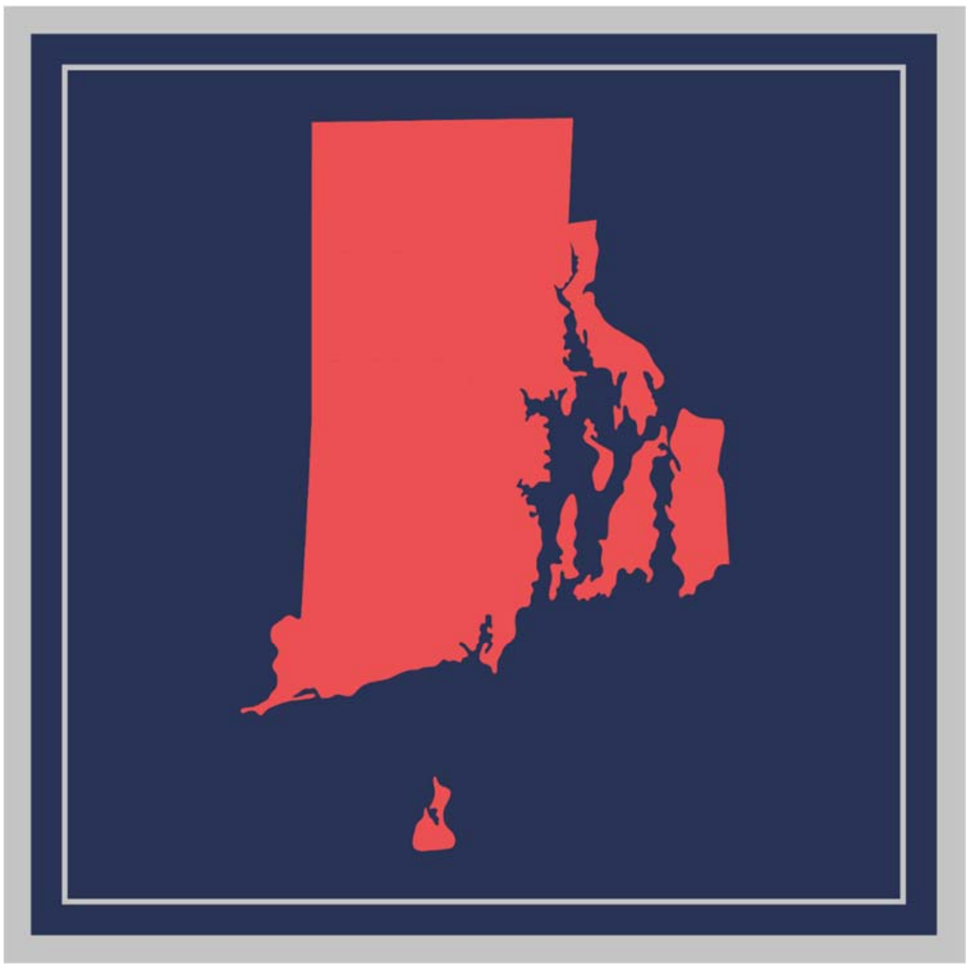
State of Rhode Island and Providence Plantations

Executive Summary



Fiscal Year 2019

Gina M. Raimondo, Governor

Appendix E
Five-Year Financial Projection

FY 2019 – FY 2023 Overview

Summary

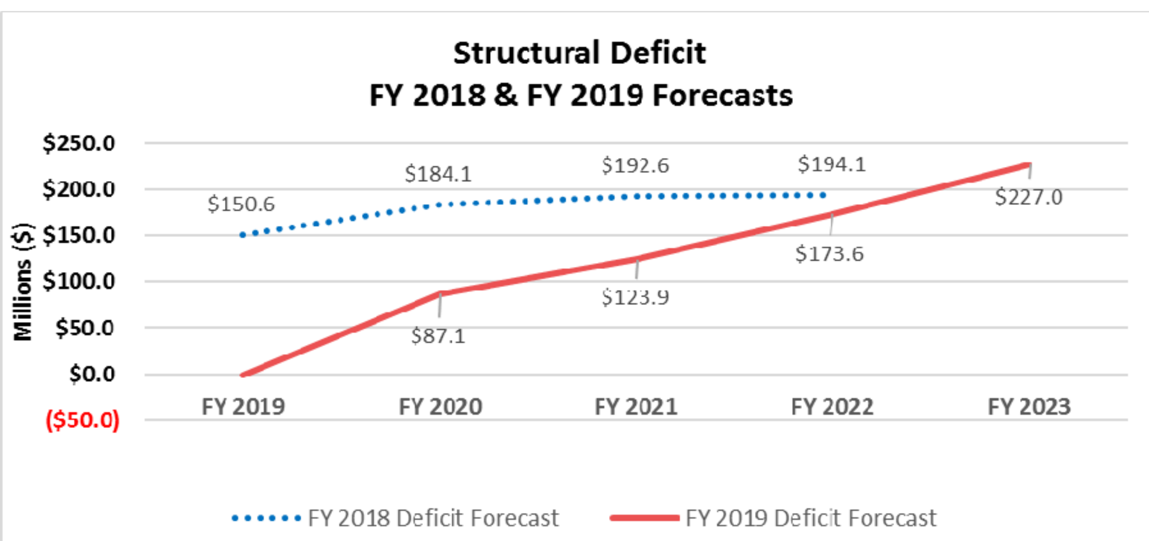
This five-year financial projection has been prepared pursuant to Section 35-3-1 of the Rhode Island General Laws, which requires that the Budget Officer:

> (6) Prepare a five-year financial projection of anticipated general revenue receipts and expenditures, including detail of principal revenue sources and expenditures by major program areas, which projection shall be included in the budget submitted to the general assembly pursuant to subsection 35-3-7.

The five-year financial projection includes tables that present anticipated revenues and expenditures for the five fiscal years ending in June 2023. Also included are tables that provide detail on the planning values used in these projections. The planning values reflect policy assumptions, as well as economic and demographic forecasts.

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

From the FY 2019 budget base, expenditures will exceed revenues in each of the out-years projected through FY 2023. The projected operating deficits by fiscal year are as follows: $87.1 million in FY 2020, $123.9 million in FY 2021, $173.6 million in FY 2022, and $227.0 million in FY 2023. In percentage terms, the deficits are projected to range from 2.2 percent of spending in FY 2020 to 5.2 percent of spending in FY 2023. The expenditure-side of the budget is estimated to increase at an average annual rate of 2.7 percent from the FY 2018 base to FY 2023. Inflation, however, as measured by the United States consumer price index for all urban consumers (CPI-U), is expected to grow at an average annual rate of 2.5 percent over this same period.



FY 2019 – FY 2023 Overview

Revenues

The revenue projections contained in the five-year forecast incorporate the Governor's proposed FY 2019 general revenue changes to the estimates adopted at the November 2017 Revenue Estimating Conference (REC). Overall revenues are expected to grow from $3.948 billion in FY 2019 to $4.261 billion in FY 2023. This is an increase of $312.7 million, or 7.9 percent more revenues than in the FY 2019 recommended budget.

The five-year projection anticipates average annual general revenue growth of approximately 2.0 percent over the FY 2019 through FY 2023 period, based upon the adopted November 2017 Revenue Estimating Conference forecast for the Rhode Island economy and the Governor's recommended changes to adopted revenues. The forecasts underlying the five-year projection assume that overall growth in Rhode Island's economy will slightly slow from FY 2019 through FY 2021 before leveling off. This is reflected in non-farm employment growth rates of 0.5, 0.4, and 0.3 percent respectively for these three fiscal years. The underlying forecast anticipates steady average annual growth for nominal wages and salaries and nominal personal income of 4.3 percent and 3.8 percent respectively over FY 2019 through FY 2023 period. As testified to at the November 2017 REC, this is partly a function of the state nearing full employment and the upward pressure on wages that results.

FY 2019 shows a decrease of general revenue growth when compared to FY 2018 from 4.6 percent to 2.5 percent. The November 2017 REC assumed a one-time realization of personal income tax and business corporation tax revenue in FY 2019 due to federal tax reform. Aggregate growth in these two revenue streams is 6.4 percent in FY 2018, 5.3 percent in FY 2019, and 2.3 percent in FY 2020. In addition, FY 2018 includes increased sales and use tax collection due to a law change in the FY 2018 enacted budget that requires remote sellers (such as e-commerce website and mail-order catalogs) to either remit sales and use tax or report tax owed to both their customers and the state. This policy change becomes part of the sales and use tax base starting in FY 2019, and helps explain why sales and use tax growth is estimated at 5.5 percent in FY 2018 but averages 2.8 percent annually over FY 2019 through FY 2023. General revenue growth remains positive but moderates for the FY 2020 to FY 2023 period at approximately 1.9 percent annually, as the Rhode Island economy reaches a steady-state growth path and resort casinos come online in Massachusetts and Connecticut.

Lottery transfers to the State general fund are expected to have some growth before declining beginning in FY 2022. The FY 2019 lottery transfer projection adopted at the November 2017 REC incorporates the opening of a hotel at Twin River casino in Lincoln and a new gaming facility in Tiverton. The Tiverton facility, which is assumed to open in November 2018, will include both the operation of video lottery terminals and table games. These new facilities help mitigate the impact of a new casino in Springfield, Massachusetts which is expected to open in September 2018. The state's share of video lottery terminal (VLT) revenue is expected to increase by 0.9 percent in FY 2019, while table game revenue is expected to decline by 17.5 percent. The increase in the state's share VLT revenue is attributable to the opening of the Tiverton casino as the state's share of VLT revenue from the Lincoln casino is projected to decline by 4.1 percent. A new casino in Everett, Massachusetts (outside Boston) is expected to open at the beginning of FY 2020, and keep aggregate growth in the state's share of VLT revenue and table game revenue to 0.4 percent in FY 2020. This projection newly incorporates a jointly owned tribal casino in East Windsor, Connecticut opening in FY 2021 and a tribally owned casino in Taunton, Massachusetts opening in FY 2022. These new facilities will lead to lower aggregate state share of lottery revenue from VLTs and table games, with declines of 8.3 percent in FY 2022 and 2.0 percent in FY 2023. This helps explain why total general revenue growth goes from 2.3 percent in FY 2021 to 1.3 percent in FY 2022. Lottery transfer revenue is aided by the Governor's recommendation to legalize sports betting in FY 2019. Sports betting is expected to jump significantly in FY 2020 before leveling off in FY 2021 through FY 2023.

There are several potential weaknesses in the economic forecast. Rhode Island population growth is expected to be weak, with population and labor force growth of about 0.1 percent per year over the next few years. Job growth in the professional business service sector has been a source of strength for the state, but job gains are expected to be concentrated in lower-skilled, lower-wage administrative support positions. The retail trade sector is expected to be the biggest weak point of the labor market as sector payrolls decline 1.1 percent per year through 2022. The manufacturing sector employment has seen a bounce back in recent years, but gains in that sector are expected to taper off and cease by 2021. These factors could limit employment and wage growth in the state, which would impact revenue collections over the next five years.

It is important to note that, as a small open economy in a common currency zone, Rhode Island is particularly vulnerable to the national macroeconomic business cycle. The revenue projections contained in the five-year forecast are predicated on the baseline economic forecast presented by IHS Markit at the November 2017 REC. This economic forecast does not anticipate a recession or a significant increase in economic growth as a result of changes in federal tax and/or regulatory policy. Should either of these events transpire, Rhode Island general revenues will decrease below the current projections in the case of a recession or increase above the current projection in the case of higher economic growth. IHS Markit put the probability of a recession at 20 percent and the probability of higher economic growth at 15 percent during testimony at the November 2017 Revenue Estimating Conference.

Expenditures

Expenditure side risks must also be noted within the five-year projection. There are initiatives contained in the Governor’s FY 2019 Budget that set the expenditure base at a lower level and therefore a risk to the forecast is the passage of those proposals and their successful implementation. Conversely, as described above, if revenues are better than forecast in the near or long-term, adjustments could, and likely would, be made to some of the Governor’s expenditure proposals thus impacting out-year projections.

A recurring risk to the five-year forecast relates to medical services inflation, utilization, and technological change. Beneficial changes in medical technology and the resultant change in utilization of medical services are especially difficult to forecast. These factors are particularly influential; a significant part of the budget is driven by medical costs, and these costs have been accelerating. These factors impact both the costs incurred for the clients the state serves and its employees. While costs for medical care will continue to be an underlying driver of state personnel costs in the forecast, it is assumed that growth for state employee health benefit costs will average 5.0 percent annually through FY 2023. The forecast also assumes that state employees will continue to share in the cost of medical insurance.

Another expenditure side risk involves demographic shifts, such as the aging of the baby-boomer population that will present a greater need to enhance and expand the infrastructure for elderly care toward the end of the five-year horizon. Also of concern is the status of the Affordable Care Act at the federal level and the impact any changes will have on state expenditures for medical services to Medicaid-eligible and other citizens.

FY 2019 – FY 2023 Overview

Personnel and Other Operations

The wage projections contained in the personnel estimates include cost-of-living adjustments provided to certain employee unions in recent years, but assume no specific broad-based cost-of-living adjustments for the state workforce. As a proxy for step and educational incentive increases and potential pay adjustments in years subsequent to current collective bargaining contracts, annual increases equivalent to the CPI-U inflation projections have been included for FY 2020 and thereafter. In FY 2019, salary costs are projected to grow 1.4 percent compared to the revised FY 2018 Budget. This is followed by estimated increases of approximately 2.5 percent in each fiscal year through FY 2023.

The forecast reflects employee cost sharing that will continue to offset health insurance costs in FY 2019 and throughout the forecast period. Average employee cost sharing of 20.0 percent of medical premium cost in FY 2019 and thereafter is projected. Gross medical cost increases for health care premiums are expected to grow 5.0 percent annually on average throughout the forecast period.

Although pension reform legislation enacted in the fall of 2011 has had a major impact on personnel costs since its enactment, pension rates are projected to increase over the forecast period. According to actuarial projections by Gabriel, Roeder, Smith and Company, recent changes to certain actuarial assumptions by the State Retirement Board will result in the annual required contribution rate for state employees increasing from 26.28 percent in FY 2019 to 29.03 percent in FY 2023. Based upon projected payroll growth and the forecasted retirement contribution rates, the general revenue funded contribution for state employee members would grow from a projected $107.1 million in FY 2019 to $126.8 million in FY 2023, reflecting growth of $22.7 million in retirement costs, an average increase of 3.0 percent a year.

Personnel and operating costs continue to be constrained during FY 2019. The current five-year forecast assumes $1.158 billion of personnel and operating costs in FY 2019 and an average growth of 3.0 percent over the five-year interval, resulting in an estimated cost of $1.301 billion in FY 2023, an increase of $144.0 million.

Grants and Benefits

Grants and benefits are projected to increase by an average of 3.7 percent annually from FY 2019 to FY 2023. This growth rate results in an increase of $188.1 million in this category of spending over the five-year horizon. The growth rates used in the five-year forecast were derived from Medicaid expenditure projections released by the Centers for Medicaid and Medicare Services (CMS) in July 2017, as well as Budget Office estimates based on CPI-U for medical services and historical spending patterns in Rhode Island.

The forecast for grants and benefits under the Office of Health and Human Services and the Department of Human Services is based on the assumption that the Federal Temporary Assistance to Needy Families Cash Assistance Program (TANF), known as the Rhode Island Works program (formerly FIP), and the Child Care Assistance Program (CCAP) will meet their stated objectives during the forecast period, that federal block grants will continue at current levels, and that Medicaid matching rates (FMAP) will remain close to those in effect for FY 2018.

The forecast assumes that eligibility and economic influences on RI Works/Child Care caseloads will result in increases in costs of approximately 2.5 percent annually. These exclusively reflect continuing additions for child care subsidies, which are extended to low-income families even after cash assistance clients gain access to unsubsidized employment. Federal block and matching grant resources are assumed to be insufficient to finance these incremental costs throughout the forecast period, and, therefore, general revenue dollars are added. No additional effects from the implementation of the new RI Works program are recognized in the estimates, and it is assumed that federal TANF resources will remain sufficient to meet the entire cost of the RI Works program throughout the forecast horizon. Supplemental Security Income (SSI) payments are forecasted to grow at an average rate of 1.0 percent throughout the five-year period.

The managed care forecast assumes that base costs will inflate 2.7 percent per year on average until FY 2023. Incorporated into the FY 2019 expenditure base for managed care are various proposals in the Governor's recommended FY 2019 Budget. In the Medical Assistance program, the Governor recommends a reduction to the Caseload Estimating Conference's (CEC) adopted funding level to be achieved through various policy actions designed to contain the Medicaid program's expenditure growth in both FY 2019 and subsequent years.

Similarly, cost trends in institutional long-term care include an average annual growth rate of 7.6 percent from FY 2019 through FY 2023. For home- and community-based long-term care, the growth rate over the forecast horizon is estimated at 6.6 percent.

The five-year financial projection for Medical Assistance expenditures incorporate the out-year implications of a key provision of the Patient Protection and Affordable Care Act (PPACA): the expansion of Medicaid coverage to non-pregnant adults without dependent children with incomes up to 138 percent of Federal Poverty Level. Under PPACA, full federal financing of Medicaid services for the expanded eligibility population elapsed on December 31, 2016, after which the federal matching rate declines incrementally until reaching 90 percent for 2020 and thereafter. Commencing in FY 2017, the enacted budgets have included general revenue financing for the state's increasing share of these costs. Total funding of $204.4 million spanning the projection period of FY 2019 through FY 2023 is estimated to be needed to accommodate the loss of 100 percent federal financing.

The general revenue expenditures within the Services for the Developmentally Disabilities Private System are projected to increase from $102.5 million in FY 2019 to $113.0 million in FY 2023, which equates to an average annual growth rate of 3.3 percent over the five-year period. There are several factors that could significantly impact expenditures during the forecast period. These include general economic conditions that negatively impact Rhode Islanders; the aging of caregivers; the aging of the existing population; and greater public awareness of the availability and, therefore, the utilization of services. Efforts to restructure the network of providers serving persons with developmental disabilities and efforts to increase shared living arrangements over and above those contained in the Governor's FY 2019 Budget could serve to constrain growth below those contained in the projection. It should be noted that the expenditures only reflect the residential, day program, respite and supported employment services. Medical costs under the Medicaid program are reflected in the Executive Office of Health and Human Services' grant costs.

Cost trends for general revenue state match expenditures to the Medicaid, Title IV-E, and other grant programs in the Department of Children Youth and Families are projected to grow from $81.7 million to $87.9 million between FY 2018 and FY 2022. This increase of $8.3 million over the five-year period, equates to an average annual growth rate of 2.5 percent. The Governor's FY 2019

Also included under the Grants category are scholarship funds within the Office of the Postsecondary Commissioner, including funding for the Governor's *Rhode Island Promise* initiative that will guarantee two years of free tuition to eligible students at the Community College of Rhode Island. The recommended FY 2019 includes funding of $6.4 million to continue this gubernatorial initiative, which is estimated to increase to $14.0 million in cost by FY 2023.

Local Aid

Local aid expenditures include: Education Aid; Municipal Incentive Aid; Motor Vehicle Tax Phase-out Reimbursements; Payment in Lieu of Taxes (PILOT); Distressed Communities; Fiscal Oversight Reimbursement; Library Aid; Library Construction Aid; the Property Revaluation Program; and the Central Falls Pension Plan.

The Distressed Communities, Fiscal Oversight Reimbursement, and Library Aid are level funded over the period; Distressed Communities at $12.4 million, Fiscal Oversight at $130,000, and Library Resource Sharing Aid at $9.4 million.

Changes in Library Construction Aid, the Property Revaluation program, and contributions to the new Central Falls pension plan are forecasted based on proposed schedules from the responsible programs. The PILOT program is estimated to increase based on growth in real estate values. The five-year forecast projects growth of $7.0 million over the forecast period, an average growth rate of 3.7 percent.

The FY 2018 enacted budget included substantial changes to the Motor Vehicle Tax Phase-Out program, with the intent of phasing out the local tax on motor vehicles by FY 2024. The FY 2019 recommended budget includes the resources to continue the phase out by adding $20.2 million. The five-year forecast assumes increases of $37.6 million in FY 2020, $21.0 million in FY 2021, $27.8 million in FY 2022 and $34.6 million in FY 2023.

Education Aid is expected to increase by a total of $50.4 million from the FY 2019 base level of $1,153.1 million. This growth is a direct result of the education aid funding formula which is nearing the end of its original a ten-year transition period. Districts that stood to gain money completed their seven-year transition period in FY 2018, while losing districts will gradually continue to lose funding through FY 2021. FY 2019 is the eight year of the transition period The five-year forecast assumes annual growth of about 1.0 percent from FY 2019 through FY 2023, after several years of growth in excess of 4.0 percent.

The five-year forecast maintains categorical funding streams at the enacted FY 2018 levels. Although some categorical programs have received increased funding in recent years, there is no statutory requirement to provide annual increases and thus any additional funding has been subject to recommendation by the Governor through the annual budget process.

The funding formula is primarily data driven. As a result, changes may occur in the core instruction amount, the state share calculation, increases or decreases in student populations, changes in median family income, student movement between charter schools or state schools, as well as increases or decreases in free and reduced lunch students. Growth in the formula is estimated to be approximately $8.9 million per year for FY 2019 through FY 2023, in contrast to previous years with growth of over $40.0 million per year.

State contributions for teachers' retirement increase by $11.1 million, from $107.1 million in FY 2019 to $118.2 million in FY 2023. Projections for future required employer contributions to the teachers' retirement fund reflect average annual growth of 2.5 percent from FY 2019 through FY 2023, which is based on the projected CPI-U growth during this period. Housing aid, which reimburses communities for part of the debt incurred for new school construction is projected to remain close to the FY 2018 enacted level of $69.0 million, assuming the minimum state share ratio remains at 35.0 percent over the next five years. The School Building Authority Capital Fund is financed at $11.0 million throughout the forecast horizon, level funding with the proposed FY 2019 level. Combined, this program provides $80.0 million towards school construction projects annually.

Capital

The projection of capital project disbursements and debt service costs reflects updated debt service projections as included in the FY 2019 – FY 2023 Capital Improvement Plan. General revenue funded debt service on all tax supported obligations is projected to increase from $174.7 million in FY 2019 to $194.2 million in FY 2023, an increase of $19.5 million. Other debt service increases are attributable to the issuance of debt for the Historic Tax Credit program, and annual issuance of voter approved and newly recommended general obligation bonds. These increases are offset over the next five years as certain debts are paid off.

The five-year forecast is based upon outstanding debt and projected new debt contained in the Governor's recommended FY 2019 - 2023 Capital Budget. Interest rates for fixed rate general obligation bonds to be issued to fund projects are projected at 5.0 percent. Historic Tax Credit debt is projected to be issued at 4.5 percent over nine years in in 2019. Projected amortization schedules are found in the exhibits contained in Appendix C of the Capital Budget document.

Debt service for the Historic Structures Tax Credit stabilization program decreases by $11.3 million in FY 2019 as the first issuance of this debt is paid off. Performance-based obligations remain at $7.0 million through FY 2021, declining to $1.0 million in FY 2022 and FY 2023. Debt service on certificates of participation decrease by $4.3 million from $26.6 million in FY 2019 to $3.2 million in FY 2023. Current debt service projections include full issuance of all COPS authorization, as well as newly proposed authorizations. Convention Center debt service assumes issuance of new debt in FY 2018 for the construction of a parking garage near the Garrahy Courthouse and adjacent to the I-195 land under redevelopment.

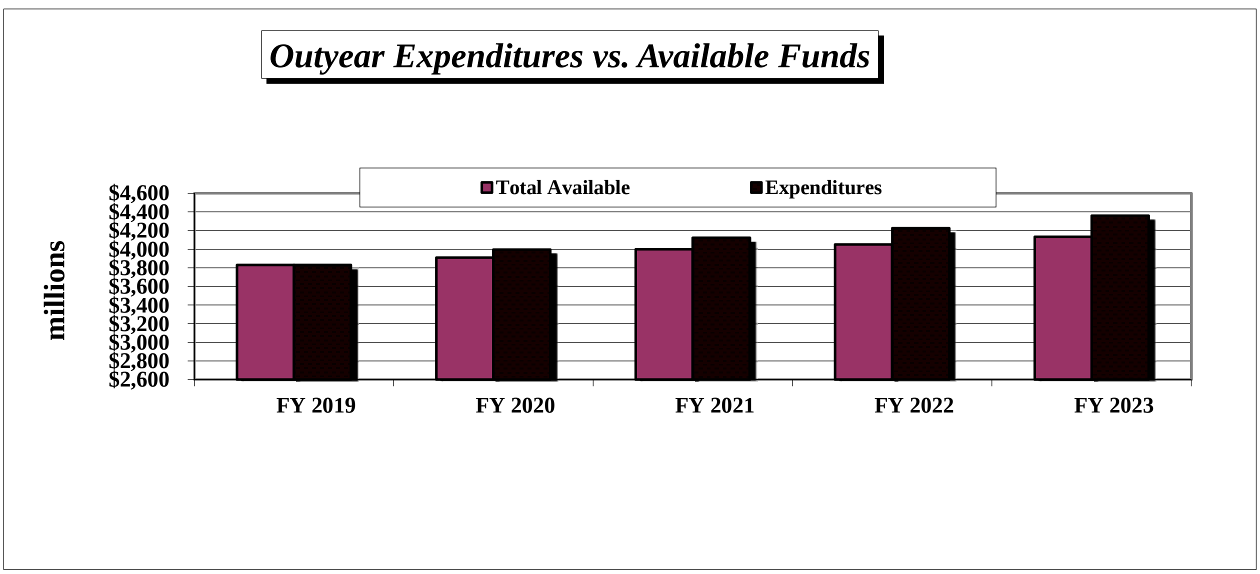
Disbursements for many capital projects are funded from the Rhode Island Capital Plan Fund, not general revenue, and therefore are not reflected in the five-year report as operating costs.

Conclusion

While the FY 2019 structural deficit forecast sees decreases relative to the Governor's proposed FY 2018 budget, it also reflects an increase in the structural deficit's overall growth rate. This is largely due to the multi-year phase-out of the motor vehicle excise tax. The FY 2018 enacted budget included substantial changes to the motor vehicle excise tax program, with the intent of phasing out the local tax on motor vehicles by FY 2024. The FY 2019 recommended budget includes the resources to continue the phase-out by adding $20.2 million. The five-year forecast assumes increases of $37.6 million in FY 2020, $21.0 million in FY 2021, $27.8 million in FY 2022 and $34.6 million in FY 2023.

General Revenue Outyear Estimates FY 2019 - FY 2023

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Opening Surplus [1]	**$0.3**	**$0.9**	**$0.0**	**$0.0**	**$0.0**
Plus:					
Taxes and Departmentals	3,534.6	3,613.7	3,704.2	3,784.3	3,873.8
Other Sources (incl. Lottery)	413.8	416.7	417.6	392.1	387.3
Budget Stabilization Fund	(118.5)	(120.9)	(123.7)	(125.3)	(127.8)
Total Available	**3,830.2**	**3,910.3**	**3,998.2**	**4,051.1**	**4,133.2**
Minus Expenditures	**3,829.3**	**3,996.6**	**4,122.1**	**4,224.7**	**4,360.2**
Equals Ending Balance	**$0.9**	**($86.2)**	**($123.9)**	**($173.6)**	**($227.0)**
Operating Surplus or Deficit	***$0.6***	***($87.1)***	***($123.9)***	***($173.6)***	***($227.0)***
Budget & Cash Stabilization Balance	$197.4	$201.6	$206.1	$208.9	$213.1
Rhode Island Capital Fund					
Capital Projects Disbursements	$168.3	$125.2	$118.8	$111.3	$98.8



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

General Revenue Outyear Estimates

		FY 2019		FY 2020		FY 2021		FY 2022		FY 2023
Personal Income Tax	**$**	**1,364,992,630**	**$**	**1,403,302,138**	**$**	**1,453,465,920**	**$**	**1,504,700,162**	**$**	**1,551,712,866**
General Business Taxes:										
Business Corporations		162,092,100		159,533,174		165,889,042		170,765,705		174,980,254
Public Utilities		97,000,000		98,203,578		99,479,164		100,663,732		101,899,463
Financial Institutions		20,300,000		20,184,240		20,003,337		19,850,879		19,779,749
Insurance Companies		128,664,110		129,410,584		132,086,885		133,361,501		137,292,464
Bank Deposits		2,700,000		2,637,483		2,713,004		2,744,410		2,698,979
Health Care Provider		45,203,201		46,179,167		47,109,630		48,187,434		50,433,634
General Business Taxes	**$**	**455,959,410**	**$**	**456,148,226**	**$**	**467,281,063**	**$**	**475,573,660**	**$**	**487,084,543**
Sales and Use Taxes:										
Sales and Use		1,101,512,483		1,136,528,934		1,162,719,944		1,185,620,419		1,208,206,432
Motor Vehicle		3,133,600		5,258,300		2,071,425		1,009,150		1,009,150
Motor Fuel		*		*		*		*		*
Cigarettes		145,667,352		143,481,305		141,078,487		138,607,414		136,152,119
Alcohol		20,700,000		21,134,502		21,963,107		22,775,438		23,663,845
Controlled Substances		-		-		-		-		1,000,000
Sales and Use Taxes	**$**	**1,271,013,435**	**$**	**1,306,403,041**	**$**	**1,327,832,964**	**$**	**1,348,012,420**	**$**	**1,370,031,546**
Other Taxes:										
Estate and Transfer		29,500,000		30,436,542		31,778,759		33,658,083		35,646,444
Racing and Athletics		1,100,000		1,046,679		1,023,380		1,015,382		1,038,519
Realty Transfer Tax		14,300,000		14,506,150		15,069,653		15,627,324		16,196,699
Other Taxes	**$**	**44,900,000**	**$**	**45,989,371**	**$**	**47,871,792**	**$**	**50,300,789**	**$**	**52,881,662**
Total Taxes	**$**	**3,136,865,475**	**$**	**3,211,842,777**	**$**	**3,296,451,739**	**$**	**3,378,587,031**	**$**	**3,461,710,616**
Total Departmental Receipts		397,694,795		401,825,248		407,784,505		405,692,291		412,057,774
Taxes and Departmentals	**$**	**3,534,560,271**	**$**	**3,613,668,025**	**$**	**3,704,236,244**	**$**	**3,784,279,323**	**$**	**3,873,768,391**
Other Sources										
Other Miscellaneous		13,297,738		6,287,620		6,238,027		6,238,027		6,238,027
Lottery Commission Receipts		391,200,000		400,915,943		401,605,354		375,853,926		370,813,555
Unclaimed Property		9,300,000		9,524,662		9,767,170		9,995,874		10,238,156
Other Sources	**$**	**413,797,738**	**$**	**416,728,224**	**$**	**417,610,551**	**$**	**392,087,827**	**$**	**387,289,738**
Total General Revenues	**$**	**3,948,358,008**	**$**	**4,030,396,249**	**$**	**4,121,846,795**	**$**	**4,176,367,149**	**$**	**4,261,058,129**

General Revenue Outyear Estimates - Percentage Changes

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Income Tax	**5.1%**	**2.8%**	**3.6%**	**3.5%**	**3.1%**
General Business Taxes:					
Business Corporations	7.2%	-1.6%	4.0%	2.9%	2.5%
Public Utilities	2.6%	1.2%	1.3%	1.2%	1.2%
Financial Institutions	-6.5%	-0.6%	-0.9%	-0.8%	-0.4%
Insurance Companies	1.3%	0.6%	2.1%	1.0%	2.9%
Bank Deposits	0.0%	-2.3%	2.9%	1.2%	-1.7%
Health Care Provider	1.4%	2.2%	2.0%	2.3%	4.7%
General Business Taxes	**3.2%**	**0.0%**	**2.4%**	**1.8%**	**2.4%**
Sales and Use Taxes:					
Sales and Use	4.6%	3.2%	2.3%	2.0%	1.9%
Motor Vehicle	-84.8%	67.8%	-60.6%	-51.3%	0.0%
Motor Fuel	*	*	*	*	*
Cigarettes	1.8%	-1.5%	-1.7%	-1.8%	-1.8%
Alcohol	2.0%	2.1%	3.9%	3.7%	3.9%
Controlled Substances					
Sales and Use Taxes	**2.7%**	**2.8%**	**1.6%**	**1.5%**	**1.6%**
Other Taxes:					
Estate and Transfer	-25.1%	3.2%	4.4%	5.9%	5.9%
Racing and Athletics	0.0%	-4.8%	-2.2%	-0.8%	2.3%
Realty Transfer Tax	5.9%	1.4%	3.9%	3.7%	3.6%
Other Taxes	**-16.9%**	**2.4%**	**4.1%**	**5.1%**	**5.1%**
Total Taxes	**3.5%**	**2.4%**	**2.6%**	**2.5%**	**2.5%**
Total Departmental Receipts	**2.8%**	**1.0%**	**1.5%**	**-0.5%**	**1.6%**
Taxes and Departmentals	**3.4%**	**2.2%**	**2.5%**	**2.2%**	**2.4%**
Other Sources					
Gas Tax Transfers	*	*	*	*	*
Other Miscellaneous	-75.8%	-52.7%	-0.8%	0.0%	0.0%
Lottery Commission Receipts	6.4%	2.5%	0.2%	-6.4%	-1.3%
Unclaimed Property	-12.3%	2.4%	2.5%	2.3%	2.4%
Other Sources	**-4.5%**	**0.7%**	**0.2%**	**-6.1%**	**-1.2%**
Total General Revenues	**2.5%**	**2.1%**	**2.3%**	**1.3%**	**2.0%**

General Revenue Outyear Expenditure Estimates

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
State Operations					
Personnel and Contract Services	$953,620,000	$976,770,000	$1,007,610,000	$1,037,970,000	$1,069,390,000
Other State Operations	204,244,000	209,350,000	214,790,000	219,940,000	225,220,000
Impact of Initiatives/Other Changes	-	9,021,190	12,021,190	8,271,190	7,271,190
Subtotal	**$1,157,864,000**	**$1,195,141,190**	**$1,234,421,190**	**$1,266,181,190**	**$1,301,881,190**
Grants and Benefits					
Executive Office of Health and Human Services & Department of Human Services					
Hospitals	17,384,000	18,273,000	19,212,000	20,203,000	21,252,000
Managed Care	595,316,000	610,645,000	625,759,000	641,715,000	663,030,000
Nursing Care	88,252,000	95,189,000	102,528,000	110,258,000	118,494,000
Home Care (HCBS)	22,943,000	24,501,000	26,125,000	27,829,000	29,635,000
Other Medicaid	38,281,000	39,588,000	40,908,000	42,254,000	43,636,000
Pharmacy	(360,000)	(374,000)	(390,000)	(406,000)	(422,000)
DEA Medicaid/CNOM	3,272,000	3,494,000	3,726,000	3,969,000	4,227,000
Cash Assistance- RIW/CCAP/GPA	19,133,000	19,611,000	20,121,000	20,604,000	21,119,000
Cash Assistance - SSI	19,574,000	19,770,000	19,968,000	20,168,000	20,369,000
Clawback	63,846,000	65,442,000	67,144,000	68,755,000	70,474,000
DSH	51,579,000	52,869,000	54,243,000	55,545,000	56,934,000
ACA- MA Population Expansion	28,556,000	33,797,000	46,178,000	47,356,000	48,551,000
Department of Children Youth & Families					
Children & Family Services	79,655,000	81,647,000	83,769,000	85,780,000	87,924,000
Department of Behavioral Healthcare, Developmental Disabilities & Hospitals					
Developmental Disabilities-Private	99,067,000	102,450,000	105,867,000	109,350,000	112,926,000
Other Grants and Benefits	90,248,000	93,995,000	100,231,000	103,399,000	106,707,000
Subtotal	**$1,216,746,000**	**$1,260,897,000**	**$1,315,389,000**	**$1,356,779,000**	**$1,404,856,000**
Local Aid	20,210,000	37,560,000	20,970,000	27,820,000	34,550,000
Education Aid	1,153,110,000	1,165,190,000	1,176,930,000	1,190,050,000	1,203,550,000
Motor Vehicle Tax Reimbursements	54,750,000	92,310,000	113,280,000	141,100,000	175,650,000
PILOT	46,090,000	47,790,000	49,520,000	51,400,000	53,200,000
Distressed Communities	12,380,000	12,380,000	12,380,000	12,380,000	12,380,000
Fiscal Oversight Reimbursement	130,000	130,000	130,000	130,000	130,000
Library Aid	9,360,000	9,360,000	9,360,000	9,360,000	9,360,000
Library Construction Aid	2,180,000	3,760,000	3,680,000	3,220,000	3,220,000
Property Revaluation Prgm	1,630,000	690,000	1,000,000	1,560,000	1,560,000
Central Falls New Pension Plan	310,000	290,000	290,000	280,000	260,000
Subtotal	**$1,279,940,000**	**$1,331,900,000**	**$1,366,570,000**	**$1,409,480,000**	**$1,459,310,000**
Capital					
Debt Service					
General Obligation	103,721,000	113,792,000	109,080,000	118,096,000	125,897,000
Historic Tax Credit Program	12,879,000	19,822,000	19,826,000	19,829,000	19,830,000
EDC Job Creation Guaranty/Other	2,520,000	15,062,000	15,248,000	3,190,000	0
COPS/Other Leases	27,526,000	28,475,000	28,505,000	24,163,000	23,247,000
Convention Center Debt	21,400,000	24,494,000	25,983,000	25,981,000	24,270,000
Performance Based	7,003,000	7,003,000	7,038,000	954,000	954,000
Subtotal	**$175,049,000**	**$208,648,000**	**$205,680,000**	**$192,213,000**	**$194,198,000**
Expenditures	**$3,829,599,000**	**$3,996,586,190**	**$4,122,060,190**	**$4,224,653,190**	**$4,360,245,190**