

# **Special Reports**



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## Formula Aid to Cities and Towns

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The Governor's FY 2008 budget recommends formula aid to cities and towns totaling \$284.9 million. This represents a 1.8 percent, or \$5.1 million, increase from the FY 2007 revised level of funding. The tables on the following pages display FY 2007 and FY 2008 recommended levels of funding for formula aid to cities and towns by community. In general, all formula state aid programs were level funded with the exception of the motor vehicle excise tax reimbursement program which was increased by 3.2% to reflect increased valuation of exempted vehicles. The narrative below describes each of the programs included on the tables.

General Revenue Sharing - Beginning in FY 1994, one percent of total state tax revenues from the second prior fiscal year was earmarked for general state aid to cities and towns. Beginning in FY 1999, this percentage was to increase annually until reaching 4.7 percent by FY 2009. These funds are distributed based on a legislated formula encompassing per-capita income and the taxes imposed by each city or town for public purposes, excluding amounts allocated to education expenses. The Governor proposes that funding for this program in FY 2008 be set at \$65.1 million, the same amount as in FY 2007 and to fix future distributions at three percent (3.0%) of tax revenues in FY 2009 and thereafter. For FY 2008, the entitlements by community have been fixed at the same amount as in FY 2007.

Payment in Lieu of Taxes - Legislation creating this program requires the State of Rhode Island to reimburse cities and towns for property taxes that would have been due on certain types of real property that are exempted from taxation by state law. This includes property owned by nonprofit educational institutions, nonprofit hospitals, or any state owned hospital, veteran's facility, or correctional facility. Reimbursement is made for twenty-seven percent of all tax that would have been collected had the property been taxable, prorated to the amount appropriated for a given year. The program has been level funded for FY 2008 and the entitlements by community have been fixed at the same amount as in FY 2007.

Distressed Communities Relief Fund - This program provides state assistance to those Rhode Island communities with the highest property tax burdens relative to the wealth of taxpayers. The Governor proposes to set the amount of funding distributed under this program to the amount enacted in the annual appropriations act, as opposed to the amounts collected from the Real Estate Conveyance Tax. Also, entitlements for FY 2008 by community have been fixed at the same amount as in FY 2007.

State Library Aid - This program provides financial support for local public library services and for the construction and capital improvement of any free public library. A portion of library aid is disbursed directly to local libraries, including private libraries, while other aid is disbursed to the individual cities and towns. Entitlements for FY 2008 by community have been fixed at the same amount as in FY 2007.

Motor Vehicle Excise Tax - Legislation enacted during the 1999 General Assembly provides for a phase-out of the local excise tax on motor vehicles and trailers. This legislation was amended in 2002 to make the full phase out of the tax subject to the annual review and appropriation of the General Assembly. For Fiscal Year 2007, the value of the exemption from local taxes was increased to \$6,000 per vehicle. The FY 2008 budget maintains that \$6,000 exemption and assumes a 3.2% growth in the value of exempted vehicles which will be reimbursed by the state.

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## **Formula Aid to Cities and Towns**

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Public Service Corporation Tax - The tangible personal property of telegraph, cable and telecommunications corporations is exempt from local taxation, but is subject to taxation by the state. Funds collected from this tax are distributed to cities and towns within the state on the basis of the ratio of the city or town population to the population of the state as a whole.

Meals and Beverage Local Sales and Use Tax – During the January 2003 session, the General Assembly enacted a one percent gross receipts tax on retail sales of meals and beverages in or from eating and/or drinking establishments. The taxes are collected by the Division of Taxation and distributed at least quarterly to the city or town where the meals and beverages were delivered. This budget assumes that this pass through aid will increase by 3% for each community.

## Summary of Formula Aid to Cities and Towns

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Revised	FY 2008 Recommend
Municipal Police Incentive Pay	732,050	730,760	729,509	450,000	450,000
Municipal Fire Incentive Pay	366,025	366,255	368,423	225,000	225,000
Public Service Corporation Tax	16,325,261	14,611,755	12,206,492	10,347,757	10,347,757
Meals and Beverage Tax	13,509,178	17,800,720	17,620,607	18,568,791	19,125,855
Payment In Lieu of Taxes (PILOT)	21,716,117	22,716,117	26,975,194	27,766,967	27,766,967
<b>Total Miscellaneous Aid</b>	<b>\$52,648,631</b>	<b>\$56,225,607</b>	<b>\$57,900,225</b>	<b>\$57,358,515</b>	<b>\$57,915,579</b>
General Revenue Sharing	51,438,532	52,438,532	64,974,003	65,111,876	65,111,876
<b>Total State Aid to Cities and Towns</b>	<b>\$51,438,532</b>	<b>\$52,438,532</b>	<b>\$64,974,003</b>	<b>\$65,111,876</b>	<b>\$65,111,876</b>
Dist. Comm. - General Appropriation <sup>1</sup>	7,533,333	9,533,333	10,640,190	10,154,186	10,384,458
<b>Total Distressed Communities Aid</b>	<b>\$7,533,333</b>	<b>\$9,533,333</b>	<b>\$10,640,190</b>	<b>\$10,154,186</b>	<b>\$10,384,458</b>
Motor Vehicle Tax Phase-out Program <sup>2</sup>	104,987,142	104,987,142	117,649,193	136,229,443	140,574,031
<b>Total Motor Vehicle Tax Phase-out Prog.</b>	<b>\$104,987,142</b>	<b>\$104,987,142</b>	<b>\$117,649,193</b>	<b>\$136,229,443</b>	<b>\$140,574,031</b>
<b>Subtotal Forumla Aid - All Sources</b>	<b>\$216,607,638</b>	<b>\$223,184,614</b>	<b>\$251,163,611</b>	<b>\$268,854,020</b>	<b>\$273,985,944</b>
<b>Percent Change from prior year</b>	<b>12.10%</b>	<b>3.04%</b>	<b>12.54%</b>	<b>7.04%</b>	<b>1.91%</b>
Resource Sharing & Library Aid <sup>3</sup>	7,552,610	8,050,566	8,367,516	8,668,733	8,773,398
Library Construction Aid	2,128,601	2,491,654	2,651,643	2,849,447	2,813,141
<b>Total Library Aid</b>	<b>\$9,681,211</b>	<b>\$10,542,220</b>	<b>\$11,019,159</b>	<b>\$11,518,180</b>	<b>\$11,586,539</b>
Property Revaluation Program	2,484,835	648,368	931,623	2,000,000	1,100,000
<b>Total Other Aid</b>	<b>\$2,484,835</b>	<b>\$648,368</b>	<b>\$931,623</b>	<b>\$2,000,000</b>	<b>\$1,100,000</b>
<b>Total Aid</b>	<b>\$228,773,684</b>	<b>\$234,375,202</b>	<b>\$263,114,393</b>	<b>\$282,372,200</b>	<b>\$286,672,483</b>
<b>Percent Change from prior year</b>	<b>12.50%</b>	<b>2.45%</b>	<b>12.26%</b>	<b>7.32%</b>	<b>1.52%</b>

<sup>1</sup> The August 2006 payment from the Distressed Communities Relief Fund, which is supposed to be based on Real Estate Conveyance Tax revenues for the period of January to June, was instead based upon the enacted appropriation and resulted in an overpayment to communities of \$230,272.

<sup>2</sup> 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.

<sup>3</sup> Resource Sharing and Library Aid for state institutions is included in these totals.

## Fiscal Year 2004 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Public Service Corporation Tax	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2004 Total State Aid
Barrington	231,191	71,029	-	261,919	276,378	2,197,524	3,038,041
Bristol	805,463	421,492	-	349,905	75,665	1,118,422	2,770,947
Burrillville	610,930	76,977	-	245,988	61,881	2,053,956	3,049,732
Central Falls	1,346,691	20,649	182,474	294,762	63,470	1,208,411	3,116,457
Charlestown	346,452	-	-	122,387	39,137	374,379	882,355
Coventry	925,367	-	-	524,305	138,258	2,147,241	3,735,171
Cranston	3,293,868	2,611,611	-	1,234,440	479,014	9,485,112	17,104,045
Cumberland	1,067,249	81	-	495,838	183,570	2,048,308	3,795,046
East Greenwich	170,999	4,592	-	201,637	77,310	1,041,805	1,496,343
East Providence	2,200,038	63,139	-	758,208	430,627	4,994,050	8,446,062
Exeter	86,974	-	-	94,138	8,495	718,053	907,660
Foster	231,403	266	-	66,558	37,500	578,603	914,330
Glocester	442,690	-	-	154,918	57,839	868,250	1,523,697
Hopkinton	190,356	-	-	122,028	40,759	597,217	950,360
Jamestown	181,533	5	-	87,550	56,930	317,721	643,739
Johnston	2,006,020	-	-	439,075	117,925	4,114,297	6,677,317
Lincoln	577,113	-	-	325,440	151,390	2,195,453	3,249,396
Little Compton	89,499	-	-	55,953	22,962	214,723	383,137
Middletown	826,214	-	-	269,939	118,971	881,663	2,096,787
Narragansett	681,586	-	-	254,787	91,730	957,099	1,985,202
Newport	1,778,150	450,882	-	412,290	291,129	1,455,950	4,388,401
New Shoreham	71,860	-	-	15,728	67,411	65,343	220,342
North Kingstown	821,676	8,265	-	409,969	214,401	2,179,062	3,633,373
North Providence	1,897,449	385,144	-	504,730	155,319	3,941,255	6,883,897
North Smithfield	618,281	43,886	-	165,352	50,928	1,501,993	2,380,440
Pawtucket	4,490,377	311,780	1,324,945	1,136,160	309,373	8,006,234	15,578,869
Portsmouth	553,213	10,206	-	267,058	92,657	1,180,727	2,103,861
Providence	12,352,585	15,427,635	4,624,560	2,703,718	1,392,690	18,908,768	55,409,956
Richmond	162,490	426	-	112,467	24,792	578,451	878,626
Scituate	320,753	-	-	160,774	72,783	1,155,251	1,709,561
Smithfield	1,268,058	514,316	-	321,002	192,547	2,641,772	4,937,695
South Kingstown	928,824	123,224	-	434,808	148,885	1,578,608	3,214,349
Tiverton	523,660	-	-	237,641	59,477	1,022,440	1,843,218
Warren	416,220	-	-	176,907	43,788	854,507	1,491,422
Warwick	4,034,001	845,581	-	1,336,271	553,600	10,654,567	17,424,020
Westerly	447,184	149,941	-	357,645	98,381	2,238,068	3,291,219
West Greenwich	144,375	-	-	79,188	21,264	395,962	640,789
West Warwick	1,246,456	-	730,173	460,659	162,328	2,432,650	5,032,266
Woonsocket	3,051,285	174,990	671,181	673,119	190,936	4,207,412	8,968,923
<b>Subtotal</b>	<b>\$51,438,532</b>	<b>\$21,716,117</b>	<b>\$7,533,333</b>	<b>\$16,325,261</b>	<b>\$6,672,500</b>	<b>\$103,111,305</b>	<b>\$206,797,048</b>
Statewide Reference Library Resource Grant (Providence)					880,110		880,110
Library Construction Reimbursement					2,128,601		2,128,601
Motor Vehicle Excise Tax Reimbursement - Fire Districts						1,875,837	1,875,837
<b>Total</b>	<b>\$51,438,532</b>	<b>\$21,716,117</b>	<b>\$7,533,333</b>	<b>\$16,325,261</b>	<b>\$9,681,211</b>	<b>\$104,987,142</b>	<b>\$211,681,596</b>

## Fiscal Year 2005 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2005 Total Appropriated State Aid
Barrington	234,285	47,886	-	295,313	2,197,524	2,775,008
Bristol	825,753	420,601	-	69,440	1,118,422	2,434,216
Burrillville	606,174	78,522	-	65,836	2,053,956	2,804,487
Central Falls	1,372,871	20,106	225,249	62,193	1,208,411	2,888,830
Charlestown	372,229	-	-	42,213	374,379	788,821
Coventry	917,864	-	-	147,975	2,147,241	3,213,080
Cranston	3,199,670	3,371,038	-	488,229	9,485,112	16,544,048
Cumberland	1,168,720	81	-	212,069	2,048,308	3,429,178
East Greenwich	189,331	7,242	-	85,191	1,041,805	1,323,569
East Providence	2,276,071	64,838	-	460,448	4,994,050	7,795,407
Exeter	85,686	-	-	8,495	718,053	812,235
Foster	252,920	255	-	34,756	578,603	866,534
Glocester	476,816	-	-	58,732	868,250	1,403,798
Hopkinton	184,276	-	-	39,184	597,217	820,676
Jamestown	162,060	5	-	62,279	317,721	542,066
Johnston	2,045,018	-	-	121,700	4,114,297	6,281,015
Lincoln	811,406	-	-	158,808	2,195,453	3,165,667
Little Compton	89,057	-	-	23,524	214,723	327,303
Middletown	842,795	-	-	129,464	881,663	1,853,922
Narragansett	703,202	-	-	99,601	957,099	1,759,902
Newport	1,728,739	511,083	-	325,323	1,455,950	4,021,095
New Shoreham	73,257	-	-	76,634	65,343	215,234
North Kingstown	806,625	8,301	-	224,789	2,179,062	3,218,776
North Providence	1,949,426	395,607	-	162,852	3,941,255	6,449,140
North Smithfield	698,892	44,215	-	51,913	1,501,993	2,297,012
Pawtucket	4,579,132	278,920	1,619,050	342,428	8,006,234	14,825,764
Portsmouth	547,679	10,147	-	102,070	1,180,727	1,840,623
Providence	12,592,728	15,573,005	5,936,091	1,383,493	18,908,768	54,394,084
Richmond	145,825	433	-	22,069	578,451	746,778
Scituate	372,523	-	-	79,690	1,155,251	1,607,464
Smithfield	1,346,867	544,555	-	212,038	2,641,772	4,745,233
South Kingstown	820,517	125,597	-	175,691	1,578,608	2,700,413
Tiverton	471,479	-	-	68,270	1,022,440	1,562,189
Warren	385,456	-	-	40,858	854,507	1,280,821
Warwick	4,050,212	855,013	-	590,589	10,654,567	16,150,381
Westerly	576,458	182,085	-	248,761	2,238,068	3,245,372
West Greenwich	161,935	-	-	20,301	395,962	578,198
West Warwick	1,278,641	-	908,956	178,696	2,432,650	4,798,943
Woonsocket	3,035,938	176,582	843,985	198,538	4,207,412	8,462,454
<b>Subtotal</b>	<b>\$52,438,532</b>	<b>\$22,716,117</b>	<b>\$9,533,333</b>	<b>\$7,170,456</b>	<b>\$103,111,305</b>	<b>\$194,969,739</b>
Statewide Reference Library Resource Grant (Providence)				880,110		880,110
Library Construction Reimbursement				2,491,654		2,491,654
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
<b>Total</b>	<b>\$52,438,532</b>	<b>\$22,716,117</b>	<b>\$9,533,333</b>	<b>\$10,542,220</b>	<b>\$104,987,142</b>	<b>\$200,217,340</b>

## Fiscal Year 2005 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2005 Total Shared Taxes State Aid	FY 2005 Total Shared & Appropriated Aid
Barrington	234,428	106,413	340,841	3,115,849
Bristol	313,179	277,900	591,079	3,025,295
Burrillville	220,169	157,725	377,894	3,182,382
Central Falls	263,824	103,390	367,214	3,256,044
Charlestown	109,541	110,818	220,359	1,009,180
Coventry	469,274	302,861	772,135	3,985,215
Cranston	1,104,873	1,194,919	2,299,792	18,843,840
Cumberland	443,795	309,860	753,655	4,182,834
East Greenwich	180,473	379,684	560,157	1,883,727
East Providence	678,627	734,984	1,413,611	9,209,019
Exeter	84,257	49,573	133,830	946,064
Foster	59,572	16,658	76,230	942,764
Glocester	138,658	63,783	202,441	1,606,239
Hopkinton	109,220	25,486	134,706	955,383
Jamestown	78,361	66,561	144,922	686,988
Johnston	392,990	367,479	760,469	7,041,484
Lincoln	291,282	386,929	678,211	3,843,878
Little Compton	50,080	31,459	81,539	408,843
Middletown	241,606	458,586	700,192	2,554,114
Narragansett	228,044	409,340	637,384	2,397,286
Newport	369,016	1,508,947	1,877,963	5,899,058
New Shoreham	14,078	191,142	205,220	420,454
North Kingstown	366,939	373,774	740,713	3,959,489
North Providence	451,753	385,552	837,305	7,286,445
North Smithfield	147,997	173,443	321,440	2,618,452
Pawtucket	1,016,908	610,637	1,627,545	16,453,308
Portsmouth	239,027	161,268	400,295	2,240,918
Providence	2,419,935	3,740,096	6,160,031	60,554,115
Richmond	100,662	123,656	224,318	971,095
Scituate	143,899	34,556	178,455	1,785,920
Smithfield	287,310	443,428	730,738	5,475,971
South Kingstown	389,170	481,000	870,170	3,570,583
Tiverton	212,698	119,891	332,589	1,894,778
Warren	158,339	236,290	394,629	1,675,450
Warwick	1,196,015	2,170,615	3,366,630	19,517,011
Westerly	320,106	606,892	926,998	4,172,370
West Greenwich	70,876	81,072	151,948	730,146
West Warwick	412,308	377,803	790,111	5,589,054
Woonsocket	602,468	426,250	1,028,718	9,491,172
<b>Subtotal</b>	<b>\$14,611,755</b>	<b>\$17,800,720</b>	<b>\$32,412,475</b>	<b>\$227,382,214</b>
Statewide Reference Library Resource Grant (Providence)				880,110
Library Construction Reimbursement				2,491,654
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
<b>Total</b>	<b>\$14,611,755</b>	<b>\$17,800,720</b>	<b>\$32,412,475</b>	<b>\$232,629,815</b>



## Fiscal Year 2006 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2006 Total Appropriated State Aid
Barrington	259,555	51,885	-	306,140	2,519,485	3,137,065
Bristol	1,039,674	541,562	-	65,294	1,110,327	2,756,857
Burrillville	768,637	76,004	-	74,370	2,395,501	3,314,512
Central Falls	1,693,857	21,449	317,021	63,103	1,347,205	3,442,635
Charlestown	413,891	-	-	44,392	438,774	897,057
Coventry	909,356	-	-	153,472	2,517,677	3,580,505
Cranston	5,644,004	3,590,332	-	528,702	10,692,387	20,455,425
Cumberland	1,287,982	88	-	227,806	2,271,104	3,786,980
East Greenwich	215,603	7,772	-	96,606	1,202,496	1,522,477
East Providence	2,801,112	57,965	-	462,377	5,473,931	8,795,385
Exeter	123,532	-	-	8,495	846,775	978,802
Foster	274,156	259	-	32,927	709,101	1,016,443
Glocester	573,692	-	-	61,275	1,013,902	1,648,869
Hopkinton	217,544	-	-	36,259	707,122	960,925
Jamestown	160,979	9	-	66,151	372,550	599,689
Johnston	2,543,347	-	-	113,932	4,468,120	7,125,399
Lincoln	743,316	-	-	178,322	2,565,312	3,486,950
Little Compton	108,622	-	-	24,385	257,450	390,457
Middletown	1,028,122	-	-	142,579	969,834	2,140,535
Narragansett	862,695	-	-	105,684	1,088,662	2,057,041
Newport	1,959,634	632,176	-	338,300	1,714,712	4,644,822
New Shoreham	91,107	-	-	81,499	77,757	250,363
North Kingstown	1,014,310	6,631	-	231,438	2,478,693	3,731,072
North Providence	2,316,767	443,308	606,290	166,022	4,376,518	7,908,905
North Smithfield	641,962	37,392	-	60,484	1,726,578	2,466,416
Pawtucket	5,573,666	314,165	1,707,021	370,173	8,935,002	16,900,027
Portsmouth	680,619	-	-	105,447	1,356,792	2,142,858
Providence	15,536,990	19,609,384	6,056,115	1,321,747	20,834,614	63,358,850
Richmond	170,980	468	-	22,998	684,237	878,683
Scituate	440,227	-	-	85,358	1,332,368	1,857,953
Smithfield	1,807,118	415,240	-	229,928	3,089,250	5,541,536
South Kingstown	1,041,896	111,380	-	186,603	1,831,926	3,171,805
Tiverton	604,647	-	-	83,613	1,214,359	1,902,619
Warren	482,593	-	-	40,908	882,509	1,406,010
Warwick	4,911,046	758,470	-	620,165	11,852,255	18,141,936
Westerly	631,967	125,744	-	286,605	2,572,359	3,616,675
West Greenwich	187,739	-	-	20,216	476,870	684,825
West Warwick	1,484,272	-	1,026,315	189,057	2,667,910	5,367,554
Woonsocket	3,726,785	173,509	927,431	210,568	4,700,931	9,739,224
<b>Subtotal</b>	<b>64,974,003</b>	<b>26,975,194</b>	<b>\$10,640,192</b>	<b>\$7,443,400</b>	<b>\$115,773,356</b>	<b>225,806,142</b>
Statewide Reference Library Resource Grant (Providence)				924,116		924,116
Library Construction Reimbursement				2,651,643		2,651,643
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
<b>Total</b>	<b>\$64,974,003</b>	<b>\$26,975,195</b>	<b>\$10,640,192</b>	<b>\$11,019,159</b>	<b>\$117,649,193</b>	<b>\$231,257,738</b>

## Fiscal Year 2006 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2006 Total Shared Taxes State Aid	FY 2006 Total Shared & Appropriated Aid
Barrington	195,838	95,312	291,150	3,428,215
Bristol	261,626	282,931	544,557	3,301,414
Burrillville	183,927	149,728	333,655	3,648,167
Central Falls	220,395	88,214	308,609	3,751,244
Charlestown	91,509	102,848	194,357	1,091,414
Coventry	392,026	287,949	679,975	4,260,480
Cranston	922,998	1,247,979	2,170,977	22,626,402
Cumberland	370,741	293,785	664,526	4,451,506
East Greenwich	150,765	374,357	525,122	2,047,599
East Providence	566,917	697,351	1,264,268	10,059,653
Exeter	70,387	50,577	120,964	1,099,766
Foster	49,766	17,619	67,385	1,083,828
Glocester	115,833	58,500	174,333	1,823,202
Hopkinton	91,241	39,249	130,490	1,091,415
Jamestown	65,462	90,423	155,885	755,574
Johnston	328,299	418,955	747,254	7,872,653
Lincoln	243,334	449,887	693,221	4,180,171
Little Compton	41,836	29,287	71,123	461,580
Middletown	201,835	465,466	667,301	2,807,836
Narragansett	190,505	382,235	572,740	2,629,781
Newport	308,272	1,461,560	1,769,832	6,414,654
New Shoreham	11,760	209,516	221,276	471,639
North Kingstown	306,537	379,141	685,678	4,416,750
North Providence	377,390	364,116	741,506	8,650,411
North Smithfield	123,635	165,785	289,420	2,755,836
Pawtucket	849,514	609,567	1,459,081	18,359,108
Portsmouth	199,681	153,159	352,840	2,495,698
Providence	2,021,586	3,626,046	5,647,632	69,006,482
Richmond	84,092	98,706	182,798	1,061,481
Scituate	120,211	35,354	155,565	2,013,518
Smithfield	240,015	442,296	682,311	6,223,847
South Kingstown	325,109	485,652	810,761	3,982,566
Tiverton	177,686	139,341	317,027	2,219,646
Warren	132,274	220,603	352,877	1,758,887
Warwick	999,138	2,134,685	3,133,823	21,275,759
Westerly	267,413	594,258	861,671	4,478,346
West Greenwich	59,209	68,069	127,278	812,103
West Warwick	344,437	354,866	699,303	6,066,857
Woonsocket	503,295	455,234	958,529	10,697,753
<b>Subtotal</b>	<b>\$12,206,492</b>	<b>\$17,620,607</b>	<b>\$29,827,098</b>	<b>\$255,633,240</b>
Statewide Reference Library Resource Grant (Providence)				924,116
Library Construction Reimbursement				2,651,643
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
<b>Total</b>	<b>\$12,206,492</b>	<b>\$17,620,607</b>	<b>\$29,827,098</b>	<b>\$261,084,836</b>

## Fiscal Year 2006 VLT Supplement Breakout

City or Town	General Revenue Sharing	VLT Supplement	Total	Distressed Communities Aid	VLT Supplement	Total
Barrington	257,495	2,060	259,555	-	-	-
Bristol	1,031,421	8,253	1,039,674	-	-	-
Burrillville	762,535	6,102	768,637	-	-	-
Central Falls	1,693,857	-	1,693,857	226,989	90,032	317,021
Charlestown	410,605	3,286	413,891	-	-	-
Coventry	902,137	7,219	909,356	-	-	-
Cranston	5,599,200	44,804	5,644,004	-	-	-
Cumberland	1,277,757	10,225	1,287,982	-	-	-
East Greenwich	213,891	1,712	215,603	-	-	-
East Providence	2,778,876	22,236	2,801,112	-	-	-
Exeter	122,551	981	123,532	-	-	-
Foster	271,980	2,176	274,156	-	-	-
Glocester	569,138	4,554	573,692	-	-	-
Hopkinton	215,817	1,727	217,544	-	-	-
Jamestown	159,701	1,278	160,979	-	-	-
Johnston	2,523,157	20,190	2,543,347	-	-	-
Lincoln	737,415	5,901	743,316	-	-	-
Little Compton	107,760	862	108,622	-	-	-
Middletown	1,019,960	8,162	1,028,122	-	-	-
Narragansett	855,847	6,848	862,695	-	-	-
Newport	1,944,078	15,556	1,959,634	-	-	-
New Shoreham	90,384	723	91,107	-	-	-
North Kingstown	1,006,258	8,052	1,014,310	-	-	-
North Providence	2,316,767	-	2,316,767	516,258	90,032	606,290
North Smithfield	636,866	5,096	641,962	-	-	-
Pawtucket	5,573,666	-	5,573,666	1,616,989	90,032	1,707,021
Portsmouth	675,216	5,403	680,619	-	-	-
Providence	15,536,990	-	15,536,990	5,966,083	90,032	6,056,115
Richmond	169,623	1,357	170,980	-	-	-
Scituate	436,732	3,495	440,227	-	-	-
Smithfield	1,792,772	14,346	1,807,118	-	-	-
South Kingstown	1,033,625	8,271	1,041,896	-	-	-
Tiverton	599,847	4,800	604,647	-	-	-
Warren	478,762	3,831	482,593	-	-	-
Warwick	4,872,060	38,986	4,911,046	-	-	-
Westerly	626,950	5,017	631,967	-	-	-
West Greenwich	186,249	1,490	187,739	-	-	-
West Warwick	1,484,272	-	1,484,272	936,283	90,032	1,026,315
Woonsocket	3,726,785	-	3,726,785	837,399	90,032	927,431
<b>Total</b>	<b>\$64,699,003</b>	<b>\$275,000</b>	<b>\$64,974,003</b>	<b>\$10,100,002</b>	<b>\$540,190</b>	<b>\$10,640,192</b>

## Fiscal Year 2007 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2007 Total Appropriated State Aid
Barrington	243,363	53,865	-	314,971	2,963,073	3,575,271
Bristol	991,817	560,835	-	57,181	1,528,419	3,138,252
Burrillville	706,306	78,891	305,033	79,855	2,801,257	3,971,342
Central Falls	1,693,857	-	298,278	66,132	1,539,089	3,597,356
Charlestown	407,811	-	-	45,568	528,671	982,050
Coventry	1,014,646	-	-	167,177	2,973,702	4,155,525
Cranston	5,428,521	3,583,905	-	548,485	12,438,045	21,998,956
Cumberland	1,560,119	139	-	240,606	2,501,966	4,302,831
East Greenwich	176,808	7,940	-	102,399	1,372,315	1,659,462
East Providence	2,681,452	61,629	-	499,380	6,540,646	9,783,107
Exeter	90,542	-	-	28,066	1,000,288	1,118,896
Foster	310,304	270	-	29,271	841,121	1,180,966
Glocester	567,421	-	-	64,709	1,200,899	1,833,028
Hopkinton	225,882	-	-	31,238	830,371	1,087,491
Jamestown	146,604	-	-	70,379	433,765	650,749
Johnston	2,554,218	-	-	121,452	5,181,863	7,857,533
Lincoln	959,290	-	-	172,879	2,965,033	4,097,202
Little Compton	105,828	-	-	25,425	296,598	427,851
Middletown	979,346	-	-	149,936	1,117,039	2,246,321
Narragansett	882,212	-	-	111,496	1,258,557	2,252,265
Newport	1,846,695	658,326	-	346,433	1,875,054	4,726,508
New Shoreham	91,497	-	-	88,246	86,694	266,437
North Kingstown	890,042	6,836	-	234,608	2,891,033	4,022,518
North Providence	2,404,365	533,146	1,070,479	174,550	5,051,642	9,234,182
North Smithfield	656,282	38,817	-	60,768	2,014,607	2,770,474
Pawtucket	5,476,767	330,377	1,527,880	395,734	10,214,303	17,945,060
Portsmouth	654,697	-	-	109,462	1,573,181	2,337,339
Providence	15,536,990	20,124,158	5,398,068	1,285,939	23,360,791	65,705,946
Richmond	148,322	627	-	22,769	816,384	988,102
Scituate	452,695	-	-	93,610	1,572,931	2,119,235
Smithfield	1,867,355	437,602	-	240,145	3,576,955	6,122,057
South Kingstown	1,015,804	121,138	-	194,843	2,165,338	3,497,122
Tiverton	646,245	-	-	87,145	1,417,030	2,150,420
Warren	502,159	-	-	46,087	1,138,943	1,687,189
Warwick	4,872,914	862,977	-	666,767	14,083,144	20,485,802
Westerly	757,697	132,288	-	287,135	3,006,991	4,184,111
West Greenwich	223,293	-	-	21,394	567,247	811,934
West Warwick	1,473,614	-	945,155	196,189	3,170,604	5,785,562
Woonsocket	3,868,095	173,199	839,562	219,987	5,458,017	10,558,859
<b>Subtotal</b>	<b>\$65,111,876</b>	<b>\$27,766,967</b>	<b>10,384,458</b>	<b>\$7,698,411</b>	<b>134,353,606</b>	<b>\$245,315,315</b>
Statewide Reference Library Resource Grant (Providence)				970,322		970,322
Library Construction Reimbursement				2,849,447		2,849,447
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
Overpayment in FY 2006 <sup>(1)</sup>			(230,272)			
<b>Total</b>	<b>\$65,111,876</b>	<b>\$27,766,967</b>	<b>\$10,154,186</b>	<b>\$11,518,180</b>	<b>\$136,229,443</b>	<b>\$251,010,921</b>

<sup>(1)</sup> The August 2006 payment from the Distressed Communities Relief Fund, which is supposed to be based on Real Estate Conveyance Tax revenues for the period of January to June, was instead based upon the enacted appropriation and resulted in an overpayment to communities of \$230,272.

## Fiscal Year 2007 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2007 Total Shared Taxes State Aid	FY 2007 Total Shared & Appropriated Aid
Barrington	165,956	105,637	271,593	3,846,863
Bristol	221,816	274,633	496,449	3,634,701
Burrillville	156,192	156,989	313,181	4,284,523
Central Falls	186,716	113,474	300,190	3,897,547
Charlestown	77,318	111,379	188,697	1,170,747
Coventry	332,049	315,339	647,388	4,802,913
Cranston	782,494	1,284,439	2,066,933	24,065,889
Cumberland	313,933	326,472	640,405	4,943,236
East Greenwich	127,677	377,465	505,142	2,164,604
East Providence	481,518	789,309	1,270,827	11,053,934
Exeter	59,589	48,806	108,395	1,227,291
Foster	42,243	19,349	61,592	1,242,559
Glocester	98,122	60,781	158,903	1,991,931
Hopkinton	77,193	27,158	104,351	1,191,843
Jamestown	55,400	91,209	146,609	797,357
Johnston	278,198	401,472	679,670	8,537,203
Lincoln	205,799	416,001	621,800	4,719,002
Little Compton	35,441	29,518	64,959	492,811
Middletown	171,805	495,171	666,976	2,913,298
Narragansett	161,330	396,317	557,647	2,809,912
Newport	262,039	1,483,439	1,745,478	6,471,986
New Shoreham	9,937	173,696	183,633	450,071
North Kingstown	259,512	367,946	627,458	4,649,976
North Providence	320,185	409,055	729,240	9,963,422
North Smithfield	104,890	178,408	283,298	3,053,772
Pawtucket	720,845	644,647	1,365,492	19,310,552
Portsmouth	169,383	166,318	335,701	2,673,040
Providence	1,712,408	3,909,455	5,621,863	71,327,810
Richmond	70,903	123,387	194,290	1,182,392
Scituate	101,885	37,065	138,950	2,258,185
Smithfield	203,327	473,137	676,464	6,798,522
South Kingstown	275,088	478,915	754,003	4,251,125
Tiverton	150,556	111,686	262,242	2,412,662
Warren	112,258	248,157	360,415	2,047,604
Warwick	847,803	2,334,495	3,182,298	23,668,101
Westerly	226,600	613,081	839,681	5,023,792
West Greenwich	49,855	81,587	131,442	943,376
West Warwick	292,223	398,058	690,281	6,475,843
Woonsocket	427,271	495,342	922,613	11,481,472
<b>Subtotal</b>	<b>\$10,347,757</b>	<b>\$18,568,791</b>	<b>\$28,916,551</b>	<b>\$274,231,866</b>
Statewide Reference Library Resource Grant (Providence)				970,322
Library Construction Reimbursement				2,849,447
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
<b>Total</b>				<b>\$279,927,472</b>

## Fiscal Year 2007 VLT Supplement Breakout

City or Town	General Revenue Sharing	VLT Supplement	Total	Distressed Communities Aid	VLT Supplement	Total
Barrington	240,404	2,959	243,363	-	-	-
Bristol	979,756	12,061	991,817	-	-	-
Burrillville	706,306	-	706,306	192,968	112,065	305,033
Central Falls	1,693,857	-	1,693,857	186,213	112,065	298,278
Charlestown	402,852	4,959	407,811	-	-	-
Coventry	1,002,307	12,339	1,014,646	-	-	-
Cranston	5,362,507	66,014	5,428,521	-	-	-
Cumberland	1,541,147	18,972	1,560,119	-	-	-
East Greenwich	174,658	2,150	176,808	-	-	-
East Providence	2,648,844	32,608	2,681,452	-	-	-
Exeter	89,441	1,101	90,542	-	-	-
Foster	306,531	3,773	310,304	-	-	-
Glocester	560,521	6,900	567,421	-	-	-
Hopkinton	223,135	2,747	225,882	-	-	-
Jamestown	144,821	1,783	146,604	-	-	-
Johnston	2,523,157	31,061	2,554,218	-	-	-
Lincoln	947,625	11,665	959,290	-	-	-
Little Compton	104,541	1,287	105,828	-	-	-
Middletown	967,437	11,909	979,346	-	-	-
Narragansett	871,484	10,728	882,212	-	-	-
Newport	1,824,238	22,457	1,846,695	-	-	-
New Shoreham	90,384	1,113	91,497	-	-	-
North Kingstown	879,219	10,823	890,042	-	-	-
North Providence	2,404,365	-	2,404,365	958,414	112,065	1,070,479
North Smithfield	648,301	7,981	656,282	-	-	-
Pawtucket	5,476,767	-	5,476,767	1,415,815	112,065	1,527,880
Portsmouth	646,736	7,961	654,697	-	-	-
Providence	15,536,990	-	15,536,990	5,286,003	112,065	5,398,068
Richmond	146,518	1,804	148,322	-	-	-
Scituate	447,190	5,505	452,695	-	-	-
Smithfield	1,844,647	22,708	1,867,355	-	-	-
South Kingstown	1,003,451	12,353	1,015,804	-	-	-
Tiverton	638,386	7,859	646,245	-	-	-
Warren	496,052	6,107	502,159	-	-	-
Warwick	4,813,657	59,257	4,872,914	-	-	-
Westerly	748,483	9,214	757,697	-	-	-
West Greenwich	220,578	2,715	223,293	-	-	-
West Warwick	1,473,614	-	1,473,614	833,090	112,065	945,155
Woonsocket	3,868,095	-	3,868,095	727,497	112,065	839,562
<b>Total</b>	<b>\$64,699,004</b>	<b>\$412,872</b>	<b>\$65,111,876</b>	<b>9,600,000</b>	<b>784,455</b>	<b>10,384,455</b>

## Fiscal Year 2008 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2008 Total Appropriated State Aid
Barrington	243,363	53,865	-	314,971	3,057,891	3,670,089
Bristol	991,817	560,835	-	57,181	1,577,328	3,187,161
Burrillville	706,306	78,891	305,033	79,855	2,890,897	4,060,982
Central Falls	1,693,857	-	298,278	66,132	1,588,340	3,646,607
Charlestown	407,811	-	-	45,568	545,588	998,968
Coventry	1,014,646	-	-	167,177	3,068,860	4,250,684
Cranston	5,428,521	3,583,905	-	548,485	12,836,062	22,396,974
Cumberland	1,560,119	139	-	240,606	2,582,029	4,382,894
East Greenwich	176,808	7,940	-	102,399	1,416,229	1,703,376
East Providence	2,681,452	61,629	-	499,380	6,749,947	9,992,407
Exeter	90,542	-	-	28,066	1,032,297	1,150,905
Foster	310,304	270	-	29,271	868,037	1,207,882
Glocester	567,421	-	-	64,709	1,239,328	1,871,457
Hopkinton	225,882	-	-	31,238	856,943	1,114,063
Jamestown	146,604	-	-	70,379	447,645	664,629
Johnston	2,554,218	-	-	121,452	5,347,683	8,023,352
Lincoln	959,290	-	-	172,879	3,059,914	4,192,083
Little Compton	105,828	-	-	25,425	306,089	437,342
Middletown	979,346	-	-	149,936	1,152,784	2,282,067
Narragansett	882,212	-	-	111,496	1,298,831	2,292,538
Newport	1,846,695	658,326	-	346,433	1,964,711	4,816,165
New Shoreham	91,497	-	-	88,246	89,468	269,212
North Kingstown	890,042	6,836	-	234,608	2,983,546	4,115,031
North Providence	2,404,365	533,146	1,070,479	174,550	5,213,295	9,395,835
North Smithfield	656,282	38,817	-	60,768	2,094,692	2,850,559
Pawtucket	5,476,767	330,377	1,527,880	395,734	10,541,161	18,271,918
Portsmouth	654,697	-	-	109,462	1,623,523	2,387,681
Providence	15,536,990	20,124,158	5,398,068	1,285,939	24,108,336	66,453,492
Richmond	148,322	627	-	22,769	842,508	1,014,226
Scituate	452,695	-	-	93,610	1,623,265	2,169,569
Smithfield	1,867,355	437,602	-	240,145	3,691,418	6,236,520
South Kingstown	1,015,804	121,138	-	194,843	2,234,629	3,566,413
Tiverton	646,245	-	-	87,145	1,462,375	2,195,765
Warren	502,159	-	-	46,087	1,175,389	1,723,636
Warwick	4,872,914	862,977	-	666,767	14,533,805	20,936,463
Westerly	757,697	132,288	-	287,135	3,103,215	4,280,335
West Greenwich	223,293	-	-	21,394	585,399	830,086
West Warwick	1,473,614	-	945,155	196,189	3,272,063	5,887,022
Woonsocket	3,868,095	173,199	839,562	219,987	5,632,674	10,733,515
<b>Subtotal</b>	<b>\$65,111,876</b>	<b>\$27,766,967</b>	<b>10,384,455</b>	<b>\$7,698,411</b>	<b>138,698,194</b>	<b>\$249,659,903</b>
Statewide Reference Library Resource Grant (Providence)				1,074,987		1,074,987
Library Construction Reimbursement				2,813,141		2,813,141
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
<b>Total</b>	<b>\$65,111,876</b>	<b>\$27,766,967</b>	<b>\$10,384,455</b>	<b>\$11,586,539</b>	<b>\$140,574,031</b>	<b>\$255,423,868</b>

## Fiscal Year 2008 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2008 Total Shared Taxes State Aid	FY 2008 Total Shared & Appropriated Aid
Barrington	165,956	108,806	274,762	3,944,851
Bristol	221,816	282,872	504,688	3,691,849
Burrillville	156,192	161,699	317,891	4,378,873
Central Falls	186,716	116,878	303,595	3,950,202
Charlestown	77,318	114,720	192,038	1,191,006
Coventry	332,049	324,799	656,848	4,907,532
Cranston	782,494	1,322,972	2,105,466	24,502,440
Cumberland	313,933	336,266	650,199	5,033,093
East Greenwich	127,677	388,789	516,466	2,219,842
East Providence	481,518	812,988	1,294,506	11,286,914
Exeter	59,589	50,270	109,859	1,260,764
Foster	42,243	19,929	62,173	1,270,055
Glocester	98,122	62,604	160,727	2,032,183
Hopkinton	77,193	27,973	105,166	1,219,229
Jamestown	55,400	93,945	149,345	813,974
Johnston	278,198	413,516	691,714	8,715,066
Lincoln	205,799	428,481	634,280	4,826,363
Little Compton	35,441	30,404	65,845	503,187
Middletown	171,805	510,026	681,832	2,963,898
Narragansett	161,330	408,207	569,537	2,862,075
Newport	262,039	1,527,942	1,789,981	6,606,146
New Shoreham	9,937	178,907	188,844	458,056
North Kingstown	259,512	378,984	638,496	4,753,527
North Providence	320,185	421,327	741,511	10,137,346
North Smithfield	104,890	183,760	288,650	3,139,209
Pawtucket	720,845	663,986	1,384,831	19,656,749
Portsmouth	169,383	171,308	340,691	2,728,372
Providence	1,712,408	4,026,739	5,739,147	72,192,639
Richmond	70,903	127,089	197,992	1,212,218
Scituate	101,885	38,177	140,062	2,309,631
Smithfield	203,327	487,331	690,659	6,927,178
South Kingstown	275,088	493,282	768,370	4,334,784
Tiverton	150,556	115,037	265,593	2,461,357
Warren	112,258	255,602	367,860	2,091,495
Warwick	847,803	2,404,530	3,252,333	24,188,796
Westerly	226,600	631,473	858,074	5,138,408
West Greenwich	49,855	84,035	133,890	963,976
West Warwick	292,223	410,000	702,222	6,589,244
Woonsocket	427,271	510,202	937,473	11,670,989
<b>Subtotal</b>	<b>\$10,347,757</b>	<b>\$19,125,855</b>	<b>\$29,473,615</b>	<b>\$279,133,518</b>
Statewide Reference Library Resource Grant (Providence)				1,074,987
Library Construction Reimbursement				2,813,141
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
<b>Total</b>				<b>\$284,897,483</b>



## Fiscal Year 2008 VLT Supplement Breakout

City or Town	General Revenue Sharing	VLT Supplement	Total	Distressed Communities Aid	VLT Supplement	Total
Barrington	240,404	2,959	243,363	-	-	-
Bristol	979,756	12,061	991,817	-	-	-
Burrillville	706,306	-	706,306	192,968	112,065	305,033
Central Falls	1,693,857	-	1,693,857	186,213	112,065	298,278
Charlestown	402,852	4,959	407,811	-	-	-
Coventry	1,002,307	12,339	1,014,646	-	-	-
Cranston	5,362,507	66,014	5,428,521	-	-	-
Cumberland	1,541,147	18,972	1,560,119	-	-	-
East Greenwich	174,658	2,150	176,808	-	-	-
East Providence	2,648,844	32,608	2,681,452	-	-	-
Exeter	89,441	1,101	90,542	-	-	-
Foster	306,531	3,773	310,304	-	-	-
Glocester	560,521	6,900	567,421	-	-	-
Hopkinton	223,135	2,747	225,882	-	-	-
Jamestown	144,821	1,783	146,604	-	-	-
Johnston	2,523,157	31,061	2,554,218	-	-	-
Lincoln	947,625	11,665	959,290	-	-	-
Little Compton	104,541	1,287	105,828	-	-	-
Middletown	967,437	11,909	979,346	-	-	-
Narragansett	871,484	10,728	882,212	-	-	-
Newport	1,824,238	22,457	1,846,695	-	-	-
New Shoreham	90,384	1,113	91,497	-	-	-
North Kingstown	879,219	10,823	890,042	-	-	-
North Providence	2,404,365	-	2,404,365	958,414	112,065	1,070,479
North Smithfield	648,301	7,981	656,282	-	-	-
Pawtucket	5,476,767	-	5,476,767	1,415,815	112,065	1,527,880
Portsmouth	646,736	7,961	654,697	-	-	-
Providence	15,536,990	-	15,536,990	5,286,003	112,065	5,398,068
Richmond	146,518	1,804	148,322	-	-	-
Scituate	447,190	5,505	452,695	-	-	-
Smithfield	1,844,647	22,708	1,867,355	-	-	-
South Kingstown	1,003,451	12,353	1,015,804	-	-	-
Tiverton	638,386	7,859	646,245	-	-	-
Warren	496,052	6,107	502,159	-	-	-
Warwick	4,813,657	59,257	4,872,914	-	-	-
Westerly	748,483	9,214	757,697	-	-	-
West Greenwich	220,578	2,715	223,293	-	-	-
West Warwick	1,473,614	-	1,473,614	833,090	112,065	945,155
Woonsocket	3,868,095	-	3,868,095	727,497	112,065	839,562
<b>Total</b>	<b>\$64,699,004</b>	<b>\$412,872</b>	<b>\$65,111,876</b>	<b>9,600,000</b>	<b>784,455</b>	<b>10,384,455</b>

## Changes in Formula Aid - FY 2008 vs. FY 2007

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement	Total Appropriated Difference
Barrington	-	-	-	-	94,818	94,818
Bristol	-	-	-	-	48,909	48,909
Burrillville	-	-	-	-	89,640	89,640
Central Falls	-	-	-	-	49,251	49,251
Charlestown	-	-	-	-	16,917	16,917
Coventry	-	-	-	-	95,158	95,158
Cranston	-	-	-	-	398,017	398,017
Cumberland	-	-	-	-	80,063	80,063
East Greenwich	-	-	-	-	43,914	43,914
East Providence	-	-	-	-	209,301	209,301
Exeter	-	-	-	-	32,009	32,009
Foster	-	-	-	-	26,916	26,916
Glocester	-	-	-	-	38,429	38,429
Hopkinton	-	-	-	-	26,572	26,572
Jamestown	-	-	-	-	13,880	13,880
Johnston	-	-	-	-	165,820	165,820
Lincoln	-	-	-	-	94,881	94,881
Little Compton	-	-	-	-	9,491	9,491
Middletown	-	-	-	-	35,745	35,745
Narragansett	-	-	-	-	40,274	40,274
Newport	-	-	-	-	89,657	89,657
New Shoreham	-	-	-	-	2,774	2,774
North Kingstown	-	-	-	-	92,513	92,513
North Providence	-	-	-	-	161,653	161,653
North Smithfield	-	-	-	-	80,085	80,085
Pawtucket	-	-	-	-	326,858	326,858
Portsmouth	-	-	-	-	50,342	50,342
Providence	-	-	-	-	747,545	747,545
Richmond	-	-	-	-	26,124	26,124
Scituate	-	-	-	-	50,334	50,334
Smithfield	-	-	-	-	114,463	114,463
South Kingstown	-	-	-	-	69,291	69,291
Tiverton	-	-	-	-	45,345	45,345
Warren	-	-	-	-	36,446	36,446
Warwick	-	-	-	-	450,661	450,661
Westerly	-	-	-	-	96,224	96,224
West Greenwich	-	-	-	-	18,152	18,152
West Warwick	-	-	-	-	101,459	101,459
Woonsocket	-	-	-	-	174,657	174,657
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,344,585</b>	<b>\$4,344,589</b>
Statewide Reference Library Resource Grant (Providence)				104,665	-	104,665
Library Construction Reimbursement				(36,306)	-	(36,306)
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-	-	-
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,359</b>	<b>\$4,344,585</b>	<b>\$4,412,948</b>

## Changes in Pass Through and All Aid - FY 2008 vs. FY 2007

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	Total Pass Through State Aid Difference	Total All State Aid Difference
Barrington	-	3,169	3,169	97,987
Bristol	-	8,239	8,239	57,148
Burrillville	-	4,710	4,710	94,350
Central Falls	-	3,404	3,404	52,655
Charlestown	-	3,341	3,341	20,259
Coventry	-	9,460	9,460	104,619
Cranston	-	38,533	38,533	436,551
Cumberland	-	9,794	9,794	89,857
East Greenwich	-	11,324	11,324	55,238
East Providence	-	23,679	23,679	232,980
Exeter	-	1,464	1,464	33,473
Foster	-	580	580	27,496
Glocester	-	1,823	1,823	40,252
Hopkinton	-	815	815	27,387
Jamestown	-	2,736	2,736	16,617
Johnston	-	12,044	12,044	177,864
Lincoln	-	12,480	12,480	107,361
Little Compton	-	886	886	10,377
Middletown	-	14,855	14,855	50,600
Narragansett	-	11,890	11,890	52,163
Newport	-	44,503	44,503	134,160
New Shoreham	-	5,211	5,211	7,985
North Kingstown	-	11,038	11,038	103,551
North Providence	-	12,272	12,272	173,924
North Smithfield	-	5,352	5,352	85,437
Pawtucket	-	19,339	19,339	346,197
Portsmouth	-	4,990	4,990	55,331
Providence	-	117,284	117,284	864,829
Richmond	-	3,702	3,702	29,826
Scituate	-	1,112	1,112	51,446
Smithfield	-	14,194	14,194	128,657
South Kingstown	-	14,367	14,367	83,658
Tiverton	-	3,351	3,351	48,696
Warren	-	7,445	7,445	43,891
Warwick	-	70,035	70,035	520,695
Westerly	-	18,392	18,392	114,616
West Greenwich	-	2,448	2,448	20,600
West Warwick	-	11,942	11,942	113,401
Woonsocket	-	14,860	14,860	189,517
<b>Subtotal</b>	-	<b>\$557,062</b>	<b>\$557,064</b>	<b>\$4,901,652</b>
Statewide Reference Library Resource Grant (Providence)				104,665
Library Construction Reimbursement				(36,306)
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-
<b>Total</b>		<b>\$557,062</b>	<b>\$557,064</b>	<b>\$4,970,011</b>

## **Education Aid to Local Governments**

Education Aid to Local Governments totals \$910.5 million in FY 2008, a \$46.4 million increase in total state funding relative to the FY 2007 revised budget, and a 5.4 percent increase in the state's commitment to financing public education within Rhode Island. Total Education Aid is defined to include local public schools, the School for the Deaf, Davies Career and Technical School, the Charter Schools, the Central Falls School District and the Metropolitan Career and Technical School, as well as support for teacher retirement and school housing aid. The following sections summarize changes to the various aid categories that comprise total FY 2008 Education Aid.

### **Distributed Aid- A Uniform 3 Percent Increase with Continued Support for Central Falls**

In FY 2008, the Governor reaffirms his commitment to Local Education Agencies (LEAs) by proposing a uniform general aid increase of three percent from enacted aid allocations for each community. This totals \$19.4 million in additional aid for Rhode Island's locally and regionally operated school districts. Further, to resolve a structural operating deficit while leveraging municipal fiscal participation, state support of the Central Falls school district increases by 6.9 percent, or \$3.0 million, relative to the revised FY 2007 level. Combining these two increases yields total FY 2008 distributed aid appropriations of \$712.2 million, a \$22.3 million increase from the revised FY 2007 level.

### **State Schools**

The State Schools- Davies Career and Technical School, Metropolitan Career and Technical School, and the Rhode Island School for the Deaf are collectively financed at \$32.9 million in general revenue, which constitutes a \$2.4 million increase from the revised FY 2007 Budget. This reflects financing of current services at each school, and continued support of the expansion of the Metropolitan School to an East Bay campus on Aquidneck Island. This campus has commenced operations during the current (2006-2007) school year with an enrollment of 31 students.

### **Non-Distributed Aid**

Expansions for non-distributed categories of state education aid are also recommended for FY 2008. Notable among these is the advent of the Comprehensive Education Fund, with \$2.0 million in financing that is specifically earmarked for the support of innovations arising from a new Comprehensive Education Strategy panel under the joint direction of the Governor, the Speaker of the House and the Senate President. The Progressive Support and Intervention (PS&I) Fund, which finances corrective intervention activities in the State's underperforming districts, is maintained at \$2.9 million.

In addition to PS&I and the Comprehensive Education Fund, professional development funds utilized at the RIDE administrative level are increased by \$200,000 as a result of the Governor's *Advanced Placement Initiative*, a program that provides training workshops specifically designed for teachers of advanced placement courses in the sciences and mathematics. Direct Charter School Aid, which finances operations at the state's eleven charter schools, rises 10.9 percent above the revised FY 2007 level to \$27.0 million.

For both FY 2007 and FY 2008, the Governor recommends the elimination of the salary supplement for speech pathologists. Enacted by the 2006 general assembly, this measure provides an annual stipend of \$1,750 for all public school-based speech pathologists holding a Certificate of Clinical Competence. The Governor believes that salary schedules for school personnel should be set at the local level.

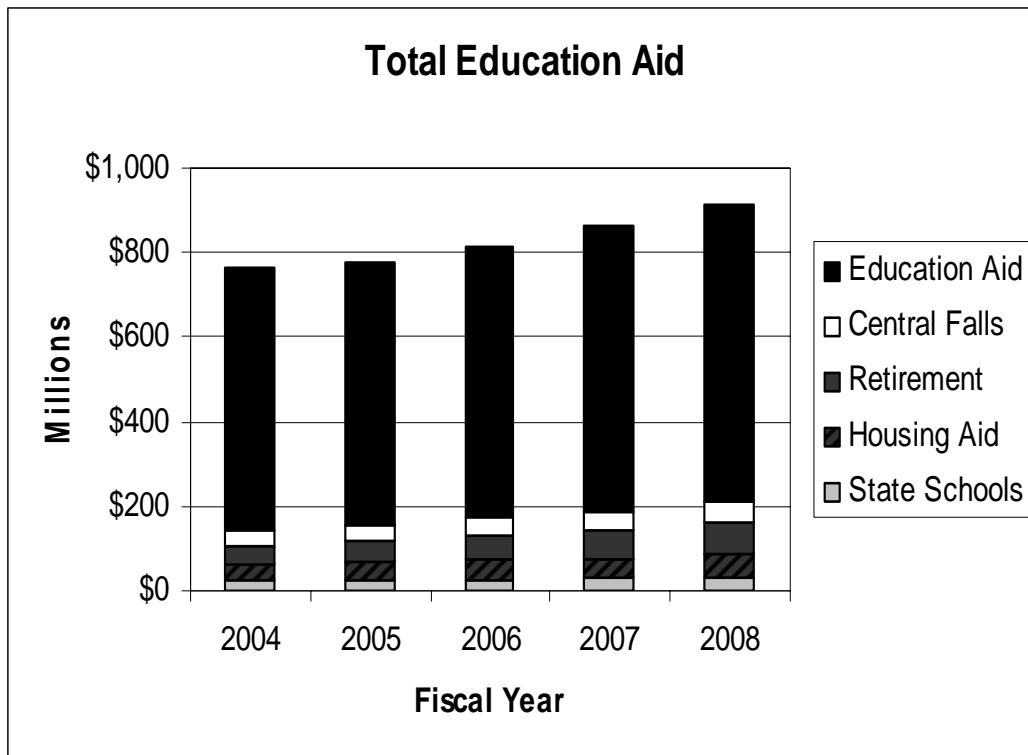
**Other Aid**

The FY 2008 budget also includes increases in other aid of \$16.9 million; \$6.0 million in school housing aid reimbursements and \$10.8 million in state contributions for teachers' retirement.

**FY 2008 Education Aid Increases (Decreases) From the Revised FY 2007 Budget**

- General Aid: \$19,379,107
- Group Home Funding: \$(75,000)
- Central Falls School District: \$3,012,635
- Professional Development: \$200,000
- Direct Charter School Aid: \$2,645,103
- Progressive Support and Intervention: \$19,332
- Comprehensive Education Fund: \$2,000,000
- Metropolitan Career and Technical School: \$1,080,778
- School for the Deaf: \$366,591
- Davies Career and Technical School: \$950,386
- Teachers' Retirement: \$10,811,800
- School Housing Aid: \$6,046,528

The following graph displays total school aid from FY 2004 to FY 2008. The "Education Aid" component is comprised of all aid categories under the standard Education Aid program. This includes, but is not limited to, General Aid, Targeted Aid, Charter School Aid, Progressive Support and Intervention, and the Student Investment Initiatives. 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).



### *Housing Aid*

The School Housing Aid Program reimburses a community for eligible construction expenditures beginning in the fiscal year after the project is completed. The reimbursement rate is based on the cost of the project over the life of the bonds issued for the project. The Commissioner and the Board of Regents review each local community's request for reimbursement through the program. Pursuant to recent legislation, the Department of Education and the Board of Regents are currently engaged in the promulgation of new regulations governing both this process as well as the oversight of all projects eligible for School Construction Aid. In support of this initiative, the Governor recommends the addition of three FTE to the Department of Elementary and Secondary Education in FY 2008.

It should be noted that although the reimbursement reference for completed projects is one year, there is a two-year reference for formula factors. For example, FY 2006 allocations were based on 2004 wealth and enrollment levels. The housing aid share ratio calculation is based on a district's income adjusted per-pupil property wealth compared to aggregate state per-pupil property wealth. The average state housing aid share ratio is thirty-eight percent, adjusted to ensure a minimum of thirty percent in each community. A four percent bonus is awarded when a minimum of seventy-five percent of a project's cost is for energy conservation, asbestos removal, or handicapped access. Regional districts receive a two percent bonus for each regionalized grade for new construction projects, and an additional four percent bonus for renovation projects. The current calculation also includes a debt service adjustment for heavily burdened districts.

Reimbursement is based on total expended project cost, plus related bond interest cost, not on the amount of the original bond issuance. For example, if a community issued \$6.5 million for ten years for a capital improvement to a school, but only spent \$6.0 million, the department would reimburse the community for the State's appropriate share of the \$6.0 million spent on the completed project, plus the bond interest payments over a ten year period. This statute was amended to include the use of lease revenue bonds, financial leases, capital reserve funding, and similar financial instruments to finance school construction. Communities used this amendment to receive project reimbursements commencing in FY 1999. The FY 2004 Appropriation Act amended the housing aid statute to require that all future school construction debt be issued through the Rhode Island Health and Education Building Corporation.

The revised FY 2007 and FY 2008 budgets propose general revenue expenditures of \$46.8 million and \$52.9 million, respectively, for the School Housing Aid program.

### *Teachers' Retirement*

RIGL §16-16-22 requires the State to make contributions to the teacher retirement system in Rhode Island. 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 forty percent, with the municipalities contributing sixty percent. Each district receives the same percentage, regardless of wealth.

The Governor and the General Assembly deferred the State's contributions to Teachers' Retirement in both FY 1991 and FY 1992. Most municipalities also deferred the local portion of teacher retirement contributions for this period. The state deferrals, valued at \$22.4 million in FY 1991 and \$22.2 million in FY 1992, will be financed over twenty years, as will the local deferral. The annual calculation applied to the state contribution to Teachers' Retirement includes an adjustment to accommodate the deferral liability.

Furthermore, the municipalities of Burrillville, East Greenwich, Little Compton, New Shoreham and North Smithfield did not participate in the 1990 early retirement window for teachers and therefore contribute a slightly smaller percentage of teachers' salaries.

**Contribution Rates for Teachers' Retirement Fund**

	<b>Actuarial Contribution Rate of Payroll</b>	<b>Employer Share</b>			<b>Teacher Share</b>
		<b>Local (60%)*</b>	<b>State (40%)*</b>	<b>Sub Total</b>	
1999	21.02%	6.62%	4.90%	11.52%	9.5%
2000	24.14%	8.43%	6.21%	14.64%	9.5%
2001	21.51%	6.86%	5.15%	12.01%	9.5%
2002	19.45%	5.73%	4.22%	9.95%	9.5%
2003	21.47%	6.93%	5.04%	11.97%	9.5%
2004	23.22%	7.99%	5.73%	13.72%	9.5%
2005	24.34%	8.72%	6.12%	14.84%	9.5%
2006	25.97%	9.72%	6.75%	16.47%	9.5%
2007	29.14%	11.62%	8.02%	19.64%	9.5%
2008	31.51%	13.04%	8.97%	22.01%	9.5%

\* Adjusted for deferral liability

The following table displays the state contributions to Teacher Retirement since FY 1999. The State Retirement Board uses the districts' retirement contribution data to calculate the state obligation each month, and contributions are accrued to the appropriate fiscal period.

**State Contributions for Teacher Retirement**

<b><u>Fiscal Year</u></b>	<b><u>State Share</u></b>
1999 Actual	\$30,202,943
2000 Actual	\$40,719,407
2001 Actual	\$35,365,234
2002 Actual	\$30,652,207
2003 Actual	\$38,242,690
2004 Actual	\$45,039,269
2005 Actual	\$48,503,125
2006 Unaudited	\$56,113,048
2007 Revised	\$67,259,910
2008 Recommended	\$78,071,710

The FY 2007 revised recommendation reflects full state appropriations for the actuarial determined contribution rate as certified by the actuary and approved by the Retirement Board but reflects a downward revision from enacted appropriations to reflect an adjusted payroll base.

The FY 2008 state contribution recommendation also reflects full state appropriations for the actuarial determined contribution rate as certified by the actuary and approved by the Retirement Board.

**Explanation of Tables- by Category and LEA**

The following two tables display education aid first by category, and then by apportionment among the state's local and regional education agencies (LEAs). "Distributed LEA Aid" consists of the various categories of aid that are directly distributed to school districts on a regular (usually monthly) basis, such as General Aid, Targeted Aid, and funds for Student Equity. For completeness, financing of the Central Falls School District (plus an allocation for indirect Charter School Aid on the LEA table only) is also displayed in this section. "State Schools" include the Metropolitan School, Davies, and School for the Deaf. "Non-Distributed Aid" includes several categories of aid that are either utilized at the departmental level or are not distributed regularly to school districts. "Other Aid" consists of allocations for School Housing Aid and state contributions to the Teachers' Retirement Fund. For the purposes of these tables, direct aid to charter schools is categorized as non-distributed.



## Education Aid by Category of Aid

Category of Education Aid	FY 2004 Actual	FY 2005 Actual	FY 2006 Unaudited	FY 2007 Revised	FY 2008 Recommend
<b>Distributed LEA Aid</b>					
General Aid	\$457,980,414	\$458,608,114	\$458,868,334	\$488,592,372	\$507,971,470
Student Technology	3,397,689	3,397,693	3,397,691	3,397,692	3,397,692
Student Equity *	63,799,997	63,800,000	73,800,000	73,800,000	73,800,000
Early Childhood *	6,800,002	6,800,000	6,799,996	6,800,000	6,800,000
Student Language Assistance	31,715,460	31,715,462	31,715,459	31,715,459	31,715,459
Professional Development	3,325,501	3,325,503	5,825,501	5,825,502	5,825,502
Targeted Aid	20,000,000	20,000,000	20,000,001	20,000,000	20,000,000
Charter School-Indirect Aid	695,888	985,837	1,297,666	1,242,006	1,242,006
Full Day Kindergarten	4,428,500	4,660,000	4,163,000	4,163,000	4,163,000
Vocational Equity	1,535,000	1,535,000	1,512,500	1,512,500	1,512,500
Group Home Funding	8,310,000	8,910,000	9,838,264	9,075,000	9,000,000
Central Falls School District	35,635,332	37,804,405	41,240,905	43,795,411	46,808,046
Subtotal	\$637,623,783	\$641,542,014	\$658,459,317	\$689,918,942	\$712,235,675
<b>Non-Distributed Aid</b>					
On-Site Visits	\$408,842	\$403,486	\$406,641	\$407,935	\$407,935
Textbook Expansion	332,980	604,226	499,906	240,000	240,000
Hasbro Children's Hospital	100,000	100,000	100,000	100,000	100,000
School Breakfast	647,872	642,860	600,000	600,000	600,000
Professional Development	120,573	102,137	113,135	670,000	870,000
Charter School-Direct Aid	12,645,076	17,040,204	21,956,238	24,339,885	26,984,988
Progressive Support & Intervention	1,101,309	2,106,961	2,923,308	2,917,565	2,936,897
Comprehensive Education Fund	-	-	-	-	2,000,000
Telecommunications Access	-	602,965	176,965	277,965	277,965
Subtotal	\$15,356,652	\$21,602,839	\$26,776,193	\$29,553,350	\$34,417,785
<b>State Schools</b>					
Metropolitan School	\$6,051,609	\$7,261,968	\$8,814,528	\$10,406,956	\$11,487,734
School for the Deaf	5,750,000	5,747,462	6,064,415	6,441,201	6,807,792
Davies School	11,043,748	11,951,361	12,985,225	13,621,186	14,571,572
Subtotal	\$22,845,357	\$24,960,791	\$27,864,168	\$30,469,343	\$32,867,098
<b>Other Aid</b>					
Teachers' Retirement	\$45,039,269	\$48,503,125	\$56,113,048	\$67,259,910	\$78,071,710
School Housing Aid	40,740,607	42,179,853	46,623,676	46,814,982	52,861,510
Subtotal	\$85,779,876	\$90,682,978	\$102,736,724	\$114,074,892	\$130,933,220
<b>Total Aid</b>	<b>\$761,605,668</b>	<b>\$778,788,622</b>	<b>\$815,836,402</b>	<b>\$864,016,527</b>	<b>\$910,453,778</b>

\* The Student Equity Fund and the Early Childhood Fund both have required set asides for Literacy of three percent.

## Education Aid to Local Units of Government

	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Unaudited</b>	<b>FY 2007 Revised</b>	<b>FY 2008 Recommend</b>
<b>Distributed LEA Aid</b>					
Barrington	\$2,393,375	\$2,398,581	\$2,479,907	\$2,599,526	\$2,677,512
Burrillville	13,076,186	13,076,186	13,150,857	13,779,743	14,193,135
Charlestown	1,852,720	1,852,720	1,910,676	2,002,838	2,062,923
Coventry	18,881,202	18,881,202	19,151,316	20,075,081	20,677,333
Cranston	32,907,994	33,029,208	33,943,639	35,580,911	36,648,338
Cumberland	12,594,809	12,594,809	12,654,786	13,257,009	13,654,719
East Greenwich	1,796,345	1,810,042	1,860,042	1,949,761	2,008,254
East Providence	25,009,458	25,064,677	25,530,776	26,762,254	27,565,122
Foster	1,311,926	1,311,926	1,351,283	1,416,463	1,458,957
Glocester	2,995,087	2,995,087	3,065,960	3,213,847	3,310,262
Hopkinton	5,902,911	5,902,911	5,954,153	6,241,352	6,428,593
Jamestown	486,504	492,652	507,431	531,908	547,865
Johnston	10,137,270	10,188,342	10,413,716	10,915,364	11,242,825
Lincoln	6,955,618	7,012,603	7,064,696	7,403,268	7,625,366
Little Compton	325,831	341,592	351,839	368,810	379,874
Middletown	9,916,122	9,916,122	10,014,086	10,497,116	10,812,029
Narragansett	1,709,968	1,725,404	1,809,860	1,897,159	1,954,074
Newport	11,060,746	11,060,746	11,253,278	11,796,080	12,149,962
New Shoreham	93,128	93,128	101,451	106,345	109,535
North Kingstown	11,317,305	11,384,463	11,434,463	11,986,005	12,345,585
North Providence	12,449,559	12,511,050	12,624,509	13,232,872	13,629,858
North Smithfield	4,540,392	4,541,694	4,616,141	4,834,237	4,979,264
Pawtucket	61,074,964	61,615,712	63,784,560	66,858,559	68,864,316
Portsmouth	5,811,300	5,854,978	6,632,443	6,250,042	6,437,543
Providence	181,224,584	181,224,594	185,143,415	193,974,756	199,793,999
Richmond	5,829,987	5,829,987	5,903,843	6,188,615	6,374,273
Scituate	3,200,400	3,200,400	3,250,400	3,407,183	3,509,398
Smithfield	5,306,854	5,332,948	5,483,207	5,668,568	5,838,625
South Kingstown	9,766,904	9,766,904	9,948,816	10,428,698	10,741,559
Tiverton	5,553,102	5,553,102	5,659,091	5,932,058	6,110,020
Warwick	34,941,323	35,195,465	35,894,621	37,626,000	38,754,780
Westerly	6,284,205	6,386,546	6,528,189	6,843,077	7,048,369
West Warwick	19,275,597	19,341,994	19,499,965	20,440,547	21,053,763
Woonsocket	43,813,046	43,913,617	45,455,694	47,616,613	49,045,111
Bristol/Warren	19,183,751	19,267,184	19,554,956	20,498,190	21,113,136
Exeter/W Greenwich	7,216,180	7,227,202	7,308,493	7,661,019	7,890,849
Chariho District	360,305	368,936	380,004	398,334	410,284
Foster/Glocester	5,395,937	5,395,937	5,466,199	5,729,861	5,901,757
Central Falls	35,670,888	37,881,363	41,320,556	43,873,873	46,886,508
Smithfield- FY 2007 Supplemental	-	-	-	75,000	-
LEA Subtotal	\$637,623,783	\$641,542,014	\$658,459,317	\$689,918,942	\$712,235,675

## Education Aid to Local Units of Government

	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
	<b>Actual</b>	<b>Actual</b>	<b>Unaudited</b>	<b>Revised</b>	<b>Recommend</b>
<b>Non-Distributed Aid</b>					
On-Site Visits	\$408,842	\$403,486	\$406,641	\$407,935	\$407,935
Textbook Expansion	332,980	604,226	499,906	240,000	240,000
Hasbro Children's Hospital	100,000	100,000	100,000	100,000	100,000
School Breakfast	647,872	642,860	600,000	600,000	600,000
Professional Development	120,573	102,137	113,135	670,000	870,000
Charter School-Direct Aid	12,645,076	17,040,204	21,956,238	24,339,885	26,984,988
Progressive Support & Intervention	1,101,309	2,106,961	2,923,308	2,917,565	2,936,897
Comprehensive Education Fund	-	-	-	-	2,000,000
Telecommunications Access	-	602,965	176,965	277,965	277,965
Subtotal	\$15,356,652	\$21,602,839	\$26,776,193	\$29,553,350	\$34,417,785
<b>State Schools</b>					
Metropolitan School	\$6,051,609	\$7,261,968	\$8,814,528	\$10,406,956	\$11,487,734
School for the Deaf	5,750,000	5,747,462	6,064,415	6,441,201	6,807,792
Davies School	11,043,748	11,951,361	12,985,225	13,621,186	14,571,572
Subtotal	\$22,845,357	\$24,960,791	\$27,864,168	\$30,469,343	\$32,867,098
<b>Other Aid</b>					
Teachers' Retirement	\$45,039,269	\$48,503,125	\$56,113,048	\$67,259,910	\$78,071,710
School Housing Aid	40,740,607	42,179,853	46,623,676	46,814,982	52,861,510
Subtotal	\$85,779,876	\$90,682,978	\$102,736,724	\$114,074,892	\$130,933,220
LEA Subtotal	\$637,623,783	\$641,542,014	\$658,459,317	\$689,918,942	\$712,235,675
<b>Total Aid</b>	<b>\$761,605,668</b>	<b>\$778,788,622</b>	<b>\$815,836,402</b>	<b>\$864,016,527</b>	<b>\$910,453,778</b>

## **Internal Service Fund Accounts**

Internal Service Fund accounts are established to finance and account for the operations of certain state programs that provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis. The purpose of such accounts is to ensure that the activities of the respective programs are managed in a businesslike manner. They are intended to promote efficient use of services by making agencies pay the full costs associated with providing the service and allocate the costs of central administrative functions across all fund types, particularly so that federal and other non-general revenue funded programs share in the costs.

Each Internal Service Fund develops its own billing structure, which is reviewed on an annual basis prior to the start of each fiscal year. In most cases, direct charges associated with a service being provided to a user agency are billed to that agency, along with an overhead charge for the administrative costs of operating the respective fund.

Section 16 of Article 1 of the FY 2007 Appropriations Act requires the Governor to include as part of the FY 2008 Budget descriptions of the various Internal Service Fund accounts, with an explanation of their purpose and the efficacy of continuing them under an Internal Service Fund structure. The FY 2008 Budget includes financing recommendations for twelve (12) Internal Service Fund accounts.

On the following pages are descriptions of each of the Internal Service Fund accounts requested as part of the FY 2008 Budget, with explanations of their purpose and the rationale for utilizing this structure for funding the respective program.

### **Department of Administration**

#### **Internal Service Fund: Health Insurance Fund**

**Description:**

This Health Insurance Fund is used to account for the cost of health insurance coverage for employees and retirees. Historically, the state has accounted for employee health insurance costs in a series of clearing accounts related to payroll, i.e., state and employee (if any) contributions would be posted as additions to a clearing account and payments to health insurance companies would be posted as deductions. However, sometimes there wasn't a direct correlation between the "premiums" or claims paid to health insurance companies and rates assessed to state agencies (employer share) and/or employees and determining the financial position of the state relative to provision of this benefit was time-consuming. Also, any retroactive settlements with health insurance companies required the direct allocation of the settlement back to several thousand agency budget accounts.

**Purpose**

This internal service was created to account for employee and retiree health insurance transactions because the state's financial position associated with providing this employee/retiree benefit will be more readily determinable due to the sometimes indirect correlation between the amount of "premiums" or claims paid to health insurance companies and rates assessed to state agencies (employer share) and/or employees. Also, any retroactive settlements with health insurance companies can be incorporated into a future rate charged to agency budget accounts and employees.

**Efficacy**

This Internal Service Fund is used to account for the cost of health insurance coverage for employees and retirees. The current rationale for utilizing this methodology is to gain greater accounting efficiency by (1) avoiding the prior practice of allocating retroactive settlements among several thousand agency

accounts and (2) being able to quickly determine the state financial position associated with providing this benefit to employees and retirees.

#### **Internal Service Fund: Central Utilities**

##### **Description:**

The Central Utilities Internal Service Fund is responsible for the administration and fiscal management of electricity services provided to the state.

##### **Purpose**

This unit processes all monthly payments for over 1,600 electric accounts to the state's primary supplier of electricity, National Grid. Expenditures are then billed to the respective agencies based upon the electricity usage determined by the meters assigned to that agency. In addition, this unit's overhead costs are allocated to user agencies based upon the number of meters assigned to the agency.

##### **Efficacy**

Without this Internal Service Fund, each state agency would be independently responsible for paying electric bills for the meters assigned to that agency. This would require an internal distribution of costs to all applicable accounts within the agency, a service that is now provided by the central unit.

#### **Internal Service Fund: Automotive Fleet**

##### **Description:**

The State Automotive Fleet Internal Service Fund provides for the administration and fiscal management of state-owned vehicles and operates several fuel depots throughout the state

##### **Purpose**

This program oversees the procurement, maintenance and allocation of 2,900 vehicles, including heavy-duty vehicles, boats, trailers, and maintenance equipment. Agencies are billed biweekly for expenses including repairs, fuel, and a surcharge (per gallon) for the operation and maintenance of fuel depots. The administrative costs for the Office of State Fleet Operations (OSFO) are charged to agencies per vehicle on an annual basis. All agencies share these overhead costs in an equitable manner.

##### **Efficacy**

Decentralization of automotive fleet functions would result in duplication of efforts, inconsistent policies and procedures between agencies, loss of control over new vehicle purchases, and the absence of a central comprehensive database, which would make it difficult to meet mandated federal reporting requirements on alternative fuel vehicles. In further efforts to enhance this process, the Department of Administration intends to review the benefits of outsourcing certain fleet operations, primarily maintenance and repairs.

#### **Internal Service Fund: Surplus Property**

##### **Description**

This internal service fund oversees the acquisition and distribution of federal surplus property, as well as the storage and disposal of state surplus property.

**Purpose**

Section 42-56.2-1 of the RI General Laws requires the appointment of a Federal Surplus Property Officer by the Director of Administration. This position is authorized to acquire from the federal government surplus property that may be of benefit to the state, local governments or non-profit educational or charitable institutions. This position oversees the Surplus Property Internal Service Fund. Although the Fund will acquire federal surplus property on behalf of state agencies or other eligible recipients, they do not bill for this service. The program is not currently generating revenues. It had been charging state agencies for storage space at the Cranston Street Armory, but was required to vacate this facility during its use as a film stage. The program is in the process of developing a web site that can be used to sell surplus property. Any revenues generated from the sale of property would be used to defray the cost of the program, including building maintenance, forklift rental and supplies.

**Efficacy**

The staff responsible for overseeing the surplus property program is funded with General Revenues and thus these costs are not allocated to user agencies. As stated above, the only billings made by this internal service fund are currently for space rental at a state warehouse. Without the existence of an internal service funds, these costs could be billed to the user agencies using an alternative accounting method or the costs to operate the warehouse could be fully funded with general revenues, thereby eliminating the need to bill any agency for storage.

**Internal Service Fund: Central Mail****Description:**

The Central Mail unit provides for inter-agency mail delivery and processing of United States mail for most state agencies.

**Purpose**

Aggregation of mail functions constitutes a major source of cost savings and cost avoidance for government operations statewide. Costs are allocated to agencies via a billing system that applies the internal and external costs to agency budgets.

**Efficacy**

This Internal Service Fund is used to allocate the cost of mail processing to various agencies. The current rationale for utilizing this methodology is to gain greater efficiency from the central management of mail processing services.

**Internal Service Fund: Telecommunications/Centrex****Description**

The Telecommunications Internal Service Fund supports all voice and data communications infrastructure throughout state government, as well as the public information operators. Voice services include planning, procurement, provision, installation and maintenance of all voice telephone devices, lines and extensions, billing and vendor liaison. Data services include planning, procurement, provision, installation, addressing, routing and maintenance of all WAN data lines and data connections, access to the Internet, security and filtering, billing, and vendor liaison throughout state government.

**Purpose**

This Internal Service Fund, as with the Central Utilities Fund, processes all payments for voice communication services to the providers of these services (primarily Verizon). Agencies are then billed monthly for their usage, as well as an overhead charge allocated based upon the number of phone lines in each agency.

**Efficacy**

This Internal Service Fund is used to allocate the cost of telephone services to the various agencies. The current rationale for utilizing this methodology is to gain efficiencies from central management of direct and indirect telecom costs. Without the existence of this fund, each agency would be responsible for receiving and paying invoices for telecommunication services provided to their agency.

**Internal Service Fund: Assessed Fringe Benefit****Description**

The Assessed Fringe Benefit Internal Service Fund makes payments for various employee fringe benefits. The fund generates revenue by assessing a charge against the amount of salaries and wages paid to state employees.

**Purpose**

The assessment charged by this fund pays for the following employee fringe benefits: services provided by the Donley Center; services of the Workers' Compensation Court and the Division of Workers' Compensation administrative costs related to workers' compensation activities; payments to Workers' Compensation providers; Workers' Compensation benefit payments to employees; Unemployment Compensation payments; and payments to employees for unused leave upon termination from state service.

**Efficacy**

This fund was established in part to eliminate the fluctuations in agency budgets that result from workers' compensation claims, unemployment claims, and termination costs. The use of the statewide assessment also meets federal cost allocation requirements.

**Mental Health, Retardation and Hospitals****Internal Service Fund: Central Pharmacy****Description**

The Central Pharmacy provides medications and medical/surgical supplies to institutional level pharmacies within MHRH, as well as other state agencies and thirteen community based pharmacies that participate in the Community Mental Health Medication Assistance Program. In addition, fifty group homes and three skilled nursing facilities, operated by the Division of Developmental Disabilities, receive services, non-legend medications and medical/surgical supplies from this service.

**Purpose**

The purpose of the Central Pharmacy is to provide agencies with a stable source of medication and medical/surgical supplies. This warehouse distribution center obtains its supplies through volume purchasing and distributes them in bulk. Billing is done monthly on a cost plus markup basis, which provides for service expenses.

**Efficacy**

This Internal Service Fund is used to allocate the cost of services to various agencies. The current rationale for utilizing this methodology is to gain efficiencies from central management of medication and medical/surgical supply procurement and distribution and to gain better pricing through volume purchasing.

**Internal Service Fund: Central Laundry****Description**

The Central Laundry is a production facility that processes soiled linens for the Eleanor Slater Hospital (MHRH), the Medical Examiner's Office (DOH) and the Welcome Arnold Center (DHS operated homeless shelter).

**Purpose**

The Central Laundry assures that clean linen is available for hospital patients, the Medical Examiner's staff and the homeless. This helps maintain a clean and healthy environment in areas that utilize Central Laundry services. Laundry services are billed to agencies using a predetermined rate per pound for linen processed and per pound rate for linen replacement.

**Efficacy**

This Internal Service Fund is used to allocate the cost of services to various agencies. The current rationale for utilizing this methodology is to improve efficiency from central management of laundry services.

**Department of Corrections****Internal Service Fund: Corrections Warehouse / Central Distribution****Description**

The Central Distribution Center is responsible for the central purchase of food staples, janitorial items, and other supplies for warehousing and redistribution/sale to state agencies and state school districts. The unit also administers the US Department of Agriculture Food Distribution Program. During FY 2005, the CDC incorporated a program to utilize inmates working under the supervision of warehouse staff.

**Purpose**

This Internal Service Fund was created in order to provide for the most cost-effective procurement and delivery of goods to other state programs.

**Efficacy**

The current rationale for this Internal Service Fund is to improve efficiency by providing a centralized mechanism for the purchase and distribution of goods.



### **Internal Service Fund: Correctional Industries**

#### **Description**

Correctional Industries are the work programs in correctional facilities that provide real world work experience to inmates, teaching them transferable job skills and work ethic to help them prepare for post-release reentry and employment.

#### **Purpose**

Correctional Industries employees 218 inmates who manufacture various products or provide services to state agencies, cities and towns and non-profit organizations. This is the only self-funded reentry support program in corrections - no appropriated funds are required for its operation since it relies on revolving funds from the income generated by the sale of products and services produced through the program.

#### **Efficacy**

Because Correctional Industries' customer base not only includes state agencies, but also municipal and non-profit agencies, it is virtually impossible to have any mechanism other than an Internal Services Fund to allow for the continuation of this program.

### **Secretary of State**

#### **Internal Service Fund: Record Center**

#### **Description**

The State Records Center stores and manages the nonpermanent records of state agencies and funds the Public Records Administration office. This program, a central storage facility for inactive state government records, serves all state agencies.

#### **Purpose**

This Internal Service Fund ensures that state agencies pay only for actual records stored and services received. Most states and the federal government operate their programs through the same or similar means. A Master Price Agreement with Capital Records Management (CRMC) governs overall records storage costs and services. Although CRMC transports and stores the records, state agencies' service requests are channeled through the Public Records Administration office. On a monthly basis, CRMC provides the PRA with a master invoice for all charges to the state, and also individual agency accounts.

#### **Efficacy**

The State Records Center could receive a direct appropriation of funds to cover the entire cost of record storage and other services for all agencies instead of each agency being allotted their own requested amount, but this method would not be as efficient as the current rotary account. A rotary account ensures that agencies pay for actual records stored and services received. A direct appropriation would be an estimate that would have to be revised at the end of the fiscal year.