

# FY 2018 Budget Plan Overview

## Governor Gina M. Raimondo



Gina M. Raimondo,  
Governor

State of Rhode Island and  
Providence Plantations  
Fiscal Year 2018  
Budget

**EMBARGOED UNTIL**  
**4 PM on Thursday,**  
**Jan. 19, 2017**

# Governor's FY 2018 Budget: Access to Opportunity

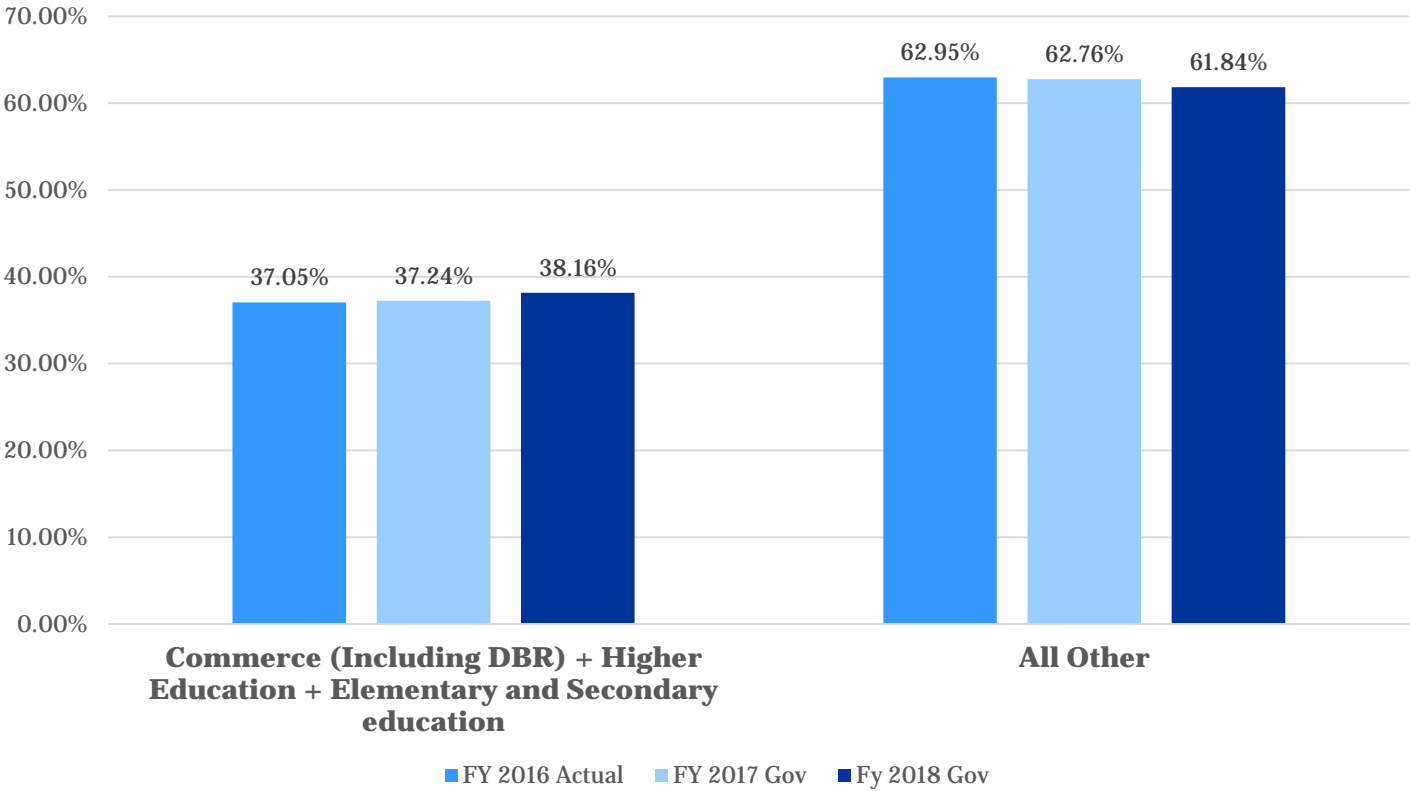


- **Invests at record levels in our educational system & workforce**
- **Closes an estimated deficit of \$66.2M, down from the projected FY 2018 deficit of \$184.5M**
- **Introduces no broad-based tax increases for 3<sup>rd</sup> consecutive year under the Raimondo Administration**
- **Makes strategic investments in economic growth & innovation**
- **Supports the working Rler with a minimum wage increase**
- **Promotes the health of our cities & towns**

# Investing in Growth, Controlling Costs



## Investment Areas as Percentage of General Revenue



# FY 2018 Budget Plan



## **Middle Class Relief**

# Access To Affordable Higher Education



- **RI Promise** – Two years of free college tuition for all (\$10 M)
  - Students may receive the scholarship at CCRI immediately after graduation or at RIC or URI beginning their junior year (the college graduating Class of 2021). Phase-in is as follows:

FY	FY18	FY19	FY20	FY21+
Cost	\$10M	\$13M	\$18M	\$30M

- Once fully implemented in 2021, the full cost will be less than 1% of the State general revenue budget

## Key Facts

- By 2020, seven out of 10 jobs created in RI will require an associate's degree or higher
- Fewer than 50% of URI students, 15% of RIC students and only 5% of CCRI students earn their degrees on time
- Students graduating from Rhode Island colleges with debt, on average, have more than \$35,000 in loans to repay – the second highest debt of any state

# Motor Vehicle Property Tax Fairness



- **Fiscally responsible car tax plan** – reduce assessed motor vehicle values by 30%
  - Change reduces total car tax bills by about \$58M in calendar year 2018
  - In FY16, car taxes made up approx. 9% of total local tax revenues
    - State will reimburse cities & towns for revenue loss while ensuring fairness for vehicle owners
  - Moves from “clean retail” values to approximation of “average trade-in value”
    - Valuation process does not always reflect true values on each vehicle
    - RI has some of the highest average car tax rates in the country
    - Aligns us closer with methodologies used by MA & CT

# FY 2018 Budget Plan



## **Helping Working Families**

# Enhanced Quality Of Life



- **Increase minimum wage from \$9.60 per hour to \$10.50 per hour, effective Oct. 1, 2017**
- **Abolish Apprenticeship Fees** – eliminate fees associated with registered apprenticeships in RI to incentivize employers to establish apprenticeship programs
- **Increase Penalties for Labor Law Violations** – would generate approx. \$775,000 in general revenues & restricted receipt funds while enhancing labor law enforcement efforts



# Promoting 3<sup>rd</sup> Grade Reading



- **Increase Pre-K Learning** – increases funding to leverage federal grants for total of \$6M to support cognitive growth in children & laying groundwork for future academic success
- **Performance-based Quality Incentive for Child Care Assistance**– \$1M to offer quality incentive payments for child care providers
- **Make ELL Funding Permanent**– makes permanent the \$2.5M added to local English Language Learners (ELL) K-12 funding last year
  - RI is one of four states in the country that does not have permanent ELL funding
- **Kindergarten Entry Profile** – \$200,000 in technology & training to start program analyzing children’s abilities & academic potential at kindergarten level

# FY 2018 Budget Plan



## **Strengthening The Economy**

# Promoting Advanced Manufacturing



- **Manufacturing Investment Tax Credit**– \$3.25M to enhance existing investment tax credit w/focus on manufacturers buying equipment & adding jobs
- **Job-Ready Workplace Learning Stimulus Package** - \$2M to create a job incentive program w/focus on advanced manufacturing, creating a competitive award for those expanding employment in RI
- **Innovation Voucher** – expands successful R&D incentive program from \$1.5M to \$2.5M w/added focus on manufacturing R&D
- **Polaris Technical Assistance** – additional \$300,000 (for total of \$550,000) to allow Polaris to provide LEAN training, facility layout and other programming to help manufacturers succeed

# Business Attraction & Economic Development



- **First Wave Closing Fund** – provides \$1.5M to offer state economic development officials w/flexibility when working with businesses interested in locating to or expanding in RI
- **Air Services Development Fund** – adds \$500,000 to provide incentives to airlines interested in launching new routes or increasing service to T.F. Green Airport
- **I-195 Development Fund** – \$10.1M from one-time debt service savings to resupply the Fund, designed to catalyze development & attract anchor employers to I-195 land

# Business Attraction & Economic Development



- **Rebuild RI** – maintains funding at \$20M per year to continue to leverage private funds to spur real estate development
- **Local Agriculture & Seafood Act** – increases funding by \$100,000 to allow more small businesses in food sector to receive development grants
- **Real Jobs RI** – maintains commitment to demand-driven workforce and economic development initiative, ensuring RI employers have the talent they need to compete & grow while providing targeted education and skills training to RI workers

# Customer-Oriented Services & Regulations



- **Implementation Of New APA Requirements** – policy fellows will assist the Office of Regulatory Reform & Secretary of State’s Office to review every existing regulation & create an online, indexed & searchable code of state regulations
- **Technical Assistance Grants** – adds \$250,000 in grants for technical expertise to help 4 to 6 cities and towns improve zoning processes & streamline local permitting processes
- **Reduce Permit Time** – adds 2 environmental scientists to Office of Water Resources to reduce permit & compliance time for storm water & pollution compliance
- **DMV Staff** – adds 8 staff to DMV to address wait times

# FY 2017 Revised Budget Plan



## **Protecting Health & Safety**

# Criminal Justice Reform



*Established by Executive Orders 15-11 & 15-14, the Justice Reinvestment Working Group & Overdose Prevention and Intervention Task Force developed recommendations supported by the following investments:*

- **Public Defender Mental Health Program** – \$185,000 to ensure better access to mental health public services while reducing strain on health care systems, first responders, the Judiciary and Department of Corrections
- **Corrections Mental Health Professionals** – adds \$410,000 to improve mental health services at the ACI by funding new clinical social workers & improving discharge planning for prisoners with behavioral health issues
- **Recovery Housing** – \$200,000 to provide 60 beds for individuals with behavioral health care issues & criminal justice histories in 10 recovery houses
- **Domestic Violence Intervention** – adds \$100,000 to address 2 goals:
  - Train program facilitators & staff on evidence-based treatments to reduce instances of intimate partner domestic violence
  - Subsidize participation costs for indigent participants



# Seniors & Environment



- **Supporting Seniors**

- Home Health & Developmental Disability (DD) Worker Raises – \$11M in combined state & federal funds to raise wages for home-care and DD workers by about 7% and 5%, respectively.
- Low-Income Elderly & Disabled – \$300,000 on pilot program offering free 10-trip RIPTA tickets for some individuals who were previously able to ride without paying a fare

- **Recreation, Health & Environment**

- Conservation Districts (\$50,000)
- Volvo Ocean Race (\$775,000)
- Electric Vehicle Grant (\$250,000)
- Streamline Lead Authority – consolidate authority for Lead Poisoning Prevention Program under DOH

# Recreation & Health Funding



- **Increase Cigarette Tax to \$4.25 per pack**
  - Will generate approx. \$8.7M in general revenue
  - Works to curb youth smoking rates
  - \$2.5M placed in Outdoor Recreation Council-recommended fund for:
    - Local recreation matching grants
    - State & local recreation programming
    - Recreation capital funding & maintenance
    - Park staffing & administration
  - \$500,000 would be used to fund anti-smoking media campaigns, targeted cessation efforts & policy work related to reducing tobacco use

