public Utilities Commission	54.0	54.0	54.0	54.0	56.0
Subtotal - General Government	2,453.4	2,494.4	2,533.4	2,545.3	2,568.3
Health and Human Services					
Executive Office of Health and Human Services	190.0	204.0	218.0	218.0	233.0
Department of Children, Youth, and Families	702.5	702.5	705.5	705.5	714.5
Department of Health	530.4	543.4	574.4	575.6	572.6
Behavioral Healthcare, Developmental Disabilities	1,190.4	1,200.4	1,202.4	1,204.4	1,203.4
Department of Human Services	1,047.0	1,067.0	1,070.0	1,070.0	1,079.0
Commission on the Deaf & Hard of Hearing	4.0	4.0	4.0	4.0	4.0
Governor's Commission on Disabilities	4.0	5.0	5.0	5.0	5.0
Office of the Child Advocate	10.0	10.0	10.0	10.0	10.0
Office of the Mental Health Advocate	4.0	6.0	6.0	6.0	6.0
Subtotal - Health and Human Services	3,682.3	3,742.3	3,795.3	3,798.5	3,827.5
Education					
Elementary and Secondary Education	326.1	326.1	334.1	334.1	337.1
Office of the Postsecondary Commissioner	33.0	34.0	45.0	45.0	46.0
University of Rhode Island	2,555.0	2,555.0	2,551.0	2,551.0	2,551.0
Rhode Island College	949.2	949.2	949.2	949.2	949.2
Community College of Rhode Island	849.1	849.1	849.1	849.1	849.1
Rhode Island Council on the Arts	9.6	9.6	10.0	10.0	10.0
Rhode Island Atomic Energy Commission	8.6	8.6	8.6	8.6	8.6
Historical Preservation and Heritage Commission	15.6	15.6	15.6	15.6	15.6
Subtotal - Education	4,746.2	4,747.2	4,762.6	4,762.6	4,766.6
Public Safety					
Office of Attorney General	247.1	249.1	264.1	264.1	264.1
Department of Corrections	1,424.0	1,427.0	1,460.0	1,461.0	1,461.0
Judiciary	726.3	739.3	743.3	743.3	745.3
Military Staff	92.0	93.0	93.0	93.0	93.0
Rhode Island Emergency Management Agency	33.0	35.0	37.0	37.0	39.0
Department of Public Safety	628.6	632.2	632.2	632.0	633.0
Office of Public Defender	99.0	100.0	104.0	104.0	104.0
Subtotal - Public Safety	3,250.0	3,275.6	3,333.6	3,334.4	3,339.4
Natural Resources					
Department of Environmental Management	401.0	417.0	425.0	425.0	437.0
Coastal Resources Management Council	30.0	32.0	32.0	32.0	32.0
Subtotal - Natural Resources	431.0	449.0	457.0	457.0	469.0
Transportation					
Department of Transportation	755.0	755.0	755.0	755.0	755.0
Subtotal - Transportation	755.0	755.0	755.0	755.0	755.0
Total Personnel Authorizations	15,317.9	15,463.5	15,636.9	15,652.8	15,725.8

General Revenues as Recommended

	FY 2022 Audited	FY 2023 Draft Audited**	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
Personal Income Tax	\$ 1,985,923,414	\$ 1,813,605,110	\$ 1,885,662,443	\$ 1,853,900,000	\$ 1,918,543,259
General Business Taxes					
Business Corporations	\$ 288,450,198	\$ 272,217,435	\$ 276,000,000	\$ 310,900,000	\$ 313,587,618
Public Utilities Gross Earnings	90,447,160	97,409,661	65,260,523	67,800,000	104,400,000
Financial Institutions	36,263,375	31,653,500	34,500,000	26,900,000	26,400,000
Insurance Companies	159,708,472	154,637,561	158,200,130	163,253,800	167,850,844
Bank Deposits	4,208,761	4,623,813	4,600,000	4,600,000	4,600,000
Health Care Provider Assessment	38,043,997	39,850,814	41,200,000	39,600,000	42,450,000
Sales and Use Taxes					
Sales and Use	\$ 1,511,452,749	\$ 1,564,773,929	\$ 1,607,000,000	\$ 1,628,600,000	\$ 1,682,582,330
Motor Vehicle (Duplicate Fees)*	965,283	935,486	-	-	-
Cigarettes	149,745,624	133,559,917	122,900,000	125,600,000	122,843,705
Alcohol	23,323,085	22,478,567	22,500,000	22,500,000	23,000,000
Other Taxes					
Estate and Transfer	\$ 39,301,855	\$ 82,315,543	\$ 55,500,000	\$ 42,400,000	\$ 48,800,000
Racing and Athletics	507,844	583,121	500,000	600,000	600,000
Realty Transfer	22,118,052	16,511,739	15,300,000	14,900,000	15,400,000
Total Taxes	\$ 4,350,459,869	\$ 4,235,156,196	\$ 4,289,123,096	\$ 4,301,553,800	\$ 4,471,057,756
Departmental Receipts	\$ 433,130,859	\$ 491,637,590	\$ 517,968,317	\$ 531,593,834	\$ 498,395,696
Taxes and Departmentals	\$ 4,783,590,728	\$ 4,726,793,786	\$ 4,807,091,413	\$ 4,833,147,634	\$ 4,969,453,452
Other Sources					
Other Miscellaneous	\$ 10,586,336	\$ 32,701,548	\$ 24,083,875	\$ 34,566,807	\$ 26,900,000
Lottery	388,641,696	434,666,769	428,600,000	436,800,000	458,800,000
Unclaimed Property	21,425,309	18,502,832	16,500,000	18,700,000	20,100,000
Other Sources	\$ 420,653,341	\$ 485,871,149	\$ 469,183,875	\$ 490,066,807	\$ 505,800,000
Total General Revenues	\$ 5,204,244,069	\$ 5,212,664,935	\$ 5,276,275,288	\$ 5,323,214,441	\$ 5,475,253,452

* Consists of certain fees collected by DMV reallocated to restricted Highway Maintenance Account effective FY 2024.

** Includes estimated audit adjustments and assumptions about which revenue items would be impacted by those adjustments, subject to change.

Changes to FY 2024 Enacted Revenue Estimates

	FY 2024 Enacted	November REC Consensus Changes	Changes to Adopted Estimates	Total
Personal Income Tax	\$ 1,885,662,443	\$ (31,762,443)	\$ -	\$ 1,853,900,000
General Business Taxes				
Business Corporations	\$ 276,000,000	\$ 34,900,000	\$ -	\$ 310,900,000
Public Utilities Gross	65,260,523	2,539,477	-	67,800,000
Financial Institutions	34,500,000	(7,600,000)	-	26,900,000
Insurance Companies	158,200,130	5,099,870	(46,200)	163,253,800
Bank Deposits	4,600,000	-	-	4,600,000
Health Care Provider	41,200,000	(1,600,000)	-	39,600,000
Sales and Use Taxes				
Sales and Use	\$ 1,607,000,000	\$ 21,600,000	\$ -	\$ 1,628,600,000
Cigarettes	122,900,000	2,700,000	-	125,600,000
Alcohol	22,500,000	-	-	22,500,000
Other Taxes				
Estate and Transfer	\$ 55,500,000	\$ (13,100,000)	\$ -	\$ 42,400,000
Racing and Athletics	500,000	100,000	-	600,000
Realty Transfer	15,300,000	(400,000)	-	14,900,000
Total Taxes	\$ 4,289,123,096	\$ 12,476,904	\$ (46,200)	\$ 4,301,553,800
Departmental Receipts	517,968,317	13,131,683	493,834	531,593,834
Total Taxes and Departmentals	\$ 4,807,091,413	\$ 25,608,587	\$ 447,634	\$ 4,833,147,634
Other Sources				
Other Miscellaneous	\$ 24,083,875	\$ 6,116,125	\$ 4,366,807	\$ 34,566,807
Lottery	428,600,000	8,200,000	-	436,800,000
Unclaimed Property	16,500,000	2,200,000	-	18,700,000
Other Sources	\$ 469,183,875	\$ 16,516,125	\$ 4,366,807	\$ 490,066,807
Total General Revenues	\$ 5,276,275,288	\$ 42,124,712	\$ 4,814,441	\$ 5,323,214,441

Changes to FY 2025 Adopted Revenue Estimates

	Revenue Estimating Conference Estimates	Changes to Adopted Estimates	Total
Personal Income Tax	\$ 1,910,200,000	\$ 8,343,259	\$ 1,918,543,259
General Business Taxes			
Business Corporations	\$ 314,300,000	\$ (712,382)	\$ 313,587,618
Public Utilities Gross	104,400,000	-	104,400,000
Financial Institutions	26,400,000	-	26,400,000
Insurance Companies	167,900,000	(49,156)	167,850,844
Bank Deposits	4,600,000	-	4,600,000
Health Care Provider	41,900,000	550,000	42,450,000
Sales and Use Taxes			
Sales and Use	\$ 1,681,800,000	\$ 782,330	\$ 1,682,582,330
Cigarettes	114,900,000	7,943,705	122,843,705
Alcohol	23,000,000	-	23,000,000
Other Taxes			
Estate and Transfer	\$ 48,800,000	\$ -	\$ 48,800,000
Racing and Athletics	600,000	-	600,000
Realty Transfer	15,400,000	-	15,400,000
Total Taxes	\$ 4,454,200,000	\$ 16,857,756	\$ 4,471,057,756
Departmental Receipts	\$ 494,200,000	\$ 4,195,696	\$ 498,395,696
Total Taxes and Departmentals	\$ 4,948,400,000	\$ 21,053,452	\$ 4,969,453,452
Other Sources			
Other Miscellaneous	\$ 26,900,000	\$ -	\$ 26,900,000
Lottery	458,800,000	-	458,800,000
Unclaimed Property	20,100,000	-	20,100,000
Other Sources	\$ 505,800,000	\$ -	\$ 505,800,000
Total General Revenues	\$ 5,454,200,000	\$ 21,053,452	\$ 5,475,253,452

General Revenue Changes to Adopted Estimates

FY 2024	Governor Recommend
<u>Taxes</u>	
<i>Insurance Companies Gross Premiums</i>	
<i>Health Maintenance Organizations</i>	
Impact of Delayed Implementation Cert. Community Behavioral Health Clinics	\$ (46,200)
<i>Subtotal: Health Maintenance Organizations</i>	\$ (46,200)
<i>Subtotal: Insurance Companies Gross Premiums Tax</i>	\$ (46,200)
<i>Subtotal: General Business Taxes</i>	\$ (46,200)
Subtotal: All Taxes	\$ (46,200)
<u>Departmental Receipts</u>	
<i>Licenses and Fees</i>	
Hospital Licensing Fee Adjustment Due To Updated Hospital Base Year Revenues	\$ 493,834
<i>Subtotal: Licenses and Fees</i>	\$ 493,834
<i>Subtotal: Departmental Receipts</i>	\$ 493,834
<u>Other Sources</u>	
<i>Other Miscellaneous Revenues</i>	
Transfer Excess Balance from Underground Storage Tank Fund	\$ 2,000,000
Transfer Excess Balance from Municipal Infrastructure Matching Pool	\$ 2,366,807
<i>Subtotal: Other Miscellaneous Revenues</i>	\$ 4,366,807
<i>Subtotal: Other Sources</i>	\$ 4,366,807
FY 2024 Total General Revenue Changes	\$ 4,814,441

General Revenue Changes to Adopted Estimates

FY 2025	Governor Recommend
<u>Taxes</u>	
<u>Personal Income Tax</u>	
<i>Final Payments</i>	
Pass-Through Entity Tax Credit to 90%	\$ 8,100,000
Proactive Tax Collection Initiative	\$ 2,442,090
Expand Delinquent Tax List to Debts \$50,000 and Over	\$ 1,194,994
Allow Cannabis Business Deductions	\$ (345,574)
Increase Pension Modification to \$50,000 from \$20,000	\$ (3,048,251)
<i>Subtotal: Final Payments</i>	\$ 8,343,259
<i>Subtotal: Personal Income Tax</i>	\$ 8,343,259
<u>General Business Taxes</u>	
<i>Business Corporations Tax</i>	
Proactive Tax Collection Initiative	\$ 1,376,480
Expand Delinquent Tax List to Debts \$50,000 and Over	\$ 673,556
Allow Cannabis Business Deductions	\$ (479,068)
Reduce Corporate Minimum Tax from \$400 to \$350	\$ (2,283,350)
<i>Subtotal: Business Corporations Tax</i>	\$ (712,382)
<i>Insurance Companies Gross Premiums</i>	
<i>Health Maintenance Organizations</i>	
OHIC Rate Review	\$ 302,603
Increased Staffing for RIte Share	\$ (25,865)
Income Verification Software	\$ (151,947)
Impact of Delayed Implementation Cert. Community Behavioral Health Clinics	\$ (173,947)
<i>Subtotal: Health Maintenance Organizations</i>	\$ (49,156)
<i>Subtotal: Insurance Companies Gross Premiums Tax</i>	\$ (49,156)
<i>Healthcare Provider Assessment</i>	
Nursing Facilities SFRF Funding	\$ 550,000
<i>Subtotal: Healthcare Provider Assessment</i>	\$ 550,000
<i>Subtotal: General Business Taxes</i>	\$ (211,538)
<u>Sales and Excise Taxes</u>	
<i>Sales and Use Tax</i>	
Proactive Tax Collection Initiative	\$ 666,050
Expand Delinquent Tax List to Debts \$50,000 and Over	\$ 325,920
Cigarette Tax Increase to \$4.50/pack (Sales Tax Loss Due to Decreased Consumption)	\$ (209,640)
<i>Subtotal: Sales and Use Tax</i>	\$ 782,330
<i>Cigarettes</i>	
<i>Cigarette Tax</i>	
Cigarette Tax Increase to \$4.50/pack	\$ 2,650,844
<i>Subtotal: Cigarette Tax</i>	\$ 2,650,844
<i>Smokeless / Other Tobacco Products Tax</i>	
Tax Electronic Nicotine Delivery Systems Under 80% Wholesale Tax	\$ 5,292,861
<i>Subtotal: Smokeless / Other Tobacco Products Tax</i>	\$ 5,292,861
<i>Subtotal: Cigarettes</i>	\$ 7,943,705
<i>Subtotal: Sales and Excise Taxes</i>	\$ 8,726,035
Subtotal: All Taxes	\$ 16,857,756
<u>Departmental Receipts</u>	
<i>Licenses and Fees</i>	
Hospital Licensing Fee Adjustment Due To Updated Hospital Base Year Revenues	\$ 493,834
DEM: Vessel Discharge Decal Elimination	\$ (2,000)
DBR: Liquor Manufacturers Duplicate Licensing Fee Relief	\$ (6,000)
DOR: Sales and Use Tax Exemption Fee Elimination	\$ (7,000)
DBR: Tent Inspection Fee Reform	\$ (9,375)
DBR: Real Estate Duplicate Licensing Fee Relief	\$ (20,000)

General Revenue Changes to Adopted Estimates

	<i>Subtotal: Licenses and Fees</i>	\$	449,459
<i>Fines and Penalties</i>			
Proactive Tax Collection Initiative		\$	2,515,380
Expand Delinquent Tax List to Debts \$50,000 and Over		\$	1,230,857
	<i>Subtotal: Fines and Penalties</i>	\$	3,746,237
	<i>Subtotal: Departmental Receipts</i>	\$	4,195,696
FY 2025 Total General Revenue Changes		\$	21,053,452

EXECUTIVE SUMMARY
APPENDIX B
FIVE-YEAR FINANCIAL
PROJECTION

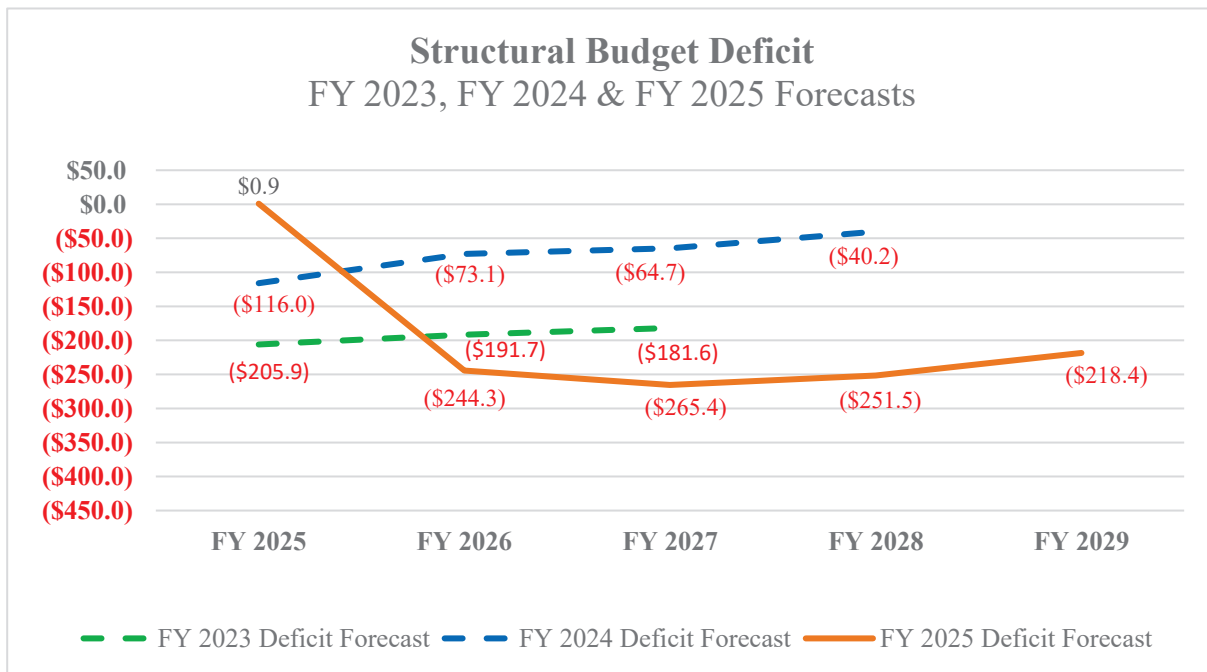
FY 2025 – FY 2029 OVERVIEW

Summary

This five-year financial projection of anticipated general revenues, receipts, and expenditures, including detail of principal revenue sources and expenditures by major program areas is prepared in accordance with R.I.G.L. §35-3-1. Additionally, this forecast contains a discussion of risks, uncertainties, and policy decisions which may impact future revenues and expenditures. Finally, accompanying this forecast are tables that provide detail on the planning values utilized in these projections. The planning values reflect Budget Office policy assumptions as well as economic and demographic forecasts sourced from the November 2023 Revenue Estimating Conference Consensus Economic Forecast, state actuarial consultants, and federal government projections, among other sources as noted.

The purpose of the five-year forecast is to provide a baseline fiscal outlook for the State of Rhode Island. Although the forecast may be used as a benchmark in assessing the affordability and desirability of alternative policy options, caution should be exercised in interpreting this forecast. Forward-looking estimates, such as those made in this forecast, are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Many of these risks such as national economic and business conditions, and political or legal impediments, are beyond the control of the State. The estimates and forecasts made here are as of the date they were prepared and will change as factors used in the forecasts change.

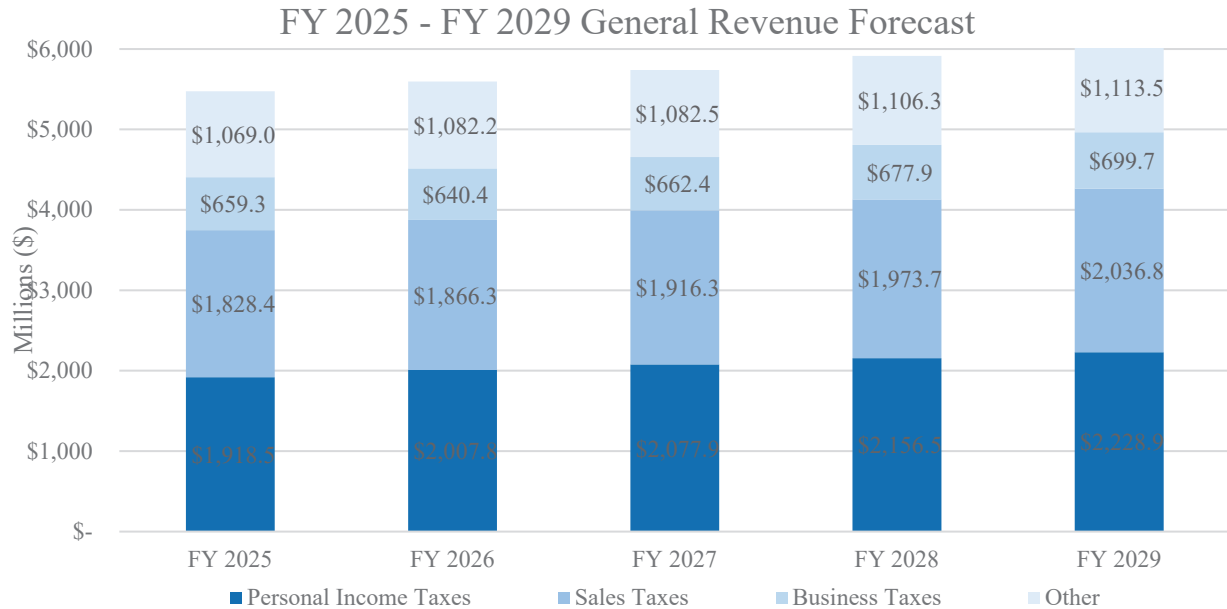
According to appropriations levels recommended in the Governor’s budget submission, the Budget Office projects a closing surplus in FY 2025 of \$0.9 million. In FY 2026 through FY 2029, expenditures will exceed revenues in each of the out-years, beginning with a \$244.3 million deficit in FY 2026 and declining to a \$218.4 million deficit in FY 2029.



FY 2025 – FY 2029 OVERVIEW

Revenue

The revenue projections contained in the five-year forecast incorporate the Governor’s proposed FY 2025 general revenue changes to the estimates adopted at the November 2023 Revenue Estimating Conference. Overall revenues are expected to grow from \$5.475 billion in FY 2025 to \$6.079 billion in FY 2029, an average annual growth rate of 2.7 percent.



Personal Income Taxes: The five-year projected personal income tax revenue is estimated to grow by an average of 3.8 percent annually over this period. This growth is largely driven by strong income tax withholding payments, averaging 4.0 percent annual growth. Although the employment forecast for FY 2024 and beyond is fairly flat, wage growth is expected to remain strong during the FY 2025 through FY 2029 period, driving this withholding growth. Estimated and final payments, often attributable to individuals who receive income from capital gains, are expected to recover slightly in FY 2025 from their dip in FYs 2023 and 2024. Some additional bounce back in estimated payments is expected in FY 2026 due to strong forecasted stock market performance before moderate growth returns in the outyears.

Slight negative growth in final payments in FY 2026 is expected from the Governor’s proposal to increase the exemption of pension income from personal income tax from \$20,000 to \$50,000 annually beginning in the 2025 tax year. This change is projected to reduce personal income tax collections by \$3.0 million in FY 2025 and \$6.2 million in FY 2026. This revenue loss is offset, particularly in FY 2025, by the Governor’s proposal to increase resources for the Division of Taxation to increase collections efforts (including an expansion of the list of top tax delinquents), which is expected to bring in \$10.4 million in total general revenue in FY 2025, \$3.6 million of which is expected to be allocable to personal income tax.

Final payments are also boosted by the Governor’s proposal to reduce the tax credit for personal income tax filers whose businesses pay taxes through the elective pass-through entity tax from 100 percent to 90 percent of the amount of taxes paid at the entity level. This proposal is expected to increase final payments by \$8.1 million in FY 2025 and then annualize to \$16.5 million in FY 2026.

Some provisions of the federal Tax Cuts and Jobs Act (TCJA) expire at the end of tax year 2025. Generally, the TCJA broadened personal and corporate tax bases, leading to increased state revenue. The increase to corporate income tax was more significant and estimated at around \$30.0 million per year; the impact on

FY 2025 – FY 2029 OVERVIEW

personal income tax was about half that amount. The expiration of certain personal income tax provisions is only expected to cost the state several million dollars in revenue, while the corporate provisions are permanent. It is likely that Congress will amend some TCJA tax provisions before they expire.

Sales Taxes: Average growth across all sales and excise taxes is estimated at 2.8 percent annually over FY 2025 through FY 2029. Sales and use tax, the largest component of all sales taxes, is expected to grow at 3.3 percent in FY 2025 (compared to 4.1 percent in FY 2024). In general, sales tax growth is returning to more typical levels after seeing extraordinary growth during the pandemic years. This extraordinary growth was driven by elevated levels of goods purchases (because of hesitancy to consume services during the pandemic) and high inflation. Both trends are expected to subside in the next few years; goods consumption is expected to average 2.3 percent growth during the forecast period, while services consumption averages 4.3 percent growth. The sales tax projections also include about \$1 million of the \$10.4 million expected to be raised by the proactive tax collection initiative in FY 2025 discussed above.

The forecast projects a 2.2 percent decline in combined cigarette and “other tobacco products” revenue in FY 2025. This reduction is significantly smaller than the long-term structural decline in this revenue stream of about six percent annually. This is due to the Governor’s proposal to increase the tax on cigarettes from \$4.25 to \$4.50 per pack, and to tax electronic nicotine delivery system products, commonly referred to as “vaping” products. These proposals are expected to produce \$2.4 million and \$5.3 million in revenue, respectively, in FY 2025. The long-term decline of 6 percent resumes in FY 2026 and beyond.

Business Taxes: Average growth across all business taxes is estimated at 2.7 percent annually over FY 2025 through FY 2029. After hitting an all-time high in FY 2022, corporate income tax saw negative growth in FY 2023. It is expected to bounce back in FY 2024, before seeing flattening and retrenchment in FYs 2025 and 2026, respectively, as corporate profits are projected to slip. From the Governor’s proposed proactive tax collection initiative, about \$2.1 million of the \$10.4 million in FY 2025 revenue is expected to flow into corporate taxes. FY 2025 is also impacted by the lowering of the corporate minimum tax from \$400 to \$350, which decreases revenue by \$2.3 million (and annualizes to a decrease of \$4.7 million in FY 2026). Corporate income tax is expected to return to modest growth in the outyears.

The other business taxes, which are generally gross receipts taxes, are expected to show lower average growth between FY 2025 and FY 2029. As the economy cools and interest rates, wage growth, and inflation decline to more typical levels, the growth in the gross receipts of insurance, healthcare providers, and utilities should moderate.

The 54 percent increase in the gross earnings tax on public utilities in FY 2025 is attributable to growing from a reduced FY 2024 base due to the one-time suspension of the tax from December 2023 through March 2024 enacted in the FY 2024 budget. Between FY 2026 and FY 2029, this tax is expected to revert to recent year trends of slightly negative to flat growth. This is in part attributable to long-term structural decline in the telecommunications portion of this tax due to the continued shift away from land lines.

Finally, the Small Business Development Fund also impacts this forecast. This program, passed by the General Assembly in 2019, allows up to \$65.0 million in investment in small businesses against which \$42.0 million in tax credits can be claimed. The state has approved \$20.0 million in investments, or \$12.9 million in tax credits, through the end of CY 2021. The forecast assumes those initial credits begin to be redeemed in FY 2024, with an annual revenue loss of \$4.3 million through FY 2026. This revenue impact is assumed to occur against insurance companies tax.

Other Taxes/Other Sources: The largest single category in other sources of revenue is the lottery transfer, which is expected to grow at 5 percent in FY 2025, largely due to the implementation of iGaming, which

FY 2025 – FY 2029 OVERVIEW

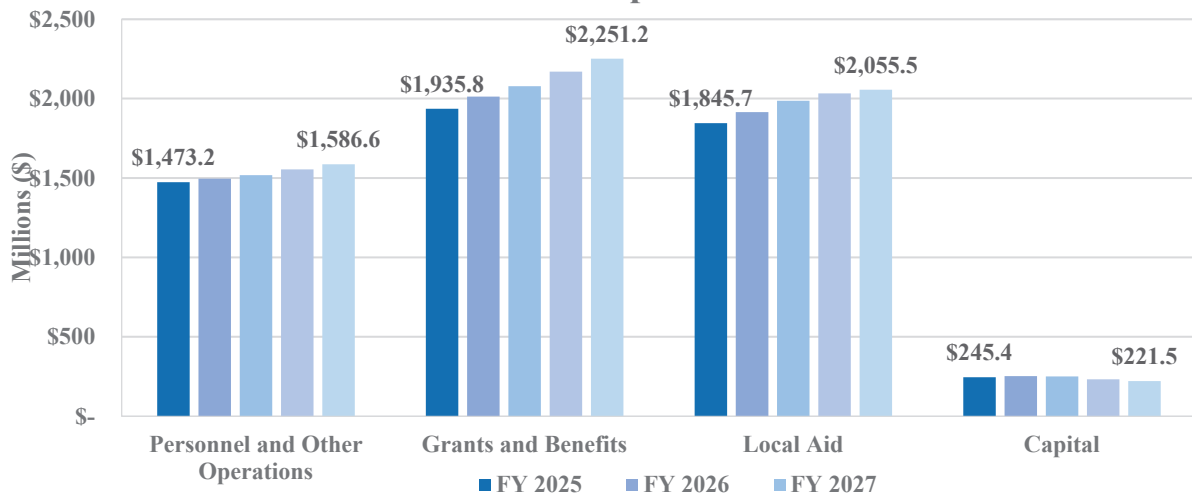
was approved near the end of the 2023 General Assembly session (after the FY 2024 budget had passed). FY 2025 will mark the first full fiscal year of iGaming and is expected to bring in \$25.1 million. Sports betting is expected to bounce back moderately after seeing a significant dip in FY 2024 due to competition from sports betting in Connecticut (which began in September 2021) and Massachusetts (which began in January 2023 and March 2023 for on-site and remote, respectively). Average annual growth in lottery receipts between FY 2026 and FY 2029 is 1.8 percent, as some strength in table games and sports betting is offset by a structural decline in video lottery terminal activity. This long-term forecast does not assume any changes to the gaming environment, such as a tribal casino in East Taunton, Massachusetts.

Other miscellaneous revenue has seen recent growth due to strong interest earnings on state funds, but this trend is expected to moderate as projected fund balances and interest rates decline during the forecast period. The FY 2024 revised projection includes two transfers of excess balances from restricted funds to general revenue. This includes \$2.0 million from the Underground Storage Tank fund, which is overseen by DEM and funded by a fee paid on motor fuel sales, and a \$2.4 million transfer from the Municipal Infrastructure Matching Pool. These are both one-time transfers in FY 2024. These, in addition to the waning investment proceeds, explain the negative growth in other miscellaneous revenue in FY 2025.

Expenditures

The expenditure projections contained in the five-year forecast incorporate the Governor’s FY 2025 proposed expenditures. Overall expenditures are expected to grow by 11.2 percent from \$5.500 billion in FY 2025 to \$6.115 billion in FY 2029, an average annual growth rate of 2.7 percent.

FY 2025 - FY 2029 Expenditure Forecast



Personnel

Personnel costs are forecast to increase by 9.6 percent from \$1.260 billion in FY 2025 to \$1.381 billion in FY 2029, an average annual growth rate of 2.3 percent. Labor agreements remain in place through the end of FY 2024. Any increases beyond this time are subject to future labor negotiations, job classification public hearings, and management decisions. The Budget Office projection assumes that the costs of salaries and wages will grow in proportion with CPI-U and that the count of filled FTEs will remain at the FY 2025 recommended level.

FY 2025 – FY 2029 OVERVIEW

The projected costs of other employee benefits including retirement, healthcare, dental, and vision are consistent with actuarial analysis from the Department of Administration Division of Human Resources and the Employee Retirement System of Rhode Island (ERSRI).

Employer retirement contributions as a percent of covered payroll are forecast to decline from their current rates of 28.54 percent in FY 2024 to 28.17 percent in FY 2029 for the largest covered group of state employees.

Other Operations

The current five-year forecast assumes 2.5 percent average growth with \$212.9 million in non-personnel operating costs in FY 2025 and \$234.9 million in FY 2029. Expenditures in this category are assumed to grow at the rate of CPI-U except when adjusted based on specific policy assumptions.

The forecast accommodates adjustments to reflect one-time, non-recurring, and variable expenditures. This includes initiatives with additional outyear costs or savings. The net impact of such adjustments totals a net reduction of \$4.5 million in FY 2026 and increases in magnitude to a net reduction of \$29.4 million in FY 2029.

These adjustments include: cyclical expenditure adjustments such as those associated with elections activity and public safety recruit classes which occur every other year; project-based assumptions such as the implementation child support enforcement case management system, public safety computer-aided dispatch and records managements system, sustaining outyear funding for the Social and Human Service review by the Office of the Health Insurance Commissioner, and ramp-up in cost of the 988 Call center; and, elimination of one-time spending, notably the assumption that \$400,000 for destination marketing and \$15.0 million in English/Math coaching expenses be removed from the FY 2026 base.

The Governor's Recommended Budget requests that the sunset date for various economic initiatives be extended through December 31, 2025. The forecast assumes that annual general revenue funding is provided for the Air Service Development Fund (\$1.2 million), Main Streets Revitalization (\$1.0 million), Wavemaker Fellowship (\$3.6 million), Innovation Initiative (\$2.0 million), and Small Business Assistance (\$2.0 million) totaling \$9.8 million annually through FY 2026. However, this forecast assumes that such funding is eliminated in FY 2027 and beyond as a result of the statutory sunset provisions.

Grants and Benefits

Grants and benefits are projected to increase by an average annual rate of 3.9 percent from \$1.935 billion in FY 2025 to \$2.251 billion in FY 2029. This growth rate results in an increase of \$315.4 million or 16.3 percent in this category of spending over the five-year horizon. This forecast generally assumes that major federal block grants for major programs such as Rhode Island Works program will continue at current levels, and that Medicaid matching rates (FMAP) will remain close to those in effect for FY 2025. Grants and benefits programs are generally assumed to grow at rates consistent with those projected by the Office of the Actuary in the Centers for Medicare & Medicaid Services (CMS).

During the period of Public Health Emergency (PHE), as declared by the U.S. Secretary of Health and Human Services, federal authorities imposed upon states a "continuous eligibility" requirement as a condition of enhanced Medicaid reimbursement. Effective January 2024 there is no longer any enhanced reimbursement and continuous eligibility requirements are phasing out. While some excess enrollment may persist, the current five-year forecast should present more stable caseload than has been experienced in recent years.

FY 2025 – FY 2029 OVERVIEW

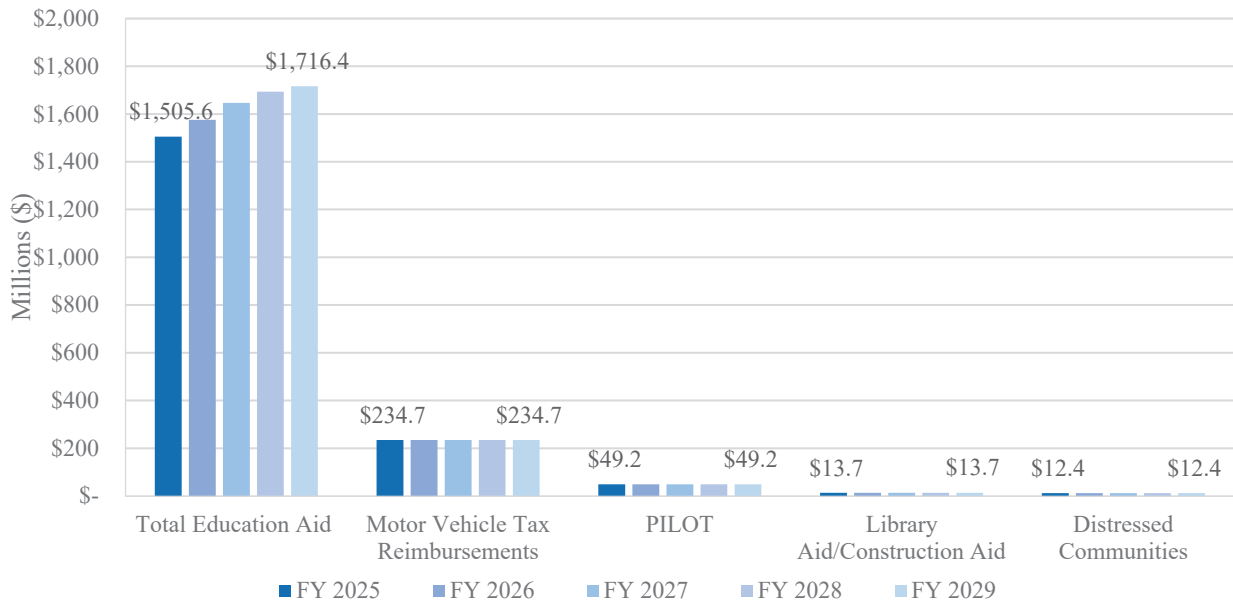
The forecast reflects continuation and annualization of budget year initiatives including the implementation of the recommendations of the rate review conducted by the Office of the Health Insurance Commissioner phased in over three years, growing from \$22.8 million general revenue impact in FY 2025 to \$83.4 million in FY 2027. Also, the forecast accommodates outyear growth in the Certified Community Behavioral Health Clinics (CCBHCs) initiative with an additional \$16.0 million in recurring general revenue expenses in FY 2026, which when added to the \$29.1 million in the FY 2025 base bring this program to an annual cost of \$45.0 million of general revenue. Other initiatives impacting grants and benefits include adjustments to accommodate the implementation schedules of Rite Share and Income Verification Software budget initiatives.

Broader risks facing the grants and benefits category during the forecast period include changes in federal policy, demographic challenges with respect to a declining youth population and increasing older populations, labor market shortages among providers, changes in the rate of utilization of services among those eligible. Innovative, large-scale, new service delivery models such as CCBHCs have the potential to result in long-term cost savings as health outcomes are improved and costly emergency care is averted; however, specific impacts are not included in the forecast.

Local Aid

The current five-year forecast assumes 11.4 percent total growth with \$1.846 billion of local aid in FY 2025 and \$2.056 billion in FY 2026. This represents an average annual growth rate of 2.73 percent.

FY 2025 - FY 2029 Local Aid Expenditure Forecast



Of the five largest local aid categories, four are expected to be level funded over the next five years: Payment in Lieu of Taxes (PILOT), Distressed Communities Aid, and Library Aid/Library Construction Aid. The forecast also includes other categories of local aid: Property Revaluation Program and Central Falls Pension Plan. With the enactment of the FY 2023 budget, the Motor Vehicle Excise Tax Phaseout is now fully implemented. The forecast holds this aid stream level at \$234.7 million as a result of the Governor’s recommendation to eliminate the inflation adjustment tied to state sales tax yield which would have begun in FY 2026.

FY 2025 – FY 2029 OVERVIEW

Within the category Total Education Aid, the Education Aid program is expected to increase from \$1.506 billion in FY 2025 to \$1.716 billion in FY 2029, equivalent to an average annual rate of 3.34 percent.

The education funding formula is the primary component of education aid, and its growth is largely driven by student demographics and inflation. Population growth in the K-12 student demographic is expected to decline modestly (an average annual rate of -0.67 percent), but this is offset by CPI growth (applicable years average annual rate of 3.75 percent) and other factors. The forecast methodology has been updated to reflect the Governor's recommendation to cap/smooth growth in the Core Instruction Amount (CIA).

Another cost driver of total aid is the School Construction Aid Program. Having exceeded its historical \$80 million appropriation for the first time in FY 2023, it is now forecast to grow from \$106.2 million in FY 2025 to \$154.9 million in FY 2029. These appropriations are separate and additional to debt service on School Construction Program bonds. Debt service related to the Central Falls School project is considered in the next section – \$93.5 million of the \$144 million authorization was issued in August 2023, and the five-year forecast assumes that the remaining portion will not be issued until FY 2025 or later, with debt service obligations impacts in FY 2026.

The FY 2025 includes \$6.9 million of funding for the prekindergarten categorical, bringing total funding to \$30.0 million, and increasing the number of prekindergarten seats by 700. However, the Budget Office projections assume that any expansion of seats beyond FY 2025 will require the decision of future policymakers.

Capital

The projection of capital project disbursements and debt service costs reflects updated debt service projections as included in the FY 2025 – FY 2029 Capital Improvement Program. General-revenue-funded debt service on all tax-supported obligations is projected to decrease by 9.7 percent from \$245.4 million in FY 2025 to \$221.5 million in FY 2029, which is an average annual growth rate of negative 2.5 percent.

General Obligation Bonds, the largest component of debt service, is expected to increase by 8.1 percent, from \$181.6 million in FY 2025 to \$196.4 million in FY 2029. The Budget Office assumes issuances through FY 2026 are consistent with projected cash needs to finance existing authorized projects. In FY 2027 and beyond, Budget Office assumes that issuances will follow a six-year rolling average, adjusted and grown to account for inflation. This methodology implicitly assumes that future authorizations in November 2025 and 2027 are in line with the past several historic issuances, adjusted for inflation. The decline in debt service is largely driven by certain debts related to the Rhode Island Convention Center Authority and Historic Structures Tax Credit Program being retired in FY 2027 and FY 2028, respectively, along with reductions in other appropriations-backed debt.

Disbursements for many capital projects are funded from the Rhode Island Capital Plan Fund, not general revenue, and therefore are not reflected in the five-year report as operating costs.

Financing of transportation infrastructure is a risk not accounted for in the outyear forecast. Previous enacted budgets have included appropriations of general revenue surplus into the Rhode Island Capital Plan Fund to pre-fund state match obligations for federal transportation funding. This has allowed the state to remain one to two years ahead of known obligations. However, shortfalls are still projected for transportation state match in later years of the forecast which has been exacerbated by declining gas tax yields and the recent federal court decision declaring the state truck tolling program to be unconstitutional and ordering toll collections to cease. This deficiency is not accounted for in the five-year forecast. Resolving this issue may require some

FY 2025 – FY 2029 OVERVIEW

combination of continued general revenue support, revenue enhancements, expenditure reductions, borrowing, or other fiscal solutions in the coming years.

Risks

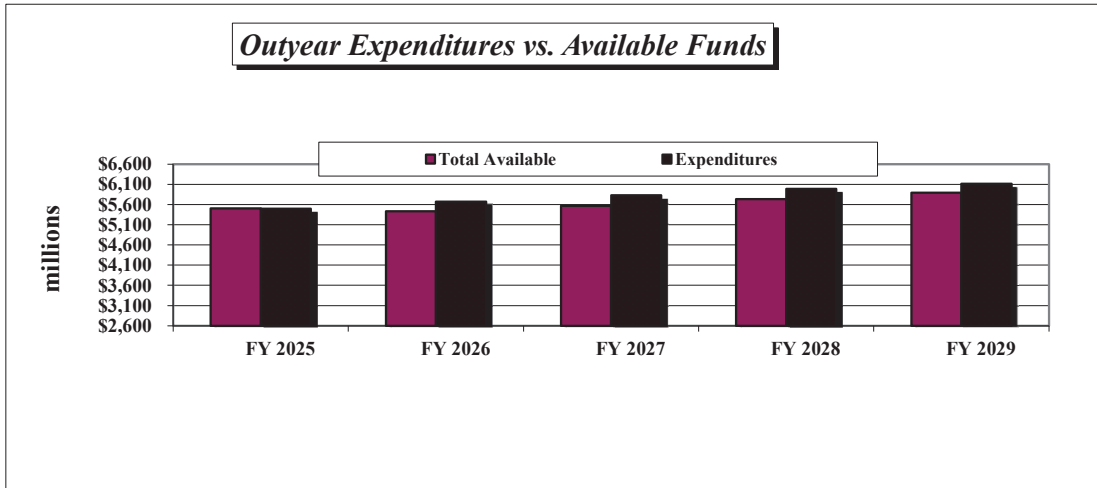
The potential for a recession in FY 2025 is the main risk to near-term revenue, although the likelihood of recession continues to abate in the face of continued strength in the national economy. The October 2023 forecast from S&P Global Market Intelligence assigned a 30% risk of a pessimistic scenario, though even that scenario assumed the nation would skirt a recession. Geopolitical and domestic risks remain salient, however, and could lead to more pessimistic outcomes. A slowing economy, lack of credit, and diminishment of household wealth could result in a dip in consumer spending, which would have implications for sales and excise taxes.

Inflation is generally on a path toward the Federal Reserve’s two percent target, although that target has not yet been achieved at the start of 2024. While many observers expect multiple cuts to the federal funds rate in 2024, resurgent inflation may cause the Federal Reserve to reevaluate their plans, and any premature rate cuts may allow inflation to surge above the target. The current tightness of the labor market and the pace of wage growth are not in line with the two percent inflation target. Some further softening of the labor market may be required to achieve that target, which could have implications for personal income tax revenue. In addition, it is unlikely that interest rates and inflation will return to the historic lows of the post-Great Recession/pre-pandemic decade. For example, while mortgage rates will likely retreat from 7 to 8 percent range, 2 to 3 percent mortgages may be a thing of the past. This new normal will modify the ability of consumers, businesses, and state government to spend and borrow compared to the pre-pandemic period.

Long-term, the state faces an aging population, falling labor force participation, and stagnant population growth. The lack of housing supply also impacts the ability of the state to attract new residents and create new households. However, Rhode Island’s significant investments in housing and infrastructure suggests that population growth is possible if the state can attract and retain residents.

General Revenue Outyear Estimates FY 2025 - FY 2029

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Opening Surplus ⁽¹⁾	\$195.9	\$0.9	\$0.0	\$0.0	\$0.0
Plus:					
Taxes and Departmentals	4,969.5	5,082.3	5,219.1	5,386.3	5,544.6
Other Sources (incl. Lottery)	505.8	514.4	519.9	528.1	534.2
Budget Stabilization Fund	(170.1)	(167.9)	(172.2)	(177.4)	(182.4)
Total Available	5,501.0	5,429.7	5,566.9	5,737.0	5,896.4
Minus Expenditures	5,500.1	5,674.0	5,832.3	5,988.5	6,114.8
Equals Ending Balance	\$0.9	(\$244.4)	(\$265.4)	(\$251.5)	(\$218.4)
<i>Operating Surplus or Deficit</i>	<i>(\$195.0)</i>	<i>(\$245.3)</i>	<i>(\$265.4)</i>	<i>(\$251.5)</i>	<i>(\$218.4)</i>
Budget & Cash Stabilization Balance	\$283.6	\$279.9	\$287.0	\$295.7	\$303.9
Rhode Island Capital Fund	<i>537.5</i>	<i>414.2</i>	<i>258.7</i>	<i>177.4</i>	<i>176.0</i>
Capital Projects Disbursements					



⁽¹⁾ Under the Rhode Island Constitution, the budget must be balanced each year, thus deficits in any given fiscal year cannot be carried forward to the ensuing fiscal year.

General Revenue Outyear Estimates

	Gov Recommended FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Personal Income Tax	\$ 1,918,543,259	\$ 2,007,788,564	\$ 2,077,873,326	\$ 2,156,477,820	\$ 2,228,909,098
General Business Taxes:					
Business Corporations	313,587,618	296,283,106	306,167,052	319,311,143	334,563,153
Public Utilities	104,400,000	103,237,589	104,185,708	104,760,540	105,081,669
Financial Institutions	26,400,000	26,885,754	27,805,478	28,606,468	29,471,510
Insurance Companies	167,850,844	166,720,960	176,895,978	177,816,029	183,006,713
Bank Deposits	4,600,000	4,600,000	4,600,000	4,600,000	4,600,000
Health Care Provider	42,450,000	42,696,820	42,732,749	42,841,365	42,934,470
General Business Taxes	\$ 659,288,462	\$ 640,424,227	\$ 662,386,966	\$ 677,935,545	\$ 699,657,515
Sales and Use Taxes:					
Sales and Use	1,682,582,330	1,727,145,680	1,784,208,435	1,847,575,231	1,915,454,537
Cigarettes	122,843,705	115,487,428	107,923,187	101,408,106	96,017,931
Alcohol	23,000,000	23,649,399	24,178,685	24,729,839	25,288,110
Sales and Use Taxes	\$ 1,828,426,035	\$ 1,866,282,507	\$ 1,916,310,308	\$ 1,973,713,176	\$ 2,036,760,577
Other Taxes:					
Estate and Transfer	48,800,000	50,500,000	52,300,000	53,800,000	55,400,000
Racing and Athletics	600,000	600,000	600,000	600,000	600,000
Realty Transfer Tax	15,400,000	16,570,597	17,551,787	18,523,753	19,494,743
Other Taxes	\$ 64,800,000	\$ 67,670,597	\$ 70,451,787	\$ 72,923,753	\$ 75,494,743
Total Taxes	\$ 4,471,057,756	\$ 4,582,165,896	\$ 4,727,022,386	\$ 4,881,050,294	\$ 5,040,821,933
Total Departmental Receipts	498,395,696	500,097,140	492,117,921	505,217,562	503,795,010
Taxes and Departmentals	\$ 4,969,453,452	\$ 5,082,263,036	\$ 5,219,140,307	\$ 5,386,267,856	\$ 5,544,616,943
Other Sources					
Other Miscellaneous	26,900,000	22,068,248	19,549,747	19,445,124	19,433,799
Lottery Commission Receipts	458,800,000	471,808,836	479,372,345	487,231,191	492,828,581
Unclaimed Property	20,100,000	20,535,295	20,975,504	21,442,909	21,914,358
Other Sources	\$ 505,800,000	\$ 514,412,378	\$ 519,897,596	\$ 528,119,224	\$ 534,176,738
Total General Revenues	\$ 5,475,253,452	\$ 5,596,675,414	\$ 5,739,037,903	\$ 5,914,387,080	\$ 6,078,793,680

General Revenue Outyear Estimates - Percentage Changes

	Gov Rec FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Personal Income Tax	3.5%	4.7%	3.5%	3.8%	3.4%
General Business Taxes:					
Business Corporations	0.9%	-5.5%	3.3%	4.3%	4.8%
Public Utilities	54.0%	-1.1%	0.9%	0.6%	0.3%
Financial Institutions	-1.9%	1.8%	3.4%	2.9%	3.0%
Insurance Companies	2.8%	-0.7%	6.1%	0.5%	2.9%
Bank Deposits	0.0%	0.0%	0.0%	0.0%	0.0%
Health Care Provider	7.2%	0.6%	0.1%	0.3%	0.2%
General Business Taxes	7.5%	-2.9%	3.4%	2.3%	3.2%
Sales and Use Taxes:					
Sales and Use	3.3%	2.6%	3.3%	3.6%	3.7%
Cigarettes	-2.2%	-6.0%	-6.5%	-6.0%	-5.3%
Alcohol	2.2%	2.8%	2.2%	2.3%	2.3%
Sales and Use Taxes	2.9%	2.1%	2.7%	3.0%	3.2%
Other Taxes:					
Estate and Transfer	15.1%	3.5%	3.6%	2.9%	3.0%
Racing and Athletics	0.0%	0.0%	0.0%	0.0%	0.0%
Realty Transfer Tax	3.4%	7.6%	5.9%	5.5%	5.2%
Other Taxes	11.9%	4.4%	4.1%	3.5%	3.5%
Total Taxes	3.9%	2.5%	3.2%	3.3%	3.3%
Total Departmental Receipts	-6.2%	0.3%	-1.6%	2.7%	-0.3%
Taxes and Departmentals	2.8%	2.3%	2.7%	3.2%	2.9%
Other Sources					
Other Miscellaneous	-22.2%	-18.0%	-11.4%	-0.5%	-0.1%
Lottery Commission Receipts	5.0%	2.8%	1.6%	1.6%	1.1%
Unclaimed Property	7.5%	2.2%	2.1%	2.2%	2.2%
Other Sources	3.2%	1.7%	1.1%	1.6%	1.1%
Total General Revenues	2.9%	2.2%	2.5%	3.1%	2.8%

General Revenue Outyear Expenditure Estimates

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
State Operations					
Personnel and Contract Services	\$1,260,320,000	\$1,281,950,000	\$1,313,230,000	\$1,346,620,000	\$1,381,130,000
Other State Operations/Capital	212,890,551	217,660,000	223,160,000	229,000,000	234,890,000
Impact of Initiatives/Other Changes	-	(4,510,000)	(18,570,000)	(21,700,000)	(29,430,000)
Subtotal	\$1,473,210,551	\$1,495,100,000	\$1,517,820,000	\$1,553,920,000	\$1,586,590,000
Grants and Benefits					
Executive Office of Health and Human Services & Department of Human Services					
Hospitals	112,910,000	114,240,000	115,910,000	118,170,000	120,370,000
Managed Care	697,620,000	719,700,000	736,420,000	774,320,000	808,830,000
Nursing Care	174,410,000	179,950,000	186,690,000	194,010,000	201,550,000
Home Care (HCBS)	84,020,000	94,240,000	104,460,000	113,470,000	120,300,000
Other Medicaid	89,780,000	101,410,000	104,850,000	110,570,000	115,500,000
Pharmacy	(70,000)	(80,000)	(80,000)	(90,000)	(90,000)
DEA Medicaid/CNOM	1,950,000	2,870,000	3,850,000	4,280,000	4,540,000
Cash Assistance- RIW/CCAP/GPA	10,140,000	10,360,000	10,580,000	10,820,000	11,060,000
Cash Assistance - SSI	16,520,000	16,600,000	16,690,000	16,770,000	16,850,000
Clawback	107,800,000	110,130,000	112,500,000	115,000,000	117,530,000
DSH	6,440,000	6,440,000	6,440,000	6,440,000	6,440,000
ACA- MA Population Expansion	79,970,000	83,430,000	86,880,000	90,870,000	94,930,000
Department of Children Youth & Families					
Children & Family Services	144,610,000	150,860,000	157,100,000	164,320,000	171,660,000
Department of Behavioral Healthcare, Developmental Disabilities & Hospitals					
Developmental Disabilities-Private	214,050,000	223,430,000	232,800,000	243,540,000	254,410,000
Rhode Island Promise Scholarship	7,880,000	8,760,000	8,950,000	9,150,000	9,350,000
Hope Scholarship	3,380,000	4,090,000	4,180,000	4,270,000	0
Last Dollar Scholarship and Dual Enrollment	8,700,000	6,400,000	6,400,000	6,400,000	6,400,000
Other Grants and Benefits	175,680,000	179,480,000	183,330,000	187,420,000	191,540,000
Subtotal	\$1,935,790,000	\$2,012,310,000	\$2,077,950,000	\$2,169,730,000	\$2,251,170,000
Local Aid					
Education Aid	1,505,555,613	1,575,572,857	1,646,822,943	1,693,307,473	1,716,402,092
Motor Vehicle Tax Reimbursements	234,710,000	234,710,000	234,710,000	234,710,000	234,710,000
PILOT	49,200,000	49,200,000	49,200,000	49,200,000	49,200,000
Tangible Property Tax Reimbursement	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Distressed Communities	12,380,000	12,380,000	12,380,000	12,380,000	12,380,000
Library Aid	11,480,000	11,480,000	11,480,000	11,480,000	11,480,000
Library Construction Aid	2,232,819	2,232,819	2,232,819	2,232,819	2,232,819
Property Revaluation Prgm	1,890,000	710,000	820,000	1,400,000	890,000
Central Falls Pension Plan	220,000	220,000	220,000	220,000	220,000
Subtotal	\$1,845,668,432	\$1,914,505,676	\$1,985,865,762	\$2,032,930,292	\$2,055,514,911
Capital					
<i>Debt Service</i>					
General Obligation	181,620,000	197,110,000	197,570,000	196,870,000	196,360,000
Central Falls School Project	7,220,000	10,740,000	11,280,000	11,270,000	11,270,000
Historic Tax Credit Program	9,890,000	9,900,000	9,890,000	9,900,000	0
EDC Job Creation Guaranty/Other	0	0	0	0	0
COPS/Other Leases	19,890,000	8,780,000	8,030,000	6,880,000	6,900,000
Convention Center Debt	25,400,000	24,510,000	22,850,000	6,910,000	6,910,000
Performance Based	950,000	950,000	950,000	0	0
IRBA Obligations	450,000	110,000	110,000	90,000	90,000
Subtotal	\$245,420,000	\$252,100,000	\$250,680,000	\$231,920,000	\$221,530,000
Expenditures	\$5,500,088,983	\$5,674,015,676	\$5,832,315,762	\$5,988,500,292	\$6,114,804,911

General Revenue Outyear Planning Values

Estimates and Growth	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Personal Income (billions) [1]	\$77.6	\$80.9	\$84.3	\$88.0	\$91.7
<i>Change</i>	4.8%	4.3%	4.2%	4.4%	4.2%
Nonfarm Employment (thousands) [1]	498.4	498.3	499.8	502.0	504.1
<i>Change</i>	0.3%	0.0%	0.3%	0.5%	0.4%
CPI-U (U.S.) [1]	2.4%	2.2%	2.1%	2.2%	2.2%
Personal Income Tax [2]	3.5%	4.7%	3.5%	3.8%	3.4%
Business Corporations Tax [2]	0.9%	-5.5%	3.3%	4.3%	4.8%
Provider Tax [2]	7.2%	0.6%	0.1%	0.3%	0.2%
Sales Tax [2]	3.3%	2.6%	3.3%	3.6%	3.7%
Other Taxes and Departmentals [3]	1.2%	-0.4%	0.0%	1.2%	0.3%
Salaries and Fringe Benefits					
Salary COLA/Steps/Longevity [7]	2.37%	2.17%	2.14%	2.23%	2.20%
Medical Benefits Cost Growth [12]	7.40%	7.80%	5.75%	5.50%	5.50%
Retiree Health Rates [8]	4.52%	4.52%	4.52%	4.52%	4.52%
State Employees Retirement Rates [9]	28.54%	28.70%	28.43%	28.26%	28.17%
Home Health Care					
Expenditure Growth [4]	7.61%	5.71%	5.98%	6.04%	6.02%
Nursing Home Care					
Expenditure Growth [5]	5.48%	3.17%	3.75%	3.92%	3.89%
Managed Care					
Expenditure Growth [6]	5.90%	4.33%	4.14%	4.60%	4.46%
Other Medicaid					
Expenditure Growth [6]	5.90%	4.33%	4.14%	4.60%	4.46%
DCYF Services					
Expenditure Growth [6]	5.90%	4.33%	4.14%	4.60%	4.46%
BHDDH- DD					
Expenditure Growth [6]	5.90%	4.33%	4.14%	4.60%	4.46%
Pharmacy					
Expenditure Growth [10]	10.12%	7.69%	6.64%	6.71%	6.69%
Hospital Care					
Expenditure Growth [11]	4.75%	5.37%	6.46%	8.17%	7.37%

[1] November 2023 Consensus Economic Forecast based on S&P Global Rhode Island Forecast adopted at the November 2023 REC.

[2] Growth in estimates for FY 2025 as adopted at the November 2023 REC, inclusive of the Governor's proposals, Budget Office estimated growth for FY 2026 - FY 2029.

[3] Growth in estimates for FY 2025 as adopted at the November 2023 REC for total general revenues inclusive of the Governor's proposals, excluding personal income taxes, business corporations tax, health care provider assessment, sales and use tax and other sources.

[4] CMS National Health Expenditure Projections, July 2023, Home Health Care: State Medicaid

[5] CMS National Health Expenditure Projections, July 2023, Nursing Home Care: State Medicaid

[6] CMS National Health Expenditure Projections, July 2023, National Health Expenditures- Private Health Insurance as proxy. No policy adjustment applied effective FY 2025.

[7] Personnel Growth based on CPI-U.

[8] State of Rhode Island Budget Office Estimate consistent with current actuarial rate.

[9] Estimate of actuarially required contribution based upon a % of payroll (GRS Valuation Report, Dec. 2023)

[10] CMS National Health Expenditure Projections, July 2023, Prescription Drugs: State Medicaid

[11] CMS National Health Expenditure Projections, July 2023, Hospital Care: State Medicaid

[12] Segal Projected Medical/Rx, Dental, and Vision Rate Supplemental Projections, December 2023.

EXECUTIVE SUMMARY
APPENDIX C
STATEWIDE
PERSONNEL SUMMARY

Personnel Agency Summary

Statewide Summary

	FY 2024		FY 2025	
	FTE	Cost	FTE	Cost
Classified	9,454.9	710,228,863	9,511.9	726,916,529
Non-Classified	3,574.4	337,034,762	3,577.4	351,834,961
Unclassified	2,623.6	236,483,269	2,636.6	244,016,896
Subtotal	15,652.8	1,283,746,894	15,725.8	1,322,768,386
Transfer Out		(3,059,154)		(3,230,819)
Transfer In		3,059,154		3,230,819
Salaries Adjustment		(1,250,673)		(504,245)
Overtime		97,756,614		88,394,490
Correctional Officers' Briefing		1,828,538		1,828,538
Medicaid Revenue		(63,731,331)		(60,686,849)
Seasonal/Special Salaries/Wages		106,554,768		107,793,181
Turnover		(77,899,846)		(74,687,588)
Total Salaries		1,346,960,197		1,384,860,258
Benefits				
Contract Reserve		1,665,879		1,812,879
Contract Stipends		5,067,620		4,420,636
FICA		94,429,930		97,092,456
Health Benefits		230,100,103		255,201,162
Holiday		10,585,164		11,734,269
Medicaid Revenue		(34,718,306)		(35,523,380)
Other		9,846,152		11,314,329
Payroll Accrual		6,630,195		6,690,063
Retiree Health		46,506,270		41,948,114
Retirement		309,719,333		316,441,476
Workers Compensation		266,296		266,296
Subtotal		680,098,636		711,398,300
Total Salaries and Benefits	15,652.8	2,027,058,833	15,725.8	2,096,258,558
Cost Per FTE Position (Excluding Temporary and Seasonal)		129,584		133,394
Statewide Benefit Assessment		45,580,236		47,076,418
Payroll Costs	15,652.8	2,072,639,069	15,725.8	2,143,334,976
Purchased Services				
Buildings and Ground Maintenance		16,517,889		16,955,624
Clerical and Temporary Services		33,183,413		23,611,365
Design and Engineering Services		76,717,487		76,857,870
Information Technology		130,020,223		127,109,619
Legal Services		10,214,573		10,447,249
Management & Consultant Services		151,892,486		180,248,947
Medical Services		30,087,378		29,163,519

Personnel Agency Summary

Statewide Summary

	FY 2024		FY 2025	
	FTE	Cost	FTE	Cost
Purchased Services				
Other Contracts		40,766,052		38,523,806
Training and Educational Services		110,371,182		106,171,501
University and College Services		26,485,526		23,588,780
Subtotal		626,256,209		632,678,280
Total Personnel	15,652.8	2,698,895,278	15,725.8	2,776,013,256
Distribution by Source of Funds				
General Revenue	8,508.7	1,194,525,542	8,566.7	1,276,115,683
Federal Funds	1,230.3	616,349,751	1,229.3	591,825,685
Restricted Receipts	475.8	205,701,249	479.8	208,179,707
Operating Transfers from Other Funds	14.0	8,059,258	14.0	8,238,243
Other Funds	5,424.0	674,259,478	5,436.0	691,653,938
Total All Funds	15,652.8	2,698,895,278	15,725.8	2,776,013,256

EXECUTIVE SUMMARY
APPENDIX D
AID TO CITIES & TOWNS

FORMULA AID TO CITIES AND TOWNS

The Payment-in-Lieu-of-Taxes (PILOT) program reimburses communities for up to 27.0 percent of what they would have collected in property taxes from certain designated tax-exempt property (subject to appropriation). The revised FY 2024 Budget provides \$49.2 million for PILOT, a level equal to the enacted FY 2024 Budget and a rate of 27.0 percent, and PILOT is funded at \$49.2 million in the FY 2025 recommendation, a rate of 26.1 percent. Data used to determine distribution amounts is updated annually to reflect the most recent data.

The Distressed Communities Relief Fund provides state assistance to municipalities with the highest property tax burdens relative to the wealth of taxpayers. Municipalities are eligible if they meet a statutorily determined distress test in three of four categories. The revised FY 2024 Budget provides \$12.4 million for the program, a level equal to the enacted FY 2024 Budget, and the program is funded at \$12.4 million in the FY 2025 recommendation.

The Property Valuation Statistical Update Program partially reimburses cities and towns for legislatively mandated real property valuation statistical updates on a per parcel basis. The revised FY 2024 Budget funds the program at \$906,329, a level equal to the enacted FY 2024 Budget. The proposed FY 2025 Budget funds the program at \$1,887,448 for the estimated cost of reimbursement, which will be updated as communities' contracts for statistical update services are received.

Funding for Aid to Local Libraries is financed at \$11.5 million in the revised FY 2024 Budget, and at \$11.5 million in the proposed FY 2025 Budget. In addition, funding for library construction aid is provided at \$1.9 million in the revised FY 2024 Budget and \$2.2 million in the proposed FY 2025 Budget to finance anticipated debt service or construction reimbursement obligations under this program.

The 1998 General Assembly enacted the **Motor Vehicle Excise Tax Phase-Out** legislation to phase out the excise tax on motor vehicles and trailers over an original seven-year period. There have been various changes to the legislation since its inception. For FY 2011 through FY 2017, the General Assembly enacted legislation that mandated a \$500 exemption for which the State reimbursed municipalities an amount subject to appropriation. The legislation further allowed municipalities to provide an additional exemption; however, that additional exemption was not subject to reimbursement. It also allowed for rates and ratios of assessment to be lowered.

The 2017 General Assembly again enacted legislation to phase-out the motor vehicle excise tax. Under this new legislation, the tax was scheduled to be fully repealed in FY 2024. Cities and towns, as well as eligible fire districts would be reimbursed for lost revenues by the State. State reimbursement is calculated as the difference between the FY 2018 baseline (determined as the FY 2018 motor vehicle excise tax levy as calculated using the motor vehicle excise tax calculation methodology that existed in FY 2017) and the motor vehicle excise tax levy is calculated as the difference between the FY 2018 baseline levy and the tax levy generated in any given year, with the appropriate phaseout parameters applied.

The 2022 General Assembly fully repealed the tax a year ahead of schedule in FY 2023. Beginning in FY 2024 the reimbursement amounts for municipalities and fire districts were written directly into statute, with an inflator based on sales tax receipts that was to have resulted in annual increases beginning in FY 2026. However, the proposed FY 2025 Budget would eliminate the sales tax inflator.

The Motor Vehicle Excise Tax Phase-Out is financed at \$234.7 million in the revised FY 2024 budget, which matches the enacted level, and at \$234.7 million in the proposed FY 2025 Budget.

The Tangible Property Reimbursement will commence in FY 2025. Municipalities and fire districts must provide each tangible property taxpayer an exemption from taxation of \$50,000 on the aggregate amount of all ratable, tangible personal property not otherwise exempt from taxation, beginning with the December 31, 2023, assessment. Beginning in FY 2025, municipalities and fire districts will receive a reimbursement equal to the tangible property levy for the December 31, 2022, assessment minus the tangible personal property levy for the December 31, 2023, assessment. The Tangible Property Reimbursement is financed

FORMULA AID TO CITIES AND TOWNS

at \$28.0 million in the proposed FY 2025 Budget, although this figure is an estimate because the results of the December 31, 2023, assessment are not available yet.

The Public Service Corporation Tax is for certain tangible personal property of telegraph, cable and telecommunications corporations and express corporations that is exempt from local taxation, and instead is subject to taxation by the State. The revenue from this tax flows through the State (it is not appropriated by the State). The revenues (apart from some administrative expenses) are apportioned to the cities and towns based on the ratio of each municipality's population relative to the total population of Rhode Island. The disbursements for revised FY 2024 Budget totaled \$14.5 million, and proposed FY 2025 Budget disbursements are estimated to be \$14.5 million as well.

The 1986 General Assembly enacted the **State Hotel Tax**, a five percent tax upon the total consideration charged for occupancy of any space furnished by any hotel in the state. Twenty-five percent of the revenues generated from the state 5.0 percent hotel tax are distributed to the municipalities where the individual hotels are located. Furthermore, the 2004 General Assembly enacted a local one percent hotel tax on the total consideration charged for occupancy of any space furnished by a hotel of the state. The taxes are collected by the Division of Taxation and the City of Newport and are distributed at least quarterly to the city or town where the hotel was located.

For the revised FY 2024 Budget, a combined amount of state and local hotel tax revenue is estimated at \$13.3 million. For the proposed FY 2025 Budget, the combined state and local hotel tax amount is estimated to be \$13.5 million. Effective July 1, 2015, the hotel tax base was expanded to include the rental of rooms by online travel companies and hosting platforms, and the rental of vacation homes by realtors and home owners. The rental of rooms by online travel companies and via hosting platforms is subject to the state 5.0 percent hotel tax and the local 1.0 percent hotel tax while the rental of vacation homes by realtors and home owners is only subject to the local 1.0 percent hotel tax.

The 2003 General Assembly enacted the **Local Meals and Beverage Tax**, a one percent additional tax on gross receipts from the sale of food and beverages sold in or delivered from eating and drinking establishments. The tax is collected by the Division of Taxation and then distributed back to the city or town in which the meals and beverages were consumed or delivered. Distributions under this tax are projected to total \$38.5 million in the revised FY 2024 Budget and \$40.0 million in the proposed FY 2025 Budget.

SUMMARY OF FORMULA AID TO CITIES AND TOWNS

	FY 2022 Actual	FY 2023 Final Enacted	FY 2024 Revised	FY 2025 Recommended
Public Service Corporation Tax	12,591,223	13,104,333	14,471,968	14,471,968
Meals and Beverage Tax	32,516,283	37,498,657	38,542,704	40,002,480
Hotel Tax (2.25%)	11,968,933	13,333,871	13,287,630	13,515,343
Payment In Lieu of Taxes (PILOT)	46,089,504	48,433,591	49,201,412	49,201,412
Total Miscellaneous Aid	\$103,165,943	\$112,370,452	\$115,503,714	\$117,191,203
Dist. Comm. - General Appropriation	12,384,458	12,384,458	12,384,458	12,384,458
Total Distressed Communities Aid	\$12,384,458	\$12,384,458	\$12,384,458	\$12,384,458
Motor Vehicle Tax Phase-out Program ¹	129,696,664	230,617,792	234,712,307	234,712,307
Total Motor Vehicle Tax Phase-out Prog.	\$129,696,664	\$230,617,792	\$234,712,307	\$234,712,307
Tangible Property Reimbursement	-	-	-	28,000,000
Total Tangible Property Reimbursement	\$0	\$0	\$0	\$28,000,000
Subtotal Formula Aid - All Sources	\$245,247,065	\$355,372,702	\$362,600,479	\$392,287,968
Percent Change from prior year	2.31%	44.90%	2.03%	8.19%
Resource Sharing & Library Aid ²	9,562,072	10,991,049	11,475,314	11,475,314
Library Construction Aid	2,102,866	1,859,673	1,909,317	2,232,819
Total Library Aid	\$11,664,938	\$12,850,722	\$13,384,631	\$13,708,133
Property Revaluation Program	665,795	620,163	906,329	1,887,448
Total Other Aid	\$665,795	\$620,163	\$906,329	\$1,887,448
Total Aid	\$257,577,798	\$368,843,587	\$376,891,439	\$407,883,549
Percent Change from prior year	1.88%	43.20%	2.18%	8.22%

¹ Amounts for the Motor Vehicle Excise Tax represent final payments due each community based upon the exemption amounts in effect for the given fiscal year. Actual cash payments may have occurred over multiple fiscal years.

² Resource Sharing and Library Aid for state institutions is included in these totals.

Fiscal Year 2024 Revised State Aid to Cities and Towns

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Total Reimbursement	Tangible Property Reimbursement	Total Appropriated State Aid
Barrington	18,606		379,347	5,894,822		6,292,775
Bristol	1,305,958		206,100	2,905,818		4,417,875
Burrillville	59,483		224,266	5,053,933		5,337,682
Central Falls		263,947	36,917	2,077,974		2,378,839
Charlestown			64,266	1,020,877		1,085,143
Coventry			251,550	5,872,396		6,123,945
Cranston	4,029,628		797,557	22,312,247		27,139,431
Cumberland			353,926	6,073,469		6,427,395
East Greenwich	804,431		149,839	2,417,332		3,371,602
East Providence	286,708		445,181	11,433,479		12,165,367
Exeter			56,782	2,241,381		2,298,163
Foster			41,835	1,652,251		1,694,087
Glocester			95,338	2,381,941		2,477,279
Hopkinton			44,300	1,629,259		1,673,559
Jamestown			120,781	622,793		743,574
Johnston			133,453	10,382,785		10,516,238
Lincoln			259,616	5,683,015		5,942,631
Little Compton			42,594	366,775		409,369
Middletown			180,903	1,976,448		2,157,351
Narragansett			210,276	1,831,251		2,041,527
Newport	1,739,666		486,394	2,223,671		4,449,731
New Shoreham			108,269	163,298		271,567
North Kingstown	50		353,799	5,378,818		5,732,666
North Providence		1,168,448	246,714	9,619,286		11,034,448
North Smithfield			95,325	4,398,531		4,493,856
Pawtucket	3,061	1,799,105	474,735	16,495,506		18,772,407
Portsmouth			134,841	2,414,242		2,549,083
Providence	37,514,510	7,069,428	1,551,521	34,131,596		80,267,055
Richmond			32,206	1,448,455		1,480,661
Scituate			133,807	1,977,127		2,110,934
Smithfield	1,170,041		363,925	7,098,694		8,632,660
South Kingstown	187,050		258,400	3,930,455		4,375,906
Tiverton			147,750	1,748,175		1,895,925
Warren			73,963	2,090,911		2,164,873
Warwick	1,578,435		778,781	25,246,254		27,603,470
Westerly	152,031		441,250	5,765,523		6,358,803
West Greenwich			61,668	1,331,725		1,393,393
West Warwick		1,167,490	201,979	5,673,744		7,043,212
Woonsocket	351,755	916,041	240,870	9,324,776		10,833,442
Subtotal	\$49,201,412	\$12,384,458	\$10,281,019	\$234,291,035	\$0	\$306,157,924
Motor Vehicle Phase Out Reimbursement - Fire Districts				421,271		421,271
Statewide Reference Library Resource Grant			1,123,123			1,123,123
Grant-In-Aid to Institutional Libraries			71,172			71,172
Library Construction Reimbursement			1,909,317			1,909,317
Total	\$49,201,412	\$12,384,458	\$13,384,631	\$234,712,307	\$0	\$309,682,808

Fiscal Year 2024 Revised Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Hotel Tax ⁽¹⁾⁽²⁾	Meals and Beverage Tax ⁽²⁾	Total Shared Taxes State Aid	Total Shared & Appropriated Aid
Barrington	227,971	4,400	189,537	421,908	6,714,683
Bristol	295,616	93,159	682,903	1,071,678	5,489,553
Burrillville	214,519	262	269,016	483,797	5,821,479
Central Falls	294,118	666	223,255	518,038	2,896,877
Charlestown	106,186	95,318	224,049	425,553	1,510,696
Coventry	468,983	111,007	612,532	1,192,521	7,316,467
Cranston	1,095,441	49,951	2,753,980	3,899,372	31,038,803
Cumberland	479,585	969	711,776	1,192,330	7,619,726
East Greenwich	185,149	3,629	1,000,329	1,189,107	4,560,709
East Providence	625,173	84,380	1,422,371	2,131,923	14,297,291
Exeter	90,891	515	160,576	251,982	2,550,145
Foster	59,706	1,848	26,421	87,975	1,782,061
Glocester	132,626	4,023	112,215	248,863	2,726,143
Hopkinton	111,474	2,543	69,988	184,005	1,857,564
Jamestown	73,304	71,095	112,427	256,826	1,000,401
Johnston	391,636	15,104	1,028,804	1,435,544	11,951,782
Lincoln	297,074	180,842	981,729	1,459,645	7,402,276
Little Compton	47,712	41,110	64,033	152,855	562,223
Middletown	225,081	1,440,689	1,075,594	2,741,365	4,898,716
Narragansett	195,606	399,017	939,771	1,534,394	3,575,920
Newport	335,601	3,668,441	3,358,890	7,362,932	11,812,663
New Shoreham	13,346	828,258	560,381	1,401,984	1,673,551
North Kingstown	367,064	142,562	873,992	1,383,618	7,116,284
North Providence	449,752	4,367	627,864	1,081,984	12,116,432
North Smithfield	166,157	5,125	453,522	624,805	5,118,661
Pawtucket	996,651	114,259	1,340,146	2,451,056	21,223,463
Portsmouth	235,936	35,422	414,287	685,645	3,234,727
Providence	2,502,389	2,300,665	7,732,176	12,535,231	92,802,285
Richmond	106,875	41,642	205,377	353,894	1,834,555
Scituate	138,140	10,268	96,736	245,143	2,356,077
Smithfield	289,652	222,550	1,175,049	1,687,250	10,319,910
South Kingstown	418,487	316,370	1,256,632	1,991,490	6,367,395
Tiverton	215,857	20,345	429,267	665,469	2,561,394
Warren	147,987	2,872	493,492	644,351	2,809,224
Warwick	1,095,600	1,361,152	4,020,540	6,477,293	34,080,763
Westerly	309,492	1,230,893	1,298,323	2,838,708	9,197,512
West Greenwich	86,147	147,029	173,990	407,166	1,800,559
West Warwick	408,508	162,382	565,468	1,136,357	8,179,569
Woonsocket	570,477	72,503	805,266	1,448,245	12,281,688
Subtotal	14,471,968	\$13,287,630	\$38,542,704	\$66,302,303	\$372,460,227
Motor Vehicle Phase Out Reimbursement - Fire Districts Statewide Reference					421,271
Library Resource Grant (Providence) Grant-In-Aid to Institutional Libraries					1,123,123
Library Construction Reimbursement					71,172
					1,909,317
Total	\$14,471,968	\$13,287,630	\$38,542,704	\$66,302,303	\$375,985,111

(1) Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax on traditional lodging rentals, lodging rentals by room resellers and hosting platforms, and vacation rentals by homeowners and realtors

(2) Hotel Tax and Meals & Beverage Tax are estimated and subject to change.

Fiscal Year 2025 Proposed State Aid to Cities and Towns

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Total Reimbursement	Tangible Property Reimbursement ⁽¹⁾	Total Appropriated State Aid
Barrington	18,976		362,172	5,894,822		6,275,970
Bristol	1,324,937		211,491	2,905,818		4,442,246
Burrillville	60,737		229,627	5,053,933		5,344,297
Central Falls		268,136	36,071	2,077,974		2,382,181
Charlestown			65,942	1,020,877		1,086,819
Coventry			260,779	5,872,396		6,133,174
Cranston	4,037,181		775,345	22,312,247		27,124,772
Cumberland			350,311	6,073,469		6,423,780
East Greenwich	819,440		148,306	2,417,332		3,385,078
East Providence	296,967		442,208	11,433,479		12,172,655
Exeter			63,102	2,241,381		2,304,483
Foster			41,577	1,652,251		1,693,828
Glocester			95,764	2,381,941		2,477,705
Hopkinton			42,845	1,629,259		1,672,104
Jamestown			117,542	622,793		740,335
Johnston			126,016	10,382,785		10,508,801
Lincoln			264,981	5,683,015		5,947,996
Little Compton			43,095	366,775		409,870
Middletown			174,961	1,976,448		2,151,409
Narragansett			238,073	1,831,251		2,069,324
Newport	1,773,418		483,931	2,223,671		4,481,020
New Shoreham			114,693	163,298		277,991
North Kingstown	50		314,881	5,378,818		5,693,748
North Providence		1,140,776	235,168	9,619,286		10,995,231
North Smithfield			95,061	4,398,531		4,493,592
Pawtucket	3,087	1,808,532	496,695	16,495,506		18,803,820
Portsmouth			134,682	2,414,242		2,548,924
Providence	37,273,505	7,107,546	1,478,071	34,131,596		79,990,718
Richmond			31,533	1,448,455		1,479,988
Scituate			133,165	1,977,127		2,110,292
Smithfield	1,217,452		363,357	7,098,694		8,679,502
South Kingstown	186,342		253,819	3,930,455		4,370,616
Tiverton			145,799	1,748,175		1,893,973
Warren			75,623	2,090,911		2,166,533
Warwick	1,691,043		895,063	25,246,254		27,832,361
Westerly	151,026		438,351	5,765,523		6,354,900
West Greenwich			69,063	1,331,725		1,400,788
West Warwick		1,157,378	203,898	5,673,744		7,035,020
Woonsocket	347,251	902,090	227,959	9,324,776		10,802,077
Subtotal	\$49,201,412	\$12,384,458	\$10,281,019	\$234,291,035		\$306,157,924
Motor Vehicle Phase Out Reimbursement - Fire Districts Statewide				421,271		421,271
Reference Library Resource Grant			1,123,123			1,123,123
Grant-In-Aid to Institutional Libraries			71,172			71,172
Library Construction Reimbursement			2,232,819			2,232,819
Total	\$49,201,412	\$12,384,458	\$13,708,134	\$234,712,307	\$28,000,000	\$338,006,310

(1) The Tangible Property Reimbursement was enacted during the 2023 legislative session through Budget Article 4 as amended (P.L. 2023, ch. 79, art. 4, § 1). \$28 million is an estimate and will be updated as municipal and fire district data is received for the 12/31/23 assessment date.

Fiscal Year 2025 Proposed Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax (1)	Hotel Tax (2) (3)	Meals and Beverage Tax (3)	Total Shared Taxes State Aid	Total Shared & Appropriated Aid
Barrington	227,971	4,500	196,716	429,187	6,705,157
Bristol	295,616	94,763	708,768	1,099,147	5,541,393
Burrillville	214,519	268	279,205	493,992	5,838,289
Central Falls	294,118	681	231,710	526,509	2,908,691
Charlestown	106,186	97,383	232,535	436,104	1,522,923
Coventry	468,983	112,829	635,731	1,217,542	7,350,717
Cranston	1,095,441	50,811	2,858,284	4,004,537	31,129,310
Cumberland	479,585	991	738,734	1,219,310	7,643,091
East Greenwich	185,149	3,708	1,038,215	1,227,072	4,612,150
East Providence	625,173	85,814	1,476,242	2,187,229	14,359,884
Exeter	90,891	526	166,658	258,075	2,562,558
Foster	59,706	1,878	27,422	89,006	1,782,835
Glocester	132,626	4,091	116,465	253,182	2,730,887
Hopkinton	111,474	2,594	72,639	186,707	1,858,811
Jamestown	73,304	72,657	116,686	262,647	1,002,982
Johnston	391,636	15,355	1,067,769	1,474,761	11,983,562
Lincoln	297,074	183,788	1,018,912	1,499,773	7,447,770
Little Compton	47,712	41,952	66,458	156,122	565,992
Middletown	225,081	1,464,844	1,116,332	2,806,257	4,957,667
Narragansett	195,606	406,907	975,364	1,577,877	3,647,201
Newport	335,601	3,730,479	3,486,105	7,552,185	12,033,205
New Shoreham	13,346	843,700	581,605	1,438,651	1,716,642
North Kingstown	367,064	145,104	907,093	1,419,261	7,113,010
North Providence	449,752	4,467	651,644	1,105,863	12,101,093
North Smithfield	166,157	5,211	470,699	642,068	5,135,660
Pawtucket	996,651	116,163	1,390,903	2,503,717	21,307,537
Portsmouth	235,936	36,141	429,978	702,055	3,250,979
Providence	2,502,389	2,339,397	8,025,026	12,866,812	92,857,530
Richmond	106,875	42,472	213,156	362,503	1,842,491
Scituate	138,140	10,438	100,400	248,978	2,359,270
Smithfield	289,652	226,186	1,219,553	1,735,390	10,414,892
South Kingstown	418,487	321,941	1,304,226	2,044,654	6,415,270
Tiverton	215,857	20,748	445,525	682,130	2,576,103
Warren	147,987	2,937	512,182	663,106	2,829,640
Warwick	1,095,600	1,383,733	4,172,815	6,652,149	34,484,510
Westerly	309,492	1,251,709	1,347,496	2,908,697	9,263,597
West Greenwich	86,147	149,428	180,580	416,154	1,816,942
West Warwick	408,508	165,041	586,885	1,160,433	8,195,453
Woonsocket	570,477	73,706	835,765	1,479,947	12,282,024
Subtotal	\$14,471,968	\$13,515,343	\$40,002,480	\$67,989,790	\$374,147,714
Motor Vehicle Phase Out Reimbursement - Fire Districts Statewide Reference					421,271
Library Resource Grant (Providence) Grant-In-Aid to Institutional Libraries					1,123,123
Library Construction Reimbursement					71,172
					2,232,819
Total	\$14,471,968	\$13,515,343	\$40,002,480	\$67,989,790	\$405,996,100

(1) Public Service Corporation Tax is an estimate is based on the FY 2024 distribution. The FY 2025 distribution will be updated after actual declarations are received and processed in the spring of 2024.

(2) Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax on traditional hotel rentals as well as the rental of rooms or residential dwellings via room resellers, hosting platforms, realtors, and homeowners.

(3) Hotel Tax and Meals & Beverage Tax distributions are estimated and subject to change.

Changes in Formula Aid - FY 2025 Proposed vs. FY 2024 Revised

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Base Amount	Motor Vehicle Phase Out Reimbursement	Motor Vehicle Excise Tax Total Recimbursement	Tangible Property Reimbursement	Total Appreciated Difference
Barrington	369	-	(17,174)	-	-	-	-	(16,805)
Bristol	18,979	-	5,391	-	-	-	-	24,371
Burrillville	1,253	-	5,361	-	-	-	-	6,615
Central Falls	-	4,188	(846)	-	-	-	-	3,343
Charlestown	-	-	1,676	-	-	-	-	1,676
Coventry	-	-	9,229	-	-	-	-	9,229
Cranston	7,553	-	(22,212)	-	-	-	-	(14,659)
Cumberland	-	-	(3,615)	-	-	-	-	(3,615)
East Greenwich	15,009	-	(1,533)	-	-	-	-	13,476
East Providence	10,259	-	(2,972)	-	-	-	-	7,288
Exeter	-	-	6,319	-	-	-	-	6,320
Foster	-	-	(258)	-	-	-	-	(258)
Glocester	-	-	425	-	-	-	-	425
Hopkinton	-	-	(1,455)	-	-	-	-	(1,455)
Jamestown	-	-	(3,239)	-	-	-	-	(3,240)
Johnston	-	-	(7,436)	-	-	-	-	(7,437)
Lincoln	-	-	5,365	-	-	-	-	5,365
Little Compton	-	-	501	-	-	-	-	501
Middletown	-	-	(5,941)	-	-	-	-	(5,942)
Narragansett	-	-	27,797	-	-	-	-	27,797
Newport	33,751	-	(2,462)	-	-	-	-	31,289
New Shoreham	-	-	6,424	-	-	-	-	6,424
North Kingstown	-	-	(38,918)	-	-	-	-	(38,918)
North Providence	-	(27,671)	(11,545)	-	-	-	-	(39,217)
North Smithfield	-	-	(264)	-	-	-	-	(264)
Pawtucket	26	9,427	21,960	-	-	-	-	31,414
Portsmouth	-	-	(158)	-	-	-	-	(158)
Providence	(241,004)	38,118	(73,449)	-	-	-	-	(276,336)
Richmond	-	-	(672)	-	-	-	-	(673)
Scituate	-	-	(641)	-	-	-	-	(642)
Smithfield	47,410	-	(568)	-	-	-	-	46,842
South Kingstown	(708)	-	(4,580)	-	-	-	-	(5,289)
Tiverton	-	-	(1,951)	-	-	-	-	(1,951)
Warren	-	-	1,659	-	-	-	-	1,660
Warwick	112,608	-	116,282	-	-	-	-	228,891
Westerly	(1,004)	-	(2,898)	-	-	-	-	(3,904)
West Greenwich	-	-	7,394	-	-	-	-	7,395
West Warwick	-	(10,111)	1,919	-	-	-	-	(8,192)
Woonsocket	(4,504)	(13,951)	(12,910)	-	-	-	-	(31,365)
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$0)
Motor Vehicle Phase Out Reimbursement - Fire Districts						-	-	-
Statewide Reference Library Resource Grant			-				-	-
Grant-In-Aid to Institutional Libraries			-				-	-
Library Construction Reimbursement			323,502				-	323,502
Total	\$0	\$0	\$323,502	\$0	\$0	\$0	\$28,000,000	\$28,323,502

Changes in Formula Aid - FY 2025 Proposed vs. FY 2024 Revised

City or Town	Public Service Corporation Tax	Hotel Tax	Meals and Beverage Tax	Total Pass Through State Aid Difference	Total All State Aid Difference
Barrington	-	100	7,179	7,279	(9,527)
Bristol	-	1,605	25,864	27,469	51,840
Burrillville	-	6	10,189	10,195	16,810
Central Falls	-	15	8,456	8,471	11,813
Charlestown	-	2,065	8,486	10,551	12,227
Coventry	-	1,822	23,199	25,021	34,250
Cranston	-	861	104,305	105,166	90,506
Cumberland	-	22	26,958	26,980	23,365
East Greenwich	-	78	37,887	37,965	51,441
East Providence	-	1,434	53,871	55,306	62,593
Exeter	-	12	6,082	6,093	12,413
Foster	-	31	1,001	1,032	773
Glocester	-	69	4,250	4,319	4,744
Hopkinton	-	51	2,651	2,702	1,247
Jamestown	-	1,562	4,258	5,821	2,581
Johnston	-	251	38,965	39,217	31,780
Lincoln	-	2,946	37,182	40,128	45,494
Little Compton	-	842	2,425	3,267	3,768
Middletown	-	24,155	40,737	64,893	58,951
Narragansett	-	7,890	35,593	43,483	71,280
Newport	-	62,037	127,215	189,253	220,542
New Shoreham	-	15,443	21,224	36,667	43,091
North Kingstown	-	2,541	33,102	35,643	(3,275)
North Providence	-	99	23,780	23,879	(15,338)
North Smithfield	-	86	17,177	17,263	16,999
Pawtucket	-	1,904	50,757	52,661	84,075
Portsmouth	-	719	15,691	16,410	16,252
Providence	-	38,731	292,850	331,582	55,245
Richmond	-	830	7,779	8,609	7,936
Scituate	-	171	3,664	3,835	3,193
Smithfield	-	3,636	44,504	48,140	94,982
South Kingstown	-	5,570	47,594	53,164	47,875
Tiverton	-	402	16,258	16,661	14,709
Warren	-	65	18,691	18,756	20,416
Warwick	-	22,581	152,275	174,856	403,747
Westerly	-	20,816	49,173	69,989	66,085
West Greenwich	-	2,399	6,590	8,989	16,383
West Warwick	-	2,659	21,417	24,076	15,884
Woonsocket	-	1,203	30,499	31,702	336
Subtotal	\$0	\$227,712	\$1,459,775	\$1,687,488	\$1,687,487
Motor Vehicle Phase Out Reimbursement - Fire Districts					-
Statewide Reference Library Resource Grant (Providence)					-
Grant-In-Aid to Institutional Libraries					-
Library Construction Reimbursement					323,502
Total	\$0	\$227,712	\$1,459,775	\$1,687,488	\$30,010,990

EXECUTIVE SUMMARY
APPENDIX E
AID TO SCHOOLS

Education Aid to Local Governments

Education Aid to Local Governments totals \$1.639 billion from all sources of funds, of which \$1.514 billion is from general revenue, in the recommended FY 2025 Budget. Total general revenue financed education support increases by \$46.9 million from the FY 2024 Enacted Budget, or 3.2 percent. Total Education Aid includes: local public schools; public charter schools; the Rhode Island School for the Deaf; Davies Career and Technical School; the Central Falls School District; the Metropolitan Career and Technical Center; support for the State's share of Teachers' Retirement; the School Housing Aid program; the textbook expansion program; school breakfast program; and state support for the E-Rate program.

The enacted FY 2023 budget directed the Department of Elementary and Secondary Education to develop and utilize a new poverty measure for use in the funding formula that does not rely on data collected through free and reduced-price lunch school programs. These programs experienced declines in participation during and after the pandemic, making them an unreliable measure of children in poverty. The updated poverty measure uses direct certification, which is based on Supplemental Nutrition Assistance Program (SNAP) participation. This enrollment data is multiplied by a factor of 1.6, as established by the United States Department of Agriculture Food and Nutrition Service, to more accurately account for concentrations of student poverty.

Distributed formula aid is based on the following components:

- *Core Instruction Amount.* Using expenditure data from the National Center of Education Statistics (NCES), the Core Instruction Amount (CIA) is derived using a four-state average (Connecticut, Massachusetts, New Hampshire, and Rhode Island) for costs that have the greatest impact on a child's ability to learn, including instruction and administration. Due to the age of the federal data, the CIA average is inflated using CPI-U (Consumer Price Index for all Urban Consumers). The CIA in FY 2025 represents a recommended statutory change that would cap the CIA at the average of inflation over the past five years as measured by the CPI-U. This change smooths year-to-year growth in the education aid funding formula. In FY 2025, this change sets the CIA increase at 3.87% in FY 2025 and totals \$12,335, an increase of \$459 over the FY 2024 CIA of \$11,876.
- *Student Success Factor.* Calculated by applying an additional allocation equivalent to 40.0 percent of the prevailing Core Instruction Amount for those students identified as being in poverty, the Student Success Factor provides additional funding to support student needs beyond the core services listed above, with the goal of closing student achievement gaps. The Student Success Factor used in FY 2025 is \$4,934.
- *State Share Ratio.* State Share Ratio is a formula which addresses two key questions: (1) How to account for differences in the revenue-generation capacity of communities and (2) how to allocate funding to communities based on the supports students need. The state share ratio is dependent on district property values weighted for median family income, and students eligible for free and reduced-price lunch.
- *Enrollment Transition Fund.* The FY 2024 budget included statutory changes that provide additional formula aid to compensate districts for any student enrollment declines. Districts receive 40 percent of funding for lost students in the first year and 25 percent of losses in the second year. The value of the enrollment transition fund in FY 2025 is \$25.0 million.
- *Poverty Loss Stabilization Fund.* The FY 2024 budget included statutory changes that provide additional funding to compensate districts experiencing a decline in the state share ratio of more than two percent over the prior year. If a district's state share ratio declines by more than two percent compared to the prior year, the poverty loss stabilization loss compensates the district for 50 percent of that loss. The value of the poverty loss stabilization fund in FY 2025 is \$1.2 million.

Education Aid to Local Governments

Data plays a crucial role in how education aid is distributed to districts, public charter schools, Davies Career and Technical School, and the Metropolitan Career and Technical Center. The funding formula incorporates annual data updates including student counts (average daily membership), NCES expenditure data, the most recently assessed community property values, and the most recent median family income data to ensure aid distribution is based on the best data available. The formula establishes a platform for creating horizontal equity. It attempts to get a like amount of funding to children who have similar characteristics regardless of where they reside, which in turn gradually rebalances education funding to provide all districts a common level of purchasing power.

Funding formula allocations were phased in over ten years based on a transition model, where overfunded districts would have a 10-year period of reductions, while underfunded districts underwent a transition of seven years. FY 2021 was the tenth and final year of formula transient, starting in FY 2022 both overfunded and underfunded districts are fully transitioned.

In addition, specific categorical funds for certain high-cost items were established outside the formula distribution: high-cost special education, career and technical education, early childhood education, transportation, regional transportation, regional district bonuses, and, in FY 2017, two new categoricals for English learners, now Multilingual learners (MLL), and charter “density” support. “Stabilization Funds” were also created for Central Falls, Davies, and the Met Center to ensure that appropriate funding is available to support the district in response to concerns regarding local capacity (Central Falls), and the lack of tax levying power at the two state schools. In FY 2019, the General Assembly created the newest categorical for school resource officers (SRO) support, funding half the personnel costs of newly hired SROs. The SRO categorical sunset at the conclusion of FY 2021.

The following sections summarize changes to the various aid categories that comprise total FY 2025 Education Aid.

Distributed Aid

Beginning in FY 2012, distributed aid reflects aid to both districts and public charter schools as a result of the education aid funding formula. In prior years, charter schools were displayed within the non-distributed aid category of the education aid tables following this section. In FY 2025, total Distributed Education Aid, which includes formula aid to districts, Central Falls, charter schools, and group home aid, increases by \$18.0 million compared to the FY 2024 Enacted Budget.

Moreover, the FY 2025 recommendation continues with the eleventh year of funding the Urban Collaborative, in accordance with R.I.G.L. §16-3.1-11. This provision is budget-neutral to the state, as the five current sending communities (Central Falls, Cranston, North Providence, Providence, and Warwick) will see a reduction in state education aid due to students sent. The Urban Collaborative increases by \$57,129 from general revenue compared to the FY 2024 Enacted Budget.

Finally, as required by R.I.G.L. §16-7.2-6(d), additional funding for the Central Falls Stabilization Fund is included in the Governor’s FY 2024 Budget. In FY 2025 the Governor recommends \$11.1 million for Central Falls Stabilization Fund to cover costs outside of those calculated by the education aid funding formula.

State Schools

Davies Career and Technical School, Metropolitan Career and Technical School, and Rhode Island School for the Deaf are collectively financed at \$36.9 million in general revenue for FY 2025. This includes stabilization funds for Davies (\$7.3 million) and the Met Center (\$2.1 million). Relative to the FY 2024 enacted level, this represents a collective total increase of \$1.6 million from general revenue.

Non-Distributed Aid

Non-distributed aid in FY 2025 increases by \$24.6 million from the FY 2024 Enacted budget, from \$73.8 million to \$99.0 million. Non-Distributed aid includes:

Education Aid to Local Governments

- *Categorical Funds – Multilingual Learners (MLL)*. In FY 2025 the Governor recommends \$36.1 million for the Multilingual Learners categorical, formerly the English Learners (EL), an increase of \$16.7 million from the FY 2024 enacted level. Monitored by the Department, this categorical is meant to finance evidence-based programs to the outcomes of MLLs. The Governor’s recommendation increases the weight from 15 percent to 25 percent to provide additional support for this growing demographic of Rhode Island students.
- *Categorical Funds – High-Cost Special Education*. The Governor recommends \$15.0 million for the high-cost special education categorical fund in FY 2025, consistent with the FY 2024 enacted level. 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 four times the “Core Foundation Amount” (Core Instruction Amount plus the Student Success Factor), or \$69,076.
- *Categorical Funds – Early Childhood*. The Governor recommends \$30.0 million for the early childhood categorical fund in FY 2025, an increase of \$7.1 million from the FY 2024 enacted level. This categorical is used to increase access to high quality pre-kindergarten programs, with the Department distributing funds on a competitive basis. The additional funding in FY 2025 will serve to continue expanding the number of seats in the state Pre-K program to a total of 2,997. The Governor’s recommendation also includes \$0.2 million and 2.0 FTE to support state expansion efforts.
- *Categorical Funds – Transportation*. The Governor recommends \$3.9 million for the transportation categorical fund in FY 2025, an increase of \$0.5 million from the FY 2024 enacted level. The transportation categorical fund is used to reimburse districts for a portion of costs associated with transporting students to out-of-district, non-public schools. Districts must participate in the statewide transportation system to be eligible for reimbursement.
- *Categorical Funds – Regional District Transportation*. The Governor recommends \$7.3 million for the Regional District Transportation fund in FY 2025, an increase of \$0.1 million from the FY 2024 enacted level. This categorical fund is used to reimburse regional school districts for a portion of intra-district transportation costs. Districts must participate in the statewide transportation system to be reimbursement eligible.
- *Categorical Funds – Career and Technical*. The Governor recommends \$4.5 million for the career and technical education categorical fund in FY 2024, consistent with the FY 2023 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. The Governor’s recommendation also includes \$0.1 million and 1.0 FTE to support Career and Technical programs at RIDE.
- *E-Rate*. The Governor recommends approximately \$400,000 in general revenue financing for the State E-Rate program in FY 2025, consistent with the FY 2024 enacted level. The E-Rate program is used to bring Wi-Fi and broadband connectivity to schools.
- *School Breakfast*. Pursuant to R.I.G.L. §16-8-10.1, all public schools are required to provide a breakfast program, and the Department of Education provides an administrative subsidy for each breakfast served to students. The Governor recommends \$270,000 from general revenue for this purpose in FY 2025, consistent with the enacted FY 2024 budget.
- *Reduced Breakfast and Lunch Subsidy*. In FY 2025, the Governor recommends \$812,952 from general revenue to support a state subsidy for students eligible for reduced-price breakfast and lunch. This funding will support the provision of free breakfast and lunch to all reduced-eligible students in Rhode Island public, charter, and state schools.

Education Aid to Local Governments

- *Textbook Expansion.* Pursuant to R.I.G.L. §16-23-3.1, the Department is required to reimburse LEAs for the cost of providing English/language arts and history/social studies textbooks for students in grades K-12 attending non-public schools. The Governor recommends \$240,000 for this purpose in FY 2025, consistent with the enacted FY 2024 Budget.
- *Recovery High School.* In the revised FY 2024 budget, the Governor does not recommend funding for the State’s Recovery High School, a decrease of \$500,000 million from the enacted FY 2024 Budget. RIDE has indicated that no Recovery High School funding will be utilized in FY 2024, as the previous recipient will no longer continue operating the school. The high school provides individualized programs to students recovering from substance abuse, supporting both personal recovery and academic achievement. The Governor’s FY 2025 Recommendation includes \$500,000 for the Recovery High School program.

Other Aid

Other aid includes School Construction Aid, also known as “Housing Aid”, and state appropriations to the Teachers’ Retirement program. Other aid in FY 2025 increases by \$1.6 million from general revenue when compared to the FY 2024 enacted level, increasing from \$236.9 million to \$238.5 million.

- *School Construction.* Within the School Construction Aid program, the Governor recommends FY 2024 appropriations of \$106.2 million from general revenue, all for the school housing aid program established by R.I.G.L. §16-7-35. This represents an increase of \$2.0 million compared to FY 2024 enacted levels.
- *Teacher Retirement.* Within the Teacher Retirement program, the Governor recommends FY 2025 appropriations of \$132.3 million from general revenue, \$0.5 million less than the FY 2024 enacted level. Per R.I.G.L. §16-16-22, Rhode Island funds 40.0 percent of the employer share of retirement contributions on behalf of teachers who are members of the Teacher’s Retirement System.

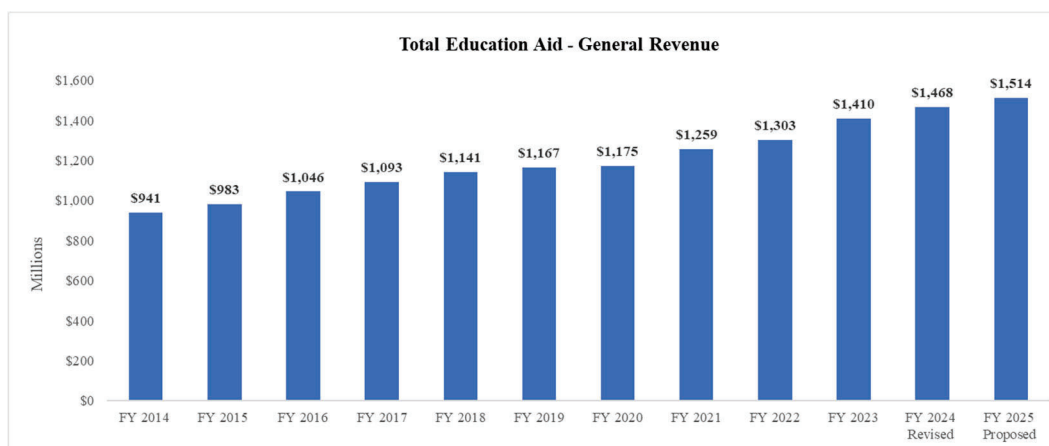
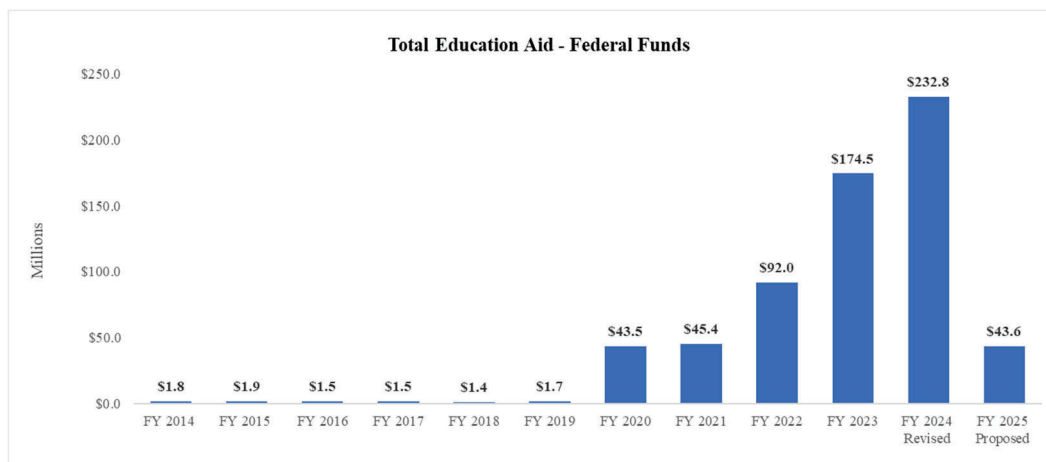
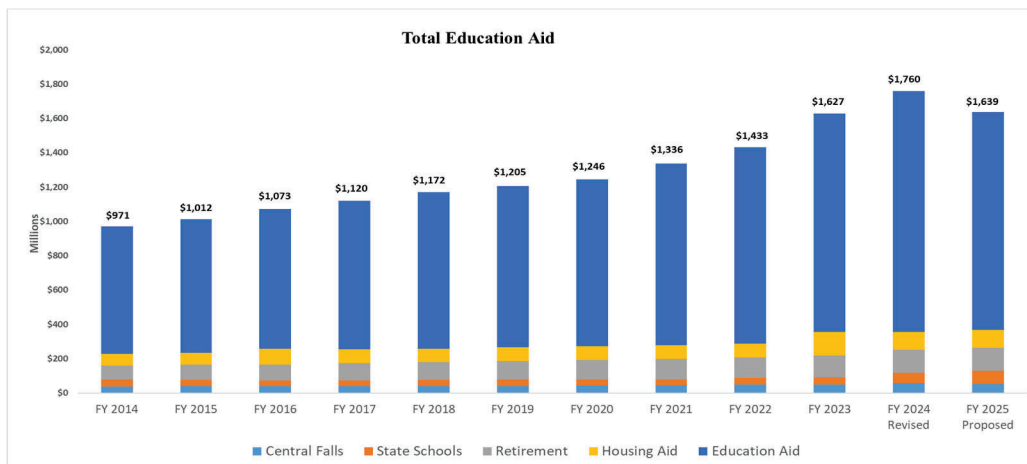
One-Time Aid Associated with COVID-19 Response

Since the onset of the COVID-19 pandemic, the federal government has allocated funds to the state for the purpose of financing the state and local response to the pandemic. Notably, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law on March 27, 2020, provided funds which were systematically passed along to LEAs as education aid. This included a distribution of the state’s allocation of the Coronavirus Relief Fund (CRF) and the Elementary and Secondary School Emergency Relief Fund (ESSERF). The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), which was signed into law on December 27, 2020, included additional allocations of ESSERF and Governor’s Emergency Education Relief (GEER) funds distributed directly to LEAs. The American Rescue Plan Act (ARP Act), which was signed into law on March 11, 2021 provided additional funding to LEAs provided additional aid under ESSER III. The FY 2025 Budget includes \$54.9 million in ESSER III funding, distributed through the ARP Act. At least 20 percent of funding distributed to LEAs through the ARP Act must be used to address learning loss through evidence-based interventions.

Education Aid to Local Governments

Total Education Aid – All Sources of Funds

The following graph displays total school aid from FY 2015 to FY 2025, from all sources of funds. The “Education Aid” component includes all aid categories under the standard Education Aid program. This includes such items as the Funding Formula Distribution and Group Home Aid, as well as non-distributed aid. Other components of total aid include: State Contributions for Teachers’ Retirement; School Housing Aid; Central Falls School District; and State Schools (Davies, Deaf, and the Metropolitan School). Note that the decrease in total aid from all fund sources in the FY 2025 Governor’s Recommended Budget is primarily the result of the expiration of pandemic-era federal funds. See Total Education – Federal Funds, below.



Education Aid to Local Governments

School Construction Aid

School Construction Aid (or “Housing Aid”) provides school districts and charter schools with a reimbursement for approved and completed school construction, repair, and renovation projects supported by bonds or capital reserve funds. This aid is provided to guarantee adequate school housing for all public-school children in the State and to prevent the cost of school housing from interfering with the effective operation of schools. The program supports school-district building and infrastructure needs based on partial reimbursement of successfully completed locally funded capital projects. The reimbursement is linked to district fiscal capacity, with relatively poorer communities receiving a higher reimbursement, all else equal.

The 2015 General Assembly established a School Building Authority (SBA) at the Department of Elementary and Secondary Education to ensure equitable and adequate school housing for all public-school children. The SBA within the Department oversees and manages the school housing aid program and the SBA Capital Fund. The fund is administered by the Rhode Island Health and Educational Building Corporation (RIHEBC). Upon transfer of the funding from the Department of Elementary and Secondary Education, RIHEBC holds the funds in trust until they are ready for release to the appropriate LEA.

In FY 2019, the Governor transferred the personnel costs of the SBA employees to RIHEBC, although the employees are still housed within RIDE.

Education Aid to Local Governments

Teachers' Retirement

R.I.G.L. §16-16-22 requires the State of Rhode Island to make contributions to the teacher retirement system. The State shall contribute a percentage of the employer's share, with the school districts contributing the balance. The State's share has varied over the years based upon the total actuarially determined rate of payroll, but since FY 1993 it has been fixed at 40.0 percent, with the municipalities contributing 60.0 percent. Each district receives the same percentage, regardless of district wealth.

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Education Aid to Local Governments

Contribution Rates for Teachers' Retirement Fund

Defined Benefit Retirement Plan

	<u>Employer Share</u>				
	<u>Actuarial Contribution</u>	<u>Local</u>	<u>State</u>	<u>Total</u>	<u>Teacher</u>
	<u>Rate of Payroll</u>	<u>(60%)*</u>	<u>(40%)*</u>	<u>Employer Share</u>	<u>Contribution</u>
2001	21.51%	6.86%	5.15%	12.01%	9.50%
2002	19.45%	5.73%	4.22%	9.95%	9.50%
2003	21.47%	6.93%	5.04%	11.97%	9.50%
2004	23.22%	7.99%	5.73%	13.72%	9.50%
2005	24.34%	8.72%	6.12%	14.84%	9.50%
2006	25.97%	9.72%	6.75%	16.47%	9.50%
2007	29.14%	11.62%	8.02%	19.64%	9.50%
2008	31.51%	13.04%	8.97%	22.01%	9.50%
2009	29.57%	11.89%	8.18%	20.07%	9.50%
2010	29.57%	11.89%	8.18%	20.07%	9.50%
2011	28.51%	11.25%	7.76%	19.01%	9.50%
2012	31.82%	13.23%	9.09%	22.32%	9.50%
2013	23.04%	11.41%	7.88%	19.29%	3.75%
2014	24.43%	12.26%	8.42%	20.68%	3.75%
2015	26.35%	13.41%	9.19%	22.60%	3.75%
2016	26.89%	13.73%	9.41%	23.14%	3.75%
2017	26.88%	13.18%	9.95%	23.13%	3.75%
2018	26.88%	13.24%	9.89%	23.13%	3.75%
2019	27.26%	14.11%	9.40%	23.51%	3.75%
2020	28.36%	14.77%	9.84%	24.61%	3.75%
2021	29.00%	15.15%	10.10%	25.25%	3.75%
2022	29.47%	15.43%	10.29%	25.72%	3.75%
2023	29.91%	15.04%	11.12%	26.16%	3.75%
2024	29.91%	15.03%	11.13%	26.16%	3.75%
2025	28.87%	14.44%	10.68%	25.12%	3.75%

*Adjusted for deferral liability

*Rate components may not sum due to rounding.

Education Aid to Local Governments

Defined Contribution Retirement Plan

Required Contribution		Employer Share*			Teacher Share
Rate of Payroll		Local (60%)	State (40%)	Subtotal	
2023 and 2024	6.0% to 6.5%	0.6% to 0.9%	0.4% to 0.6%	1.0% to 1.5%	5.0%
2023 and 2024 (Non-Social Security-eligible position)	10.0% to 10.5%	2.6% to 2.9%	0.4% to 0.6%	3.0% to 3.5%	7.0%

*For teachers with less than 20 years of service as of June 30, 2012 the employer contribution varies from 1.0% to 1.5% (for Social Security eligible positions). Teachers with 20+ years of service have no further contributions, employer or employee, as of July 1, 2015.

State Contributions for Teachers' Retirement Program

<u>Fiscal Year</u>	<u>State Share</u>
2015 Actual	\$88,625,881
2016 Actual	\$91,610,186
2017 Actual	\$100,358,782
2018 Actual	\$102,157,673
2019 Actual	\$106,256,564
2020 Actual	\$112,916,232
2021 Actual	\$116,889,437
2022 Actual	\$120,762,804
2023 Actual	\$127,014,082
2024 Revised	\$132,744,129
FY 2025 Recommended	\$132,268,922

Explanation of Education Aid Table by LEAs

The following table displays education aid by apportionment among the state's local and regional education agencies. "Distributed LEA Aid" consists of the various categories of aid that are directly distributed to school districts on a regular (usually monthly) basis, including formula aid to all districts, public charter schools, and group home aid. "State Schools" include the Met Center, Davies, and the RI School for the Deaf. "Non-Distributed Aid" includes several categories of aid such as the various categorical funds, some of which are distributed on a monthly basis and others that are not distributed at regular intervals. "Other Aid" consists of allocations for School Construction Aid and State contributions to the Teachers' Retirement Fund.

Education Aid to Local Units of Government

	FY 2025 Formula Recommend	FY 2025 Total Aid Recommend*	Change from FY 2024 Enacted
LEA Aid			
Barrington	\$11,269,937	\$11,830,428	\$729,182
Bristol/Warren	\$11,076,911	\$14,551,103	(\$68,350)
Burrillville	\$13,328,109	\$13,690,281	(\$434,339)
Central Falls (1)	\$48,327,433	\$51,980,488	\$337,140
Chariho		\$3,444,386	\$259,586
Charlestown	\$1,509,130	\$1,509,130	\$136,289
Coventry	\$26,521,569	\$27,218,909	\$842,858
Cranston	\$74,845,616	\$77,789,379	\$3,367,128
Cumberland	\$25,490,973	\$25,876,632	\$1,517,465
East Greenwich	\$6,122,784	\$6,879,232	\$794,218
East Providence	\$36,976,288	\$38,578,165	(\$608,392)
Exeter/W Greenwich	\$5,423,647	\$7,516,404	\$246,742
Foster	\$1,186,000	\$1,270,055	\$47,690
Foster/Glocester	\$5,672,596	\$6,620,947	(\$38,310)
Glocester	\$2,862,410	\$3,007,969	\$117,464
Hopkinton	\$6,661,220	\$6,661,220	\$320,263
Jamestown	\$319,051	\$668,621	(\$126,297)
Johnston	\$22,537,475	\$24,080,957	\$1,652,223
Lincoln	\$18,193,550	\$18,560,630	\$839,108
Little Compton	\$334,800	\$334,800	(\$27,526)
Middletown	\$6,954,587	\$7,278,526	(\$618,728)
Narragansett	\$1,997,082	\$2,192,473	(\$63,663)
New Shoreham	\$87,751	\$89,426	(\$62,566)
Newport	\$14,641,040	\$15,243,086	\$30,977
North Kingstown	\$13,118,089	\$13,313,799	\$1,392,439
North Providence	\$28,643,104	\$29,984,544	\$938,488
North Smithfield	\$7,827,843	\$7,968,588	\$361,953
Pawtucket	\$103,670,369	\$108,445,980	\$1,271,842
Portsmouth	\$2,855,017	\$3,497,208	(\$96,480)
Providence	\$263,016,466	\$282,567,411	(\$298,922)
Richmond	\$6,191,147	\$6,191,147	\$420,621
Scituate	\$3,477,505	\$3,613,934	(\$103,663)
Smithfield	\$9,595,972	\$9,861,896	\$935,022
South Kingstown	\$5,162,455	\$5,848,729	(\$74,276)
Tiverton	\$5,508,895	\$5,703,247	(\$1,258,106)
Warwick	\$44,380,904	\$46,379,655	\$481,185
West Warwick	\$38,832,717	\$39,260,273	\$1,276,622
Westerly	\$8,155,835	\$8,547,185	(\$233,912)
Woonsocket	\$79,935,927	\$82,922,553	\$49,804
Subtotal District Aid (1) (2)	\$ 962,712,204	\$ 1,020,979,396	\$ 14,252,779

Education Aid to Local Units of Government

	FY 2025 Formula Recommend	FY 2025 Total Aid Recommend*	Change from FY 2024 Enacted
LEA Aid- Charter Schools			
Achievement First	\$41,099,946	\$42,561,431	\$6,203,701
Apprenticeship Exploration School (AES)	\$1,814,167	\$1,860,911	\$328,752
Beacon Charter School	\$4,560,550	\$4,600,866	\$365,592
Blackstone Academy	\$4,593,159	\$4,681,914	\$161,314
Blackstone Valley Prep	\$25,958,109	\$26,685,806	\$1,675,043
Charette	\$2,440,494	\$2,503,665	\$217,869
Compass School	\$813,187	\$813,187	\$90,593
Excel Academy	\$4,398,268	\$4,452,359	\$1,761,875
Greene School	\$1,607,519	\$1,623,945	\$26,381
Highlander	\$7,510,952	\$7,795,239	\$409,114
Hope Academy	\$4,276,853	\$4,452,129	\$320,932
International Charter School	\$4,075,887	\$4,330,180	\$165,143
Kingston Hill Academy	\$1,120,771	\$1,121,605	\$55,886
Learning Community	\$8,273,864	\$8,917,090	\$532,500
Nowell Academy	\$2,192,416	\$2,319,822	\$239,651
Nuestro Mundo	\$5,127,774	\$5,309,390	\$1,824,535
Nurses Institute	\$6,460,877	\$6,608,902	\$966,948
Paul Cuffee Charter School	\$10,884,306	\$11,255,942	\$606,102
Providence Prep	\$3,123,579	\$3,176,221	(\$354,667)
RISE Mayoral Academy	\$7,607,621	\$7,668,718	\$2,045,067
Segue Institute for Learning	\$6,776,586	\$7,046,075	\$1,840,208
Southside Elementary	\$1,901,437	\$1,940,919	(\$4,175)
Times 2 Academy	\$8,960,127	\$9,168,064	\$265,163
Trinity Academy	\$2,781,194	\$2,868,054	\$153,842
Village Green	\$2,857,660	\$2,907,733	\$164,229
Subtotal Charter Aid	\$171,217,303	\$176,670,167	\$20,061,598
	FY 2025 Formula Recommend	FY 2025 Total Aid Recommend*	Change from FY 2024 Enacted
Davies C&T (1)	\$17,486,301	\$17,554,078	\$1,813,669
Met Center (1)	\$10,741,033	\$10,919,684	\$236,716
Urban Collaborative: R.I.G.L. 16-3.1-11	\$1,897,226	\$1,984,086	\$119,383
Youth Build Academy	\$2,317,942	\$2,344,263	\$451,720
Total	\$1,166,372,009	\$1,230,451,674	\$36,935,865

*FY 2025 Gov Rec Aid includes: Group Home, High-Cost Special Education, Regional Transportation, Non-Public Transportation and Multilingual Learner Categorical Aid

Education Aid to Local Units of Government

Aid by Category: Distributed, Non-Distributed, State Schools, and Other Aid

	FY 2024 Revised	FY 2025 Recommend	Difference
Distributed Aid			
Distributed LEA Aid (2)	\$964,646,846	\$964,477,842	(\$1,046,622)
Distributed LEA Aid - Charter Schools	\$157,621,198	\$175,432,471	\$17,811,273
Subtotal	\$1,122,268,043	\$1,139,910,312	\$16,764,650
	FY 2024 Revised	FY 2025 Recommend	Difference
Non-Distributed Aid			
Textbook Expansion	\$57,766	\$240,000	\$182,234
School Breakfast	\$270,000	\$270,000	
Reduced Lunch and Breakfast Subsidy		\$812,952	
Telecommunications Access	\$400,000	\$400,000	
Recovery High School		\$500,000	\$500,000
Early Childhood Demonstration	\$22,850,081	\$30,000,000	\$7,149,919
Transportation Categorical	\$3,476,076	\$3,931,589	\$455,513
Regional District Transportation	\$7,154,527	\$7,295,110	\$140,583
High Cost Special Ed Categorical	\$15,000,000	\$15,000,000	
Career and Tech Categorical	\$4,500,000	\$4,500,000	
Multilingual Learner Categorical (MLL)	\$19,437,941	\$36,087,328	\$16,649,387
Subtotal	\$73,146,391	\$99,036,979	\$25,890,588
	FY 2024 Revised	FY 2025 Recommend	Difference
State Schools			
Metropolitan School (1)	\$10,610,928	\$10,741,033	\$130,105
School for the Deaf	\$8,550,241	\$8,675,430	\$125,189
Davies School (1)	\$16,247,204	\$17,562,853	\$1,315,649
Subtotal (1)	\$35,408,373	\$36,979,316	\$1,570,943
Other Aid			
Teachers' Retirement	\$132,744,129	\$132,268,922	(\$475,207)
School Housing Aid (3)	\$104,162,946	\$106,198,555	\$2,035,609
Subtotal	\$236,907,075	\$238,467,477	\$1,560,402
Total	\$1,467,729,882	\$1,514,394,084	\$46,664,202

(1) Includes both Formula Aid and Stabilization funds in FY 2024 and FY 2025.

(2) Non-Charter LEAs include Group Home Aid within distributed aid totals.

(3) Includes the School Building Authority Capital Fund.

EXECUTIVE SUMMARY
APPENDIX F
THE BUDGET PROCESS

THE BUDGET PROCESS: A PRIMER

The purpose of this primer is to clarify the annual budget and appropriations processes.

Appropriation Process. According to Article IX, Section 15 of the Rhode Island Constitution, and Sections 35-3-7 and 35-3-8 of Rhode Island General Laws, the Governor must present spending recommendations to the General Assembly. *The Governor's Budget* reflects recommended expenditures for both the current and upcoming fiscal year and identifies the sources of financing for those expenditures.

On or before the third Thursday in January, unless delayed by act of the General Assembly, the Governor must submit to the General Assembly a budget containing a complete plan of estimated revenues and proposed expenditures, with a personnel supplement detailing the number and titles of positions of each agency and estimates of personnel costs for the next fiscal year. Commencing with the Governor's FY 2014 budget, this supplementary personnel information has been merged into the multivolume document currently entitled *Fiscal Year 2025 Budget*.

The budget is proposed by the Governor and considered by the General Assembly, which may increase, decrease, alter, or strike out any item in the budget, provided that the action would not cause an excess of appropriations over anticipated revenue receipts. No appropriation in excess of budget recommendations may be made by the General Assembly unless it provides the necessary additional revenue to cover such appropriation. The Governor may veto legislative appropriations, although not on an individual "line item" basis. The Legislature may override any veto by a three-fifths majority vote.

The general laws of the state provide that if the General Assembly fails to pass the annual appropriation bill, amounts equal to those appropriated in the prior fiscal year shall be automatically available for expenditure, subject to monthly or quarterly allotments as determined by the Office of Management and Budget. Expenditures for general obligation bond indebtedness of the state shall be made as required regardless of the passage of the annual budget or the amount provided for in the prior fiscal year.

Fiscal Years. It is important when reading the budget to consider which fiscal year is being discussed. The state *fiscal year* runs from July 1 to the following June 30 and is numbered for the calendar year in which it ends (e.g. FY 2025 is the fiscal year commencing on July 1, 2024 and ending June 30, 2025). The *current fiscal year* is the one which ends the coming June. The *actual fiscal years* are the years which concluded on June 30 of the two previous years. The *budget year* refers to the next fiscal year, which begins the July 1 following the submission of the Governor's Budget for that fiscal year. Finally, the term *out-years* refer to any fiscal years beyond the budget year and is often used in the context of the state's 5-year Capital Improvement Plan.

By law, *The Budget* must record two actual fiscal years of spending, as well as the Governor's revised spending recommendations for the current fiscal year, and the Governor's full recommendations for the budget year.

Revenue Estimates and Caseload Estimates. Receipt estimates for the current year and budget year are those adopted by the State Revenue Estimating Conference, as adjusted by any changes recommended by the Governor.

The State Revenue Estimating Conference was created by the 1990 General Assembly to provide the Governor and the Assembly with estimates of general revenues. It is composed of the State Budget Officer, the House Fiscal Advisor, and the Senate Fiscal Advisor, with the chair rotating among the three. It must meet no less than twice per year, in November and May, and can be convened at any other time by call of any member and must reach consensus on revenues. The 1991 Assembly created a Medical Assistance and Public Assistance Caseload Estimating Conference, similar to the Revenue Estimating Conference, to adopt consensus medical assistance (Medicaid) expenditures and caseload estimates for various programs of cash assistance and developmental disabilities, upon which the Governor's budget for these programs shall be based, and the appropriations by the assembly shall be made.

THE BUDGET PROCESS: A PRIMER

The consensus revenue estimate is the official revenue projection for general revenue. Estimates of revenues for federal funds, restricted receipts, and other funds are prepared by individual state agencies, in conjunction with the Office of Management and Budget and included in *The Governor's Budget*.

Classification of State Spending. The State of Rhode Island classifies state spending by function of government, category of expenditure, and source of funds.

Function of government classifies expenditures by grouping agencies that make expenditures for similar programs and purposes. There are six functions of government defined in *The Governor's Budget*: General Government, Health and Human Services, Education, Public Safety, Natural Resources, and Transportation.

The following explains the six functions of government included in *The Governor's Budget*.

- *General Government* includes the administrative, policymaking, and regulatory functions of state government. Certain elected officials (Governor, Lieutenant Governor, General Treasurer, Secretary of State), the General Assembly (Legislature), and the Department of Administration are agencies that perform an administrative and/or policymaking function. The Department of Business Regulation, the Department of Labor and Training, and the Public Utilities Commission are examples of agencies that perform a regulatory function. The Department of Revenue coordinates the general revenue collection activities of the state and administers the State Lottery.
- *Health and Human Services* includes agencies that provide services to individuals. These services provided include: the care of the disabled by the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals; child protective and social services provided by the Department of Children, Youth and Families; health programs at the Department of Health and the Executive Office of Health and Human Services; financial assistance and social services provided by the Department of Human Services; and various support programs for Rhode Island's senior citizens at the Office of Healthy Aging. The Executive Office of Health and Human Services centrally coordinates the legal, budgetary, and policymaking activities of the Health and Human Services agencies.
- The *Education* function provides various educational services and educational policy coordination on behalf of Rhode Islanders. The Department of Elementary and Secondary Education, the Office of the Postsecondary Commissioner, and the three state institutions of higher education provide direct education services under the aegis of the Board of Education and the Board of Trustees for the University of Rhode Island.
- *Public Safety* is the function that provides safety and security services to Rhode Island citizens. Agencies in this function include the Department of Corrections, the Judiciary, the Attorney General and the Department of Public Safety.
- The *Natural Resources* function protects the natural and physical resources of the state and regulates the use of those resources. Agencies included in this function are the Department of Environmental Management and the Coastal Resources Management Council.
- *Transportation* includes the Department of Transportation, which is the only agency in this function. It is responsible for maintaining and constructing highways in Rhode Island, and for planning and financing all surface transportation modes.

Categories of expenditure classify expenditures by budgeting and accounting objects of expenditure: personnel; state operations; aid to local units of government; assistance, grants, and benefits; and capital. Objects of expenditures define how funds are encumbered and expended.

- *Personnel* includes the salaries, wages, and benefits of state employees, including overtime.
- *Contract Professional Services* includes services purchased from outside contractors and vendors.
- *Operating Supplies and Expenses* include expenses incurred while conducting the day-to-day business of

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state government. This category is often referred to simply as "operating". Operating expenses comprise non- personnel expenditures for operations of state government, including facilities maintenance, program and office supplies, rental of outside property, telecommunications, and insurance.

- *Aid to Local Units of Government* is payments made to governmental units that provide services at the local level. Education Aid to local education agencies budgeted within the Department of Elementary and Secondary Education is the largest segment of this category, followed by state aid to municipalities budgeted at the Department of Revenue.
- *Assistance and Grants* constitute transfer payments, various subsidies, and healthcare/medical benefits to individuals or community agencies.
- *Capital Purchases and Equipment* include capital improvements and new capital construction financed via the Rhode Island Capital Plan Fund (RICAP), general revenues, or federal funds. Please note that most capital improvements, supported by other forms of financing (i.e. debt instruments), are generally found in the *Capital Budget*.
- *Debt Service* includes periodic payments of principal and interest on short term tax anticipation notes, long term general obligation bonds, certificates of participation, and university/college revenue bonds.
- *Operating Transfers* include inter-fund and inter-agency transfers of financial resources.

Source of Funds. Frequent reference is made in *The Governor's Budget* to "general revenue" expenditures and expenditures from "all funds". Expenditures from all funds include both general revenue expenditures and expenditures from federal funds, restricted receipts, and other funds.

General revenue receives the most attention in the budget because it is the largest of the "uncommitted" revenue sources available to finance the operations of state government. It is also the fund source to which most general tax receipts are credited. The General Assembly may appropriate general revenue dollars for any purpose.

Federal funds, restricted receipts, and other funds, by contrast, are dedicated to specific purposes. For example, the General Assembly may not appropriate monies from the Unemployment Insurance Fund to build new prisons. Other funds include the University and College Funds, the Transportation Fund, the Unemployment Insurance Fund, the Temporary Disability Insurance Fund, and the Rhode Island Capital Plan Fund.

Rhode Island Capital Plan Funds. On November 7, 2006, Rhode Island voters approved a constitutional amendment limiting state expenditures commencing in FY 2008 such that appropriations do not result in general fund expenditures exceeding 98.0 percent of general fund revenues in FY 2008, and 97.0 percent in FY 2013 and thereafter. This amendment to the Rhode Island Constitution has also restricted, as of July 1, 2007, the use of excess funds in the Rhode Island Capital Fund solely for capital projects. Previously, the fund could be used for debt reduction, payment of debt service, and capital projects. Also, the constitutional amendment increased the budget reserve account by limiting annual appropriations to ninety-seven (97%) percent of estimated revenues and increasing the cap on the budget reserve account to five (5%) percent of estimated revenues. During the 2007 Session of the General Assembly, a statutory schedule was enacted to provide for incremental decreases of 0.2 percentage points to gradually move spending from 98 percent of revenues to 97 percent of revenues. Additionally, the budget reserve account maximum balance would be gradually increased by increments of 0.4 percent to gradually move from 3.0 percent to 5.0 percent of resources. For FY 2015 and thereafter, the spending is limited to 97.0 percent of revenues and the budget reserve fund is capped at 5.0 percent of resources.

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Budget Basis. *The Budget* is prepared on the same basis that the state's year end financial statements, which is a modified accrual basis. Briefly, this means that obligations of the state are budgeted as expenditures if the goods or services are expected to be received during the fiscal year, regardless of whether a cash payment is expected to be made by the state by June 30th of that year. Revenues are estimated based on when they are "earned" by the state. For example, the estimate of gas tax revenues reflects twelve months of revenues. However, due to a one-month difference in the time the liability is incurred, and the actual cash payment is made by the taxpayer, the revenue estimate reflects cash received from August through July.

The Comprehensive Annual Financial Report (CAFR) shows the status of the state's finances based on "generally accepted accounting principles" (GAAP). Every attempt is made in preparing the budget to ensure that it is consistent with the auditing standards upon which the state's financial position will be determined.

The Budget Process. Production of a budget is a continuous process. It does, however, have certain discrete phases. In the Executive Branch, the budget process begins as soon as the legislative session ends.

In the spring and early summer, budget instructions and allocations ("targets") are distributed by the Office of Management and Budget to state agencies. At those times, agencies are instructed by the Office of Management and Budget to prepare a capital and operating budget. The capital budget contains a five-year capital improvement plan.

Agencies are requested to prepare operating budgets at specified target levels for submission on or before September 15 or as specified by the Office of Management and Budget.

The individual budgets submitted by the state agencies show program expenditures, with appropriate funding sources for each program within the agency. These data are shown for the actual year, the current year, and the target for the budget year.

In the fall and early winter, analysts in the Office of Management and Budget review agency budget requests. The Office of Management and Budget staff prepares recommendations for the Governor. An analysis of items added or reduced from the target request is presented to the Governor. The analysis includes the basis for the agency's request and the Office of Management and Budget recommendation and the basis for it. The Governor then makes a budget determination. This process is repeated for all issues in all agencies. These decisions form the Governor's recommendations. The Office of Management and Budget compiles the individual recommendations, aggregates them, and prepares *The Governor's Budget*.

The Governor's budget recommendations traditionally are incorporated in one consolidated Appropriations Act, which also includes articles containing any statutory changes which would be required to implement the Governor's budget. In some budget cycles, two separate consolidated Appropriations Acts are submitted to the Generally Assembly; the first containing revised appropriations for the current fiscal year and the second presenting appropriations for the budget year.

The following table summarizes the **budget calendar** during the budget cycle:

Mid-July	Capital Budget Requests due to Office of Management and Budget.
Late July	Budget Instructions and Funding Targets distributed to Agencies.
Mid September	Budget requests of Agencies with enacted all funds budget of \$15.0 million or less due to Office of Management and Budget.
Late Sept./Early Oct.	Budget requests of Agencies with enacted all funds budget of over \$15.0 million due to Office of Management and Budget.

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Oct./Nov.	Agency Meetings to review Budget Recommendations.
Late Dec./Early Jan.	Gubernatorial Decisions on current year supplement and budget year recommendations.
3 rd Thursday in January	Statutory date for current-year Governor's Supplemental Appropriation bill submitted to Legislature.
3 rd Thursday in January	Statutory date for budget-year Governor's Budget Recommendation bill submitted to Legislature.

Consideration by House of Representatives and Senate. The Appropriations Act(s) are introduced into the House of Representatives and are first considered by the House Finance Committee. The Senate Finance Committee also begins hearings on the budget bill, as introduced by the Governor. The chairpersons of the committees appoint subcommittees to consider appropriations for various agencies. Subcommittees vary in size, usually between two and six persons. After reviewing the budget requests and the Governor's budget, the subcommittees recommend adjustments to the full committee for consideration. A committee may adjust the recommendations of its subcommittee. The Appropriation Act(s) are reprinted to reflect the recommendations of the full committee. The bill is then presented to the full House of Representatives, and upon passage is transmitted to the Senate. The process for review of an appropriation bill in the Senate mirrors the steps followed in the House of Representatives. Once the Act (or Acts) is presented and approved by the full Senate, the Governor has three options: 1) sign the Act into law, 2) veto the Act, or 3) allow the bill to become law without signature (after six days, Sundays excepted, the bill automatically becomes law without the Governor's signature). The General Assembly may overturn the Governor's veto with a three-fifths vote in each chamber.

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