

State of Rhode Island and Providence Plantations

Executive Summary



Fiscal Year 2019

Gina M. Raimondo, Governor

Education

Education

ELEMENTARY AND SECONDARY EDUCATION

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,064,893,020	\$1,113,255,421	\$1,161,071,396	\$1,161,389,084	\$1,179,752,845
Federal Funds	\$191,287,906	\$193,781,068	\$203,500,000	\$209,321,162	\$214,475,474
Restricted Receipts	\$28,738,364	\$27,919,915	\$30,420,147	\$33,013,761	\$35,755,376
Other Funds	\$0	\$450,082	\$359,000	\$359,000	\$1,479,000
RI Capital Plan Fund	\$4,203,349	\$3,201,900	\$7,223,000	\$7,981,815	\$2,424,000
Total Funding	\$1,289,122,639	\$1,338,608,386	\$1,402,573,543	\$1,412,064,822	\$1,433,886,695
FTE Authorization	337.4	325.1	325.1	325.1	327.1

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$1.412 billion for the Department of Elementary and Secondary Education, including \$1.161 billion from general revenue, \$209.3 million from federal funds, \$33.0 million from restricted receipts, \$8.0 million from the Rhode Island Capital Plan Fund, and \$359,000 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$317,688, inclusive of statewide medical benefit rate savings distributed to state agencies.

Administration of the Comprehensive Education Strategy

Within the Administration of the Comprehensive Education Strategy (ACES) program, the Governor recommends revised FY 2018 appropriations of \$233.3 million, including \$20.5 million from general revenue, \$207.3 million from federal funds, and \$5.5 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$346,317, inclusive of statewide medical benefit rate savings distributed to state agencies. Other major changes to the enacted level include:

- *PSAT/SAT Tests.* The Governor recommends \$150,000 in additional general revenue to maintain the Department's ability to finance all PSAT and SAT tests taken by public school students. Both tests are now mandatory under Rhode Island's ESSA plan (Every Student Succeeds Act) and this budget supplemental is necessary to finance the estimated increase in test participation.
- *Advanced Placement Tests.* The Governor recommends \$115,000 from general revenue to maintain the Department's ability to subsidize Advanced Placement (AP) tests for low income students. Prior to FY 2018, AP tests were subsidized through the now eliminated No Child Left Behind Act.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$114,222 is now reflected in the ACES program budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

Education Aid

Within the Education Aid program, the Governor recommends revised FY 2018 appropriations of \$913.5 million, including \$890.2 million from general revenue, \$300,000 from other funds, and \$22.9 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$66,040. Other major changes to the enacted level include:

- *Group Home Supplemental.* Pursuant to R.I.G.L. 16-64-1.1(b)(2), the Department is required to reimburse Local Education Authorities (LEAs or local districts) for each group home bed certified by the Department of Children, Youth, and Families (DCYF) by the preceding December 31st. The

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Governor recommends supplemental general revenue financing of \$85,000 in FY 2018, attributable to five new beds in East Providence.

- *Non-Public Textbooks.* 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 a reduction of \$151,040 from general revenue for this program in FY 2018, attributable to actual reimbursement requests received by the Department for FY 2018.
- *Statewide Student Transportation.* The Governor recommends a \$2.7 million increase in restricted receipts for the Statewide Student Transportation program when compared to the FY 2018 enacted level. Restricted receipts are collected from LEAs for transportation expenditures associated with participation in the Statewide Student Transportation program. The Governor recommends a revised appropriation of \$21.7 million for FY 2018.

School Construction Aid

Within the School Housing Aid program, the Governor recommends revised FY 2018 appropriations of \$80.0 million from general revenue, comprised of \$69.1 million for the School Housing Aid program established by R.I.G.L. 16-7-35, and \$10.9 million for the School Building Authority fund, established by R.I.G.L. 45-38.2-2. Total aid for the School Construction program is consistent with the enacted level.

Teachers' Retirement

Within the Teachers' Retirement program, the Governor recommends revised FY 2018 appropriations of \$102.0 million from general revenue. Relative to the FY 2018 enacted level, recommended financing increases by \$139,942. Per R.I.G.L. 16-16-22, the state funds 40.0 percent of the employer's share of retirement contributions on behalf of teachers who are members of the Teacher's Retirement System. This increase is necessary to fund the State's portion of the Teachers' Retirement program.

Davies Career & Technical High School (Davies)

Within the Davies Career and Technical High School program, the Governor recommends revised FY 2018 appropriations of \$23.5 million, including \$13.3 million from general revenue, \$1.4 million from federal funds, \$3.7 million from restricted receipts, and \$5.1 million from the RI Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$82,699. Davies is the only LEA that is both included in the funding formula and whose employees are state employees. Its general revenue appropriation is determined by both the education aid funding formula and supplemental (stabilization) financing. Other major changes to the enacted level include:

- *Personnel.* Reduction of \$82,699 from general revenue in recognition of anticipated turnover savings generated by the Voluntary Retirement Incentive (VRI) for eligible employees.
- *Asset Protection.* The Governor recommends a \$324,041 increase in financing from the Rhode Island Capital Plan Fund for the Davies Asset Protection project. This increase reflects unexpended RICAP balances from FY 2017, yielding a revised total project appropriation of \$474,041 in FY 2018.

Metropolitan Regional Career & Technical Center (Met Center)

Within the Metropolitan Regional Career & Technical Center program, the Governor recommends revised FY 2018 appropriations of \$12.2 million, including \$9.3 million from general revenue and \$2.9 million from the RI Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing is unchanged and recommended financing from the RI Capital Plan Fund increases by \$428,619. The Met's general revenue appropriation is determined by both the education aid funding formula and supplemental

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(stabilization) financing. The Met, formerly fully State-funded, also receives the local share of funding from the individual districts that send students to the school.

- *Met HVAC Project.* The Governor recommends \$2.6 million from the RI Capital plan fund for the Met HVAC project, which is \$428,619 more than the FY 2018 enacted level. There is no change in total costs for this project. The change in the FY 2018 revised financing is due to an adjusted project timeline.

Central Falls

Within the Central Falls program, the Governor recommends revised FY 2018 appropriations of \$39.9 million, consistent with the enacted level. Beginning in FY 2012, general revenue financing for the Central Falls School District is determined by the education funding formula. Because the state has full responsibility for funding the district, a transition fund was established pursuant to R.I.G.L. 16-7.2-6 to assure that funding is available to meet the local share of education costs. Of the amount recommended for Central Falls, \$33.1 million is attributable to the formula allocation and \$6.8 million is attributable to the transition fund.

Rhode Island School for the Deaf

Within the Rhode Island School for the Deaf program, the Governor recommends revised FY 2018 appropriations of \$7.7 million, including \$6.3 million from general revenue, \$553,824 from federal funds, \$833,763 from restricted receipts, and \$59,000 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$19,832, inclusive of statewide medical benefit rate savings distributed to state agencies.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$1.434 billion for the Department of Elementary and Secondary Education, including \$1.180 billion from general revenue, \$214.5 million from federal funds, \$35.6 million from restricted receipts, \$2.4 million from the Rhode Island Capital Plan Fund, and \$1.5 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$18.7 million, inclusive of statewide rate adjustments to various employee benefits. Variances from non-general revenue sources include: increasing federal financing by \$11.0 million; increasing restricted receipt financing by \$5.3 million; decreasing RICAP financing by \$4.8 million; and increasing other funds financing by \$1.1 million.

Administration of the Comprehensive Education Strategy

Within the Administration of the Comprehensive Education Strategy (ACES) program, the Governor recommends FY 2019 appropriations of \$239.0 million, including \$20.3 million from general revenue, \$212.6 million from federal funds, and \$6.1 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$193,386. Major changes to the enacted level include:

- *Personnel.* The Governor recommends the redirection of \$486,883 in financing for 3.0 FTE positions currently responsible for the administration of the school construction aid program from general revenue to a restricted receipt account financed by the Rhode Island Health and Educational Building Corporation (RIHEBC). In addition, the Governor recommends a new FTE position for FY 2019, the Director of School Construction Services, to oversee the anticipated increase in school construction projects associated with the proposed \$250.0 million school construction bond.
- *PSAT/SAT Tests.* The Governor recommends \$150,000 from general revenue to maintain the Department's ability to finance all PSAT and SAT tests taken by public school students. Both tests

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are mandatory under Rhode Island's ESSA plan (Every Student Succeeds Act) and this budget supplemental is necessary to finance the estimated increase in test participation.

- *3rd Grade Reading Goal.* The Governor recommends \$100,000 from general revenue for curriculum support necessary to achieve her goal of doubling the statewide reading proficiency of 3rd graders by 2025, from 37.0 percent in 2015 to 75.0 percent in 2025. Of the \$100,000 increase, \$50,000 will be allocated to purchase material and coaching for high-quality early childhood programs. The Department has leveraged federal funding in the past, bringing the Boston Public School (BPS) curriculum to thirty-seven classrooms. This funding will allow the Department to provide these materials to an additional twenty classrooms. The remaining \$50,000 will be used to invest in high quality curriculum at the elementary level. Funding will be used to develop a new high-quality curriculum, develop tools necessary for overall curriculum implementation, and teacher engagement.
- *RI Commission for National Community Service.* The Governor recommends \$3.5 million from federal funds specific to the Department taking administrative responsibility for the RI Commission for National Community Service. This commission is primarily responsible for the oversight and grant distribution of AmeriCorps and AmeriCorps Vista programs. The Governor recommends 1.0 FTE position, funded through federal grant proceeds, to perform the administrative duties of the commission.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$115,102 is now reflected in the ACES program budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

Education Aid

Within the Education Aid program, the Governor recommends FY 2019 appropriations of \$929.2 million, including \$902.9 million from general revenue, \$24.9 million from restricted receipts, and \$1.4 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$12.6 million. Major changes to the enacted level include:

- *Formula Aid.* In FY 2019, the Governor recommends a general revenue increase of \$11.0 million in total formula aid, which includes: Local Education Authorities; Public Charter Schools; Central Falls; the Metropolitan Career and Technical School; and the Davies Career and Technical School. Central Falls and the two state schools are discussed further within their respective programs. Within the Education Aid program, the Governor recommends \$872.9 million from general revenue for formula aid. Compared to the FY 2018 enacted level, recommended formula aid increases by \$13.6 million. This increase is attributable to fully financing Year 8 of the ten-year formula transition plan, and represents the second year in which underfunded ("gaining") districts are fully phased-in under the formula, with two remaining years of reductions for the overfunded districts (FY 2020 and FY 2021). For more information on the funding formula, please see Appendix D, Aid to Schools.
- *Categorical Funds – English Learners.* Consistent with the FY 2018 Enacted Budget, the Governor recommends \$2.5 million for the English Learners categorical fund. Monitored by the Department, this categorical is meant to fund evidence based programs to improve the outcomes of English Learners (ELs). This EL categorical is calculated at the level of 10.0 percent of the Core Instruction Amount, applied to qualified students.

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- *Categorical Funds – Density Aid.* In FY 2019, the Governor recommends a general revenue decrease of \$412,500 for the density aid categorical fund when compared to the FY 2018 Enacted Budget. Density aid is distributed to traditional school districts which send greater than 5.0 percent of their total enrollment to public schools of choice. FY 2019 represents the third and final year of the density aid categorical fund as enacted by the General Assembly.
- *Categorical Funds – High Cost Special Education.* Consistent with the FY 2018 Enacted Budget, the Governor recommends \$4.5 million for the high cost special education categorical fund in FY 2019. The high cost special education categorical provides financial support to districts that are serving students with extraordinary needs. The threshold for qualifying for the High Cost Special Education categorical is five times the core foundation amount (Core Instruction Amount plus the Student Success Factor).
- *Categorical Funds – Early Childhood.* The Governor recommends \$7.4 million for the early childhood categorical fund in FY 2019, \$1.1 million greater than the FY 2018 enacted level. The overall state commitment for this initiative includes \$6.2 million from general revenue and \$1.1 million from the Permanent School Fund. The early childhood categorical is used to increase access to high quality pre-kindergarten programs, with the Department distributing funds on a competitive basis. This increase is part of the overall goal to triple the number of state-sponsored high-quality pre-kindergarten classrooms, which currently total 60, compared to 17 classrooms in FY 2015. The heightened state commitment in FY 2019 also ensures the continued leveraging of \$4.9 million in federal expansion grant funds for this purpose.
- *Categorical Funds – Transportation.* The Governor recommends \$3.0 million for the transportation categorical fund in FY 2019, consistent with the FY 2018 enacted level. The transportation categorical 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 reimbursement eligible.
- *Categorical Funds – Regional District Transportation.* The Governor recommends \$3.8 million for the Regional District Transportation fund in FY 2019, consistent with the FY 2018 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 2019, consistent with the FY 2018 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.
- *Group Home Aid:* The Governor recommends \$3.6 million from general revenue for group home aid, \$532,463 below the FY 2018 enacted level. This decrease in group home aid in FY 2019 is to accommodate R.I.G.L. 16-7-22(1)(ii), which requires the average daily membership of each LEA to be decreased by the number of group home beds used in group home aid calculations. To remain consistent with the manner in which this decrease was enacted in 2015 and 2016, the funding formula adjustment for the number of licensed group home beds is applied to group home aid rather than to the funding formula. In addition, this adjustment accommodates R.I.G.L. 16-64-1.1(b)(2), which requires the Department to reimburse LEAs for each group home bed certified by the Department of Children, Youth, and Families (DCYF) by the preceding December 31st.

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- *E-Rate*. The Governor recommends \$400,000 from general revenue for the State E-Rate program in FY 2019, consistent with the FY 2018 enacted level. The E-Rate program is used to bring Wi-Fi and broadband connectivity to schools.
- *Statewide Student Transportation*. The Governor recommends a \$4.6 million increase in restricted receipts for the Statewide Student Transportation program when compared to the FY 2018 enacted level. Restricted receipts are collected from LEAs for transportation expenditures associated with participation in the Statewide Student Transportation program. In FY 2019, the Governor recommends appropriation of \$23.7 million.
- *Progressive Support and Intervention Program (Permanent School Fund)*. In FY 2019, the Governor recommends that \$300,000 from the Permanent School Fund, included within other funds, be used to support the Advanced Coursework Network, consistent with the FY 2018 enacted level. The Advanced Course Network enables Rhode Island high school students access to advanced coursework opportunities. In total, the initiative will support and serve more than 1,000 students statewide for FY 2019.
- *Recovery High School*. The Governor recommends \$500,000 for the State’s recovery high school, consistent with the FY 2018 enacted level. The high school provides individualized programs to students recovering from substance abuse, supporting both personal recovery and academic achievement.

School Construction Aid

Within the School Housing Aid program, the Governor recommends FY 2019 appropriations of \$80.0 million from general revenue, comprised of \$69.4 million for the school housing aid program established by R.I.G.L. 16-7-35, and \$10.6 million for the School Building Authority Fund, established by R.I.G.L. 45-38.2-2. Total school construction aid is consistent with the FY 2018 Enacted Budget. Funds within this program will be expended in conjunction with the proposed \$250.0 million school construction bond.

Teacher Retirement

Within the Teacher Retirement program, the Governor recommends FY 2019 appropriations of \$107.1 million from general revenue, \$5.3 million greater than the FY 2018 enacted level. Per RIGL 16-16-22, the state funds 40.0 percent of the employer’s share of retirement contributions on behalf of teachers who are members of the Teacher’s Retirement System.

Davies Career & Technical High School

Within the Davies Career and Technical High School program, the Governor recommends FY 2019 appropriations of \$20.7 million, including \$13.3 million from general revenue, \$1.3 million from federal funds, \$3.9 million from restricted receipts, and \$2.1 million from the RI Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$28,500. Major changes to the enacted level include:

- *Formula Aid – Year 8*. In FY 2019, the education aid formula allocates \$810,988 less than the FY 2018 enacted level. Under the funding formula, Davies is classified as an overfunded district, therefore the school will continue to transition over the next two years. Funding allocated by the formula has declined from \$13.4 million in FY 2012 to \$9.4 million in FY 2019.
- *Davies Supplemental Financing*. In addition to the funding allocated by the formula, the Governor recommends supplemental (stabilization) financing of \$4.0 million in FY 2019 in order to sustain

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existing academic and technical programs at the school. The supplemental financing is \$810,988 more than the FY 2018 enacted level.

- *Personnel.* Reductions totaling \$28,500 from general revenue funds in recognition of anticipated turnover savings generated by the Voluntary Retirement Incentive (VRI) for eligible employees.

Metropolitan Regional Career & Technical Center (Met Center)

Within the Metropolitan Regional Career & Technical Center program, the Governor recommends FY 2019 appropriations of \$9.6 million, including \$9.3 million from general revenue, and \$250,000 from the RI Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing remains unchanged, while financing from the RI Capital Plan Fund decreases by \$2.2 million. Major changes include:

- *Formula Aid – Year 8.* In FY 2019, the education aid formula allocates \$580,264 less than the FY 2018 enacted level, from \$8.6 million to \$8.0 million.
- *The Met Center Supplemental Financing.* In addition to the funding allocated by the formula, the Governor recommends supplemental (stabilization) financing of \$1.3 million in FY 2019 in order to alleviate the effects of the proposed changes to the funding formula. The supplemental financing is \$580,264 more than the FY 2018 enacted level.

Central Falls

Within the Central Falls program, the Governor recommends FY 2019 appropriations of \$40.4 million from general revenue, \$519,519 more than the enacted level. Of the amount recommended for Central Falls, \$32.0 million is attributable to the formula allocation and \$8.4 million is attributable to the transition fund.

Rhode Island School for the Deaf

Within the Rhode Island School for the Deaf program, the Governor recommends FY 2019 appropriations of \$7.8 million, including \$6.3 million from general revenue, \$554,925 from federal funds, \$837,032 from restricted receipts, \$50,000 from the RI Capital Plan fund, and \$59,000 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$69,198. Major changes include:

- *Asset Protection.* In FY 2019, the Governor recommends \$50,000 from the RI Capital Plan Fund for asset protection at the Rhode Island School for the Deaf. Asset protection funds are utilized to maintain and improve critical building infrastructure at the School, which is a state-owned facility.

The Governor recommends staffing authorizations of 325.1 FTE positions in the Revised FY 2018 Budget, consistent with the enacted level. In FY 2019, The Governor recommends 327.1 FTE positions, reflecting 2.0 newly recommended FTE positions: (1) Grant Administrator for the Rhode Island Commission for National Community Service, and (2) Director of School Construction Services.

PUBLIC HIGHER EDUCATION

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$180,874,064	\$198,362,974	\$220,882,593	\$220,768,994	\$228,029,183
Federal Funds	\$15,278,876	\$14,333,834	\$13,933,669	\$14,147,405	\$9,784,007
Restricted Receipts	\$636,787	\$1,237,723	\$2,173,990	\$2,666,842	\$2,886,814
Other Funds	\$855,928,094	\$852,346,100	\$911,846,262	\$907,308,500	\$930,421,400
Rhode Island Capital Plan Fund	\$29,514,725	\$23,555,604	\$31,262,494	\$44,187,573	\$28,155,219
Total Funding	\$1,082,232,546	\$1,089,836,235	\$1,180,099,008	\$1,189,079,314	\$1,199,276,623
FTE Authorization	4259.2	4296.8	4306.8	4307.8	4399.3

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FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations totaling \$1.189 billion for Public Higher Education, including \$220.8 million from general revenue, \$14.1 million from federal funds, \$907.3 million from other funds, \$2.7 million in restricted receipts, and \$44.2 million from the Rhode Island Capital Plan Fund (RICAP). Relative to the enacted FY 2018 level of \$220.9 million, general revenue financing decreases by \$113,599, reflecting the net result of additional state-financed general obligation bond debt service and several mid-year retrenchments proposed at both the Office of the Postsecondary Commissioner and the state’s institutions of higher education. Final recommendations by component unit are as follows:

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

Institution	General Revenue	Rhode Island Capital Plan Fund	Institutional/Other Funding*	Total Appropriation
Office of the Postsecondary Commissioner	\$14,081,712	\$98,729	\$27,372,724	\$41,553,165
University of Rhode Island	\$100,966,413	\$14,940,435	\$666,026,268	\$781,933,116
Rhode Island College	\$54,016,868	\$16,301,160	\$130,476,586	\$200,794,614
Community College of Rhode Island	\$51,704,001	\$12,847,249	\$100,247,169	\$164,798,419
Total	\$220,768,994	\$44,187,573	\$924,122,747	\$1,189,079,314

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

Office of the Postsecondary Commissioner (OPC)

The Governor recommends revised FY 2018 general revenue appropriations of \$14.1 million for the Office of the Postsecondary Commissioner, a net reduction of \$496,747 relative to the FY 2018 enacted level, comprised of the following:

- \$231,086 in supplemental general revenue supporting the first year of Governor Raimondo’s *Rhode Island Promise Scholarship*, a “last-dollar” scholarship providing two years of free tuition and mandatory fees to qualifying students at the Community College of Rhode Island. Following strong enrollment statistics despite a compressed implementation schedule during summer 2017, newly estimated state sponsorship of Rhode Island Promise will total \$3.0 million in FY 2018 (the originally amount proposed in the Governor’s FY 2018 budget), or \$231,086 above the enacted appropriation of \$2.75 million.
- Reductions totaling \$337,529 for the State’s obligations for “tenant improvement” rental payments and Lease Participation Certificates (“COPS”) debt service costs related to the newly constructed Nursing Education Center (RINEC) in downtown Providence. These adjustments reflect the finalization of both the NEC tenant improvement rent amortization and the COPS debt service schedule in January and June of 2017, respectively.

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- Administrative operating reductions of \$151,517, consisting of a \$100,000 permanent base adjustment to the Office of the Commissioner and one-time turnover savings of \$51,517 stemming from intermittency in the re-hiring process of several vacant positions.
- The withdrawal of \$186,418 from the Office's Information Technology Administrative Implementation Fund, a funding pool that each year provides discretionary grants totaling \$686,418 to state institutions for specialized IT infrastructure projects. In FY 2018, remaining financing of \$500,000 will be directed to the Community College of Rhode Island, thus facilitating the redirection of institutional funds toward capacity building, outreach, and student service activities to support CCRI's 47 percent increase in first-time student enrollment due to Rhode Island Promise.
- A reduction of \$57,175 to the general revenue appropriation supporting the full cost of the contract between the Council of Postsecondary Education and the Rhode Island Convention Center Authority (RICCA) for student/faculty parking at the Providence-based URI School of Professional and Continuing Studies. This measure does not contemplate a downward revision to the contractual amount (\$897,135), but rather an alternative funding strategy whereby the University of Rhode Island will contribute the difference using current institutional resources or through the creation of a fair and equitable commuter fee for those School of Professional and Continuing Studies students utilizing the RICCA parking facilities.
- Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funds of \$10,892 are reflected in OPC's FY 2018 revised budget, accounting for the decentralization of budgetary authority for statewide internal services.

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

The Governor recommends revised FY 2018 general revenue appropriations of \$206.7 million for the state institutions, a net addition of \$383,148 relative to the FY 2018 enacted level, comprised of the following:

- Additional general revenue of \$1.4 million for FY 2018 debt service obligations on outstanding General Obligation (GO) Bonds, reflecting the April 2017 new money issuance of \$40.0 million for higher education facilities projects, combined with savings from the refinancing of previous GO issuances.
- Reductions of \$366,777, \$364,551, and \$314,554 to URI, RIC, and CCRI (respectively) in recognition of the state-financed share of anticipated attrition savings generated by the Voluntary Retirement Incentive (VRI) for eligible classified employees of the state schools.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$1.199 billion for Public Higher Education, including \$228.0 million from general revenue, \$9.8 million from federal funds, \$930.4 million from other funds, \$2.9 million from restricted receipts, and \$28.2 million from the Rhode Island Capital Plan Fund. Final recommendations by component unit are as follows:

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FY 2019 Funding- OPC and State Institutions of Higher Education

Institution	General Revenue	Rhode Island Capital Plan Fund	Institutional/Other Funding*	Total Appropriation
Office of the Postsecondary Commissioner	\$16,776,572	\$2,000,000	\$23,076,329	\$41,852,901
University of Rhode Island	\$102,803,013	\$9,200,000	\$680,804,231	\$792,807,244
Rhode Island College	\$55,609,858	\$11,212,184	\$132,900,850	\$199,722,892
Community College of Rhode Island	\$52,839,740	\$5,743,035	\$106,310,811	\$164,893,586
Total	\$228,029,183	\$28,155,219	\$943,092,221	\$1,199,276,623

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

Office of the Postsecondary Commissioner (OPC)

The Governor recommends FY 2019 general revenue appropriations of \$16.8 million for the Office of the Postsecondary Commissioner, a net increase of \$2.2 million relative to the FY 2018 enacted level, comprised primarily of the following:

- \$3.6 million in additional general revenue supporting the second year of Governor Raimondo's *Rhode Island Promise Scholarship*, yielding a total appropriation of \$6.4 million. Robust enrollment trends witnessed during the 2017-2018 school year are anticipated to continue unabated in 2018-2019, the first school year containing two full recipient-student cohorts. Current projections indicate 2,750 CCRI student enrollments in school year 2018-2019 will meet the eligibility requirements for the scholarship.
- Discontinuation of the Office's Information Technology Administrative Implementation Fund, generating savings totaling \$686,418.
- Annualization of savings due to URI's contribution to the RICCA parking facility lease payment for the School of Professional and Continuing Studies, coupled with the continuation of the aforementioned FY 2018 OPC operating base adjustment.
- The lapse of a two-year, \$2.0 million general revenue grant spanning FY 2017 (\$750,000) and FY 2018 (\$1.25 million) for the construction of the Westerly Education Center, substantial completion of which was achieved in FY 2017.
- Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, general revenue funds totaling \$10,976 are now reflected in the OPC budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

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

The Governor recommends FY 2019 general revenue appropriations totaling \$211.3 million for the state institutions, a net addition of \$4.9 million relative to the FY 2018 enacted level, comprised primarily of the following:

- Additional general revenue of \$2.1 million for FY 2019 debt service obligations on outstanding General Obligation (GO) Bonds, reflecting the April 2017 new money issuance of \$40.0 million for higher education facilities projects, combined with savings from the refinancing of previous GO issuances.
- The substitution of \$260,622 in unrestricted institutional funding for state general revenue support at the University of Rhode Island.
- **FY 2019 Performance Incentive Funding**
In accordance with RIGL 16-106, *The Performance Incentive Funding Act*, and the Office of the Postsecondary Commissioner's ambitious 5-year comprehensive funding plan for public higher education, the Governor recommends additional appropriations of \$3.0 million (\$1.0 million each for the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island) in FY 2019. This funding will be apportioned based on specific performance outcomes, utilizing metrics outlined in statute and promulgated by the Council on Postsecondary Education, such as degree/certificate completion rates, number of degrees awarded in high-wage, high-demand fields, institutional-specific metrics, and other metrics deemed appropriate by the Commissioner of Postsecondary Education. Preliminary metrics were approved in November 2016 with updates expected during the upcoming 2018 legislative session. This measure represents one component of a broader five-year funding plan (currently in development by OPC and the Council) addressing systemic improvements throughout Rhode Island's institutions of public higher education, with the stated goals of 70 percent postsecondary attainment by 2025, increasing graduates in high demand/high-wage fields, and maintaining Rhode Island's competitiveness vis-a-vis other New England states and nationwide.

FY 2019 Full-Time Equivalent Positions

Within the Office of the Postsecondary Commissioner, recommended FY 2019 staffing authorizations total 38.0 FTE positions, 1.0 FTE position above the enacted level of 37.0 FTE positions. This decrease is the net result of three distinct modifications: (1) The Governor's approval of 2.0 additional FTE positions at the Westerly Education Center to accommodate expanding utilization of the Center's facilities; (2) A 3.0 FTE position reduction to the current (10.0) FTE complement of the Division of Higher Education Assistance (DHEA). This workforce reduction follows the expected transfer (under Federal DOE auspices) of all Federal Family Education Loan (FFEL) guaranty agency operations from DHEA to a non-governmental successor guaranty agency by June 30, 2018; and (3) A 2.0 FTE position increase to the Commissioner's Office, financed via anticipated grants from non-governmental organizations and other sources, dedicated to higher education attainment, student supports, and financial aid-related activities.

Standard staffing authorizations at the University of Rhode Island are recommended to increase by 19.5 FTE positions, from 1,915.7 FTE positions to 1,935.2 FTE positions, reflecting the addition of 10.0 Full-time, tenure-track Assistant Professors; 3.0 Lecturers; 1.0 Assistant Director of (Student) Veterans' Affairs; 1.0 Director & 1.0 Coordinator, Offices for Innovation in General Education and Undergraduate Research and Innovation; 1.0 Strength and Conditioning Coach; 1.5 FTE for two Associate Athletic Therapists; and a University Psychologist to support students undergoing or at-risk for mental health crises.

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The URI sponsored research staffing authorization is likewise recommended to increase by 49.0 FTE positions, from 573.8 to 622.8, reflecting the following new positions: 12.0 Research Assistants in support of a \$19.0 million NSF grant to establish the Consortium on Ecology, Assessment, Innovation, and Modeling for Narragansett Bay; 25.0 Research Assistants in support of an interagency agreement with EOHHS for Health System Transformation and the Designated State Health Plan waiver; and 12.0 FTE positions associated with the recent consolidation of DataSpark (the former data analytics team of the "Providence Plan") within the University.

The Governor recommends 23.0 additional FTE positions assigned to the RIC standard FTE authorization, yielding a FY 2019 FTE ceiling of 873.2 FTE positions, with no change to the RIC sponsored research allotment of 76.0 FTE positions. These additional positions will provide much-needed flexibility and capacity as the College pursues the expanded use of full-time faculty, with less reliance on part-time adjunct faculty. Staffing authorizations for CCRI are unchanged at 854.1 FTE positions.

Recommended staffing authorizations therefore total 4,399.3 FTE positions throughout Rhode Island's system of Public Higher Education.

Investing in Public Higher Education Infrastructure

Included within her FY 2019 – FY 2023 Capital Improvement Plan, the following new projects continue the Governor's strong commitment to the protection and modernization of higher education facilities throughout Rhode Island's public university and college campuses:

URI Narragansett Bay Campus Renewal: This large-scale project entails the renovation and/or replacement of various outmoded and inefficient buildings, laboratories, and infrastructure on the grounds of the URI Narragansett Bay Campus, home to the Graduate School of Oceanography (GSO) and the URI Ocean Engineering program. Improvements are also planned to the waterfront research vessel dock, along with a redesign of campus roadways and walkways to create a more communal, collaborative educational experience. The Governor recommends a \$45.0 million GO Bond Referendum in November 2018 to finance the initial phase of this project, meeting the highest priority rehabilitation needs outlined in the Campus Master Plan.

URI Fine Arts Center Renovations: Last year, the Governor designated \$1.0 million from the Rhode Island Capital Plan Fund in FY 2018 to finance early stages of the first phase of major renovations to the University's Fine Arts Center on the main campus in Kingston, Rhode Island. In the FY 2019 – FY 2023 Capital Improvement Plan, the Governor recommends an additional \$11.0 million in RICAP funds to complete Phase I of the project, involving HVAC system replacements and extensive exterior envelope repairs to five of the ten building "pods" that comprise the Fine Arts complex.

RIC Horace Mann Hall Renovation: The Governor recommends a \$25.0 million GO Bond Referendum in November 2018 to fully finance the renovation of Horace Mann Hall on the campus of Rhode Island College. Constructed in 1969, and currently housing the Feinstein School of Education and Human Development, Horace Mann Hall requires comprehensive renovations to all existing classrooms, reconfiguration of office spaces, overhaul of building systems, restoration of the building's exterior envelope, and full window and elevator replacements.

Westerly Higher Education Center Model Expansion: The Governor recommends \$4.0 million from the Rhode Island Capital Plan Fund to expand the public-private educational model pioneered at the Westerly Higher Education Center to the northern region of the state. RICAP funds will be utilized in FY 2019 and FY 2020 to construct a new Education Center, providing state-of-the-art classroom and multi-use facilities where local industry can implement workforce training programs and develop curricula in

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collaboration with the state's public higher education institutions.

RHODE ISLAND COUNCIL ON THE ARTS					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,844,116	\$1,906,356	\$1,945,056	\$1,963,360	\$1,989,693
Federal Funds	\$700,799	\$710,269	\$781,454	\$751,796	\$719,053
Restricted Receipts	\$0	\$19,119	\$0	\$10,881	\$5,000
Other Funds	\$450,859	\$269,756	\$345,800	\$400,000	\$400,000
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$2,995,774	\$2,905,499	\$3,072,310	\$3,126,037	\$3,113,746
FTE Authorization	8.6	8.6	8.6	8.6	8.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$3.1 million for the RI State Council on the Arts, including \$2.0 million from general revenue, \$751,796 from federal funds, \$10,881 from restricted receipts, and \$400,000 from the Art for Public Facilities Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$18,304, inclusive of statewide medical benefit rate savings distributed to state agencies. Other major changes to the enacted level include:

- *Personnel.* The Governor recommends a decrease of \$24,497 from general revenue for personnel expenditures in FY 2018, attributable to turnover savings from two unforeseen vacancies.
- *Rhode Island Foundation Grants.* The Governor includes an additional \$10,881 from restricted receipts financing for grants received from the Rhode Island Foundation. This includes \$5,000 in newly received grant funds and \$5,881 in carryforward proceeds from the previous fiscal year.
- *Art for Public Facilities Fund.* The Art for Public Facilities Fund, established pursuant to R.I.G.L. 42-75.2-4, requires any state building or facility being constructed, remodeled, or renovated, to expend at least 1.0 percent of construction costs on works of art for public display. The Governor includes \$400,000 for the Art for Public Facilities Fund, an increase of \$54,200 from the enacted level, reflecting estimated expenditures.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$45,333 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$3.1 million for the RI State Council on the Arts, including \$2.0 million from general revenue, \$719,053 from federal funds, \$5,000 from restricted receipts, and \$400,000 from the Art for Public Facilities Fund. Recommended general revenue financing increases by \$44,637 from the enacted level. Major changes to the enacted budget include:

- *Rhode Island Foundation Grants.* In FY 2019, the Governor includes an additional \$5,000 from restricted receipts financing for grants received from the Rhode Island Foundation, compared to the FY 2018 enacted level.

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- *Art for Public Facilities Fund.* The Governor includes \$400,000 for the Art for Public Facilities Fund, \$54,200 more than the enacted level, reflecting estimated expenditures in FY 2019.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$45,750 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration’s Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

The Governor recommends 8.6 FTE positions in the revised FY 2018 Budget and the FY 2019 Budget.

RHODE ISLAND ATOMIC ENERGY COMMISSION					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$908,285	\$956,464	\$982,157	\$1,021,021	\$1,053,231
Federal Funds	\$336,542	\$11,973	\$0	\$36,888	\$0
Restricted Receipts	\$0	\$0	\$0	\$0	\$99,000
Other Funds	\$263,019	\$241,615	\$272,216	\$271,762	\$268,879
RI Capital Plan Fund	\$69,036	\$32,246	\$50,000	\$50,000	\$50,000
Total Funding	\$1,576,882	\$1,242,298	\$1,304,373	\$1,379,671	\$1,471,110
FTE Authorization	8.6	8.6	8.6	8.6	8.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$1.4 million for the Atomic Energy Commission, including \$1.0 million from general revenue, \$36,888 from federal funds, \$271,762 from other funds, and \$50,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$38,864, inclusive of statewide medical benefit rate savings distributed to state agencies. Other major changes to the enacted level include:

- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$58,975 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration’s Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$1.5 million for the Atomic Energy Commission, including \$1.1 million from general revenue, \$99,000 from restricted receipts, \$268,879 from other funds, and \$50,000 from the Rhode Island Capital Plan Fund. Recommended general revenue financing increases by \$71,074 from the enacted level. Major changes to the enacted budget include:

- *Enterprise Fund.* In FY 2019, the Governor recommends \$99,000 from restricted receipts be appropriated for a newly created account, the “Atomic Energy Enterprise Fund.” Revenues collected from reactor fees will be placed within this newly created fund, and used to maintain the Agency’s equipment. On the last day of the fiscal year, if this fund holds a balance above \$200,000, all funds in excess of \$200,000 shall be paid to the State’s general fund.

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- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$59,429 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

The Governor recommends 8.6 FTE positions in the revised FY 2018 Budget and the FY 2019 Budget, consistent with the enacted level.

HISTORICAL PRESERVATION AND HERITAGE COMMISSION

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,362,860	\$1,131,750	\$1,121,134	\$1,123,154	\$1,187,291
Federal Funds	\$1,283,096	\$1,427,273	\$860,963	\$976,203	\$851,540
Restricted Receipts	\$126,202	\$27,987	\$427,700	\$432,151	\$465,870
Other Funds	\$75,291	\$79,732	\$80,970	\$80,970	\$81,589
RI Capital Plan Fund	\$125,000	\$0	\$0	\$0	\$0
Total Funding	\$2,972,449	\$2,666,742	\$2,490,767	\$2,612,478	\$2,586,290
FTE Authorization	16.6	15.6	15.6	15.6	15.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$2.6 million for the Historical Preservation and Heritage Commission, including \$1.1 million from general revenue, \$976,203 from federal funds, \$432,151 from restricted receipts, and \$80,970 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2,020, inclusive of statewide medical benefit rate savings distributed to state agencies. Other major changes to the enacted level include:

- *Personnel.* The governor recommends a decrease of \$86,475 from general revenue for personnel expenditures in FY 2018, largely attributable to turnover savings from the vacancy of the Executive Director position.
- *Federal Grants.* The Governor includes an increase of \$115,240 from federal funds, attributable to carryforward proceeds associated with the Hurricane Sandy Disaster Relief Grant and the National Maritime Heritage Grant.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$92,262 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$2.6 million for the Historical Preservation and Heritage Commission, including \$1.2 million from general revenue, \$851,540 from federal funds, \$465,870 from restricted receipts, and other funds totaling \$81,589. Recommended general revenue financing increases by \$66,157 from the enacted level. Major changes to the enacted budget include:

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- *Restricted Receipts.* The Governor includes an increase of \$32,800 from restricted receipts, attributable to a one-time easement payment. These funds are used to offset general revenue expenditures specific to personnel.
- *Federal Grants.* In FY 2019 the Commission was the recipient of an additional National Maritime Heritage Grant from the U.S. National Park Service, totaling \$210,000.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$94,726 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

The Governor recommends 15.6 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the FY 2018 enacted level.