



# Comments on Your Government

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**RIPEC**

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## **FY 2003 State Budget – Part III Deferring Tough Budget Choices**

*RIPEC's analysis of the FY 2003 State Budget is presented in three parts. Part I included an overview of the Governor's FY 2002 Revised and FY 2003 Budget request along with RIPEC's Comments on the overall fiscal plan. Part II discussed Medicaid and RITE Care in greater detail and Part III provides an overview of the Budget as Enacted. RIPEC will also publish a review Rhode Island's debt and the proposed bond referenda questions in October.*

### **RIPEC Comments**

RIPEC's analysis of the Governor's FY 2003 Budget request included an unprecedented letter signed by the RIPEC Board of Directors (April 9, 2002). This letter noted that "Unless decision makers demonstrate the political will to make the needed tough fiscal choices, the opportunity to finance critically important public investments in our people and infrastructure may be put in harms way." After analyzing the Governor's FY 2003 Budget Plan, the RIPEC Board observed that one decade after the State's worst fiscal emergency, we "again may be witnessing the fiscal health of the Ocean State unravel."

Unfortunately, the choices made for the FY 2002 Revised Budget and the FY 2003 Budget as Enacted may not have improved the State's fiscal position. Rather, they provide short-term solutions to long-term fiscal challenges facing the State in hopes that an improving economy will enable decision-makers to avoid making decisions to reduce the size of State government.

While the FY 2003 Budget as Enacted essentially level-funds general revenue appropriations, the Budget represents a "decisions deferred" approach to resolving out-year operating deficits, relying on tax and fee increases and one-time tobacco bond proceeds to balance the budget. The fiscal plan for the next year relies on the implementation of a number of cost-saving initiatives that will require immediate attention from the current Administration in order to fully realize the impact on State spending. To achieve these savings, the Budget does not specify which programs should be modified, where personnel reductions should be made, or where reductions should be made in contracted services. These decisions are left to the Administration, which identified expenditure reductions totaling \$25.7 million in mid-July.

In addition, the resources made available through the securitization of the tobacco proceeds permitted State policymakers to limit program and service reductions in the hope that the economy will recover sufficiently in the coming years to enable the State to balance the budget. According to the House Fiscal Office, if all the proposed cost saving initiatives are implemented in FY 2003, the State will still face an estimated \$110.0 million operating deficit in FY 2004. This represents an improvement over the out-year operating deficits projected based on the Governor's original budget request, but is well short of permanently closing the gap.

It was fortuitous that the State was able to take advantage of nearly \$544.2 million in tobacco securitization – it provided policymakers with the needed cash to act quickly on a budget without making difficult program and service reductions to balance the books. However, deficits are still forecast despite the use of the \$544.2 million in tobacco proceeds from FY 2002 – FY 2004.

Another issue of concern is the two-cent increase in the State's gasoline tax, increasing the State's tax to \$0.30 per gallon. This tax rate will propel the State to the highest gasoline tax in the nation. The additional \$9.4 million in revenues generated from the tax increase will be used to support general state spending. This is a reversal of the State policy of dedicating the gasoline tax for transportation purposes. RIPEC questions the increase in the gasoline tax to balance the budget. Given the looming financial difficulties of the State's transportation system, it is increasingly important that all gasoline tax revenue be dedicated to support this important State activity. Therefore, policymakers should dedicate these additional revenues to the transportation function rather than to support general operations.

The General Assembly provided a \$4,500 motor vehicle exemption in both FY 2002 and FY 2003, rejecting the Governor's proposal to freeze the exemption at \$3,500. Unfortunately, the General Assembly did not provide a schedule in legislation demonstrating its intent to continue the phase-out in the future. It is understood that phasing-out the motor vehicle excise tax will require significant State investment over time. However, property tax relief and replacement is needed to further reduce reliance on the property tax and reform Rhode Island's state-local tax structure.

In addition to the issues noted above, the FY 2003 Budget as Enacted raises a number of questions that will need to be addressed by the incoming Governor and General Assembly:

- What revenue and spending options should be considered to implement a fiscal “get-well” plan in light of projected budget deficits for the next five fiscal years?
- How will the increased reliance on the Tobacco Bond Proceeds to balance the current operating budget impact the long-term operating position of the State?

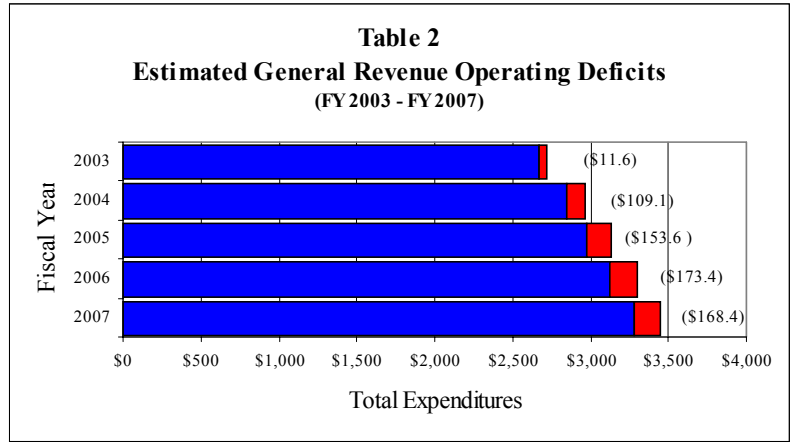
- What is the status of the RI SAIL project? Will the State's computer system provide the necessary and timely financial information to effectively manage, monitor and control the State's finances?
- What initiatives can be taken to control the expansion of entitlement programs? How will these translate into savings in the out-years?
- What impact will the State's budget have on local property taxes?

## Budget Overview

As shown on Table 1, the State's FY 2003 total budget will increase to \$5.4 billion in FY 2003, representing a 1.3 percent increase from the FY 2002 revised spending plan. The FY 2003 total budget is 52.2 percent more than it was in FY 1996. Approximately 50.0 percent of the State's spending plan is supported with general revenues. General revenues represent all the taxes, fees and charges collected by the State. General revenue spending of \$2,664.5 million essentially level funds spending (a \$4.1 million increase from FY 2002). General revenue expenditures would increase by less than 1.0 percent from FY 2002 based on the Enacted budget.

<b>State Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Revised 2002</b>	<b>Enacted 2003</b>
General Revenues	\$1,713.5	\$1,762.5	\$1,862.5	\$2,036.3	\$2,230.6	\$2,482.6	\$2,660.4	\$2,664.5
Federal Funds	1,037.8	1,079.2	1,062.8	1,231.1	1,283.0	1,429.0	1,600.2	1,638.6
Restricted Funds	104.4	103.1	127.9	130.7	144.0	95.5	114.5	137.1
Other Funds	694.0	679.3	669.7	731.7	768.3	832.7	955.3	960.8
<i>Total</i>	<i>\$3,549.7</i>	<i>\$3,624.0</i>	<i>\$3,723.0</i>	<i>\$4,129.8</i>	<i>\$4,425.9</i>	<i>\$4,839.8</i>	<i>\$5,330.4</i>	<i>\$5,400.9</i>
<i>All Funds Change</i>		<i>2.1%</i>	<i>2.7%</i>	<i>10.9%</i>	<i>7.2%</i>	<i>9.4%</i>	<i>10.1%</i>	<i>1.3%</i>
<i>General Revenue Change</i>		<i>2.9%</i>	<i>5.7%</i>	<i>9.3%</i>	<i>9.5%</i>	<i>11.3%</i>	<i>7.2%</i>	<i>0.2%</i>
<small>Source: RIPEC calculations based on State Budget Office Data and H-7732 Sub A as Amended</small>								

Table 2 provides a summary of out-year operating deficits projected by the House Fiscal Staff, based on the FY 2003 enacted budget. The projection is based on the same assumptions presented in the Governor's February forecast and assumes that the enacted changes in taxes and overhead spending reductions are fully implemented. According to the House Fiscal Staff, operating deficits would range from a low of \$109.1 million in FY 2004 to a high of \$173.4 million in FY 2006.



### Major Revenue Changes

A significant issue that the State faced was declines in estimated revenue available for expenditure. The May 2002 revenue-estimating conference (Budget Officer and the Senate and House Fiscal Advisors) reduced estimated revenue collections in FY 2002 by \$92.9 million and subsequently reduced FY 2003 revenue estimates by \$74.6 million. The revised revenue estimates were principally driven by declines in personal income and corporate income taxes. In addition to an overall decline in economic activity due to a recession, a portion of this reduction was due to impacts the Federal Stimulus Package would have on State revenue streams. It should be noted that the revenue shortfalls were partially offset by growth in sales tax revenues. In FY 2002, revenues from sales tax increased by \$22.2 million and in FY 2003, sales tax revenues are expected to increase by \$27.9 million.

*Tobacco Securitization* – A critical component of the FY 2002 and FY 2003 budgets is the securitization of tobacco proceeds. In November 1998, 46 states (including Rhode Island), Puerto Rico, the U.S. Virgin Islands and others signed the Master Settlement Agreement (MSA) with the principle domestic tobacco manufacturers. The agreement results in payments to participants in perpetuity. The payments are subject to certain adjustments, including volume of cigarette sales and annual inflation.

The State has sold the State’s right to the next 40 years’ worth of payments to the newly created Tobacco Settlement Financing Corporation, which has the single purpose of issuing bonds and repaying the bonds with future tobacco settlement revenues. The State has sold \$685.4 million in tobacco bonds, to be paid back by FY 2022 through a full turbo redemption schedule (eight years earlier than proposed by the Governor in February). In other words, the State will use 100 percent of the Master Settlement Agreement revenues and the Strategic Contribution Payments through 2022 to retire the debt.

With this sale of payments, the State is able to generate proceeds based on future settlement payments and to transfer the relative risk from the State (i.e. volume adjustments, lawsuits and other) to the capital markets. As shown on Table 3, the sale of \$685.4 million in bonds would yield \$544.2 million in net proceeds available for expenditure.

The \$141.2 million difference is for several issuance-related items, including the establishment of a debt service reserve account (\$51.3 million) which the State will have available in FY 2022. Additional costs include the establishment of a capitalized interest account of \$54.5 million, which is needed in order to delay the first debt service payment to FY 2004. The \$6.9 million balance includes the cost of issuance and estimated net operating expenditures.

As shown on Table 4, the State's plan for the \$544.2 million in net proceeds include defeasing approximately \$295.3 million in existing, non-callable general obligation debt (thereby freeing up \$343.5 million in net debt service payments through FY 2012). This will permit the State to reduce general revenue appropriations for debt service, shifting the burden to the tobacco revenues. In FY 2003, the savings are expected to yield \$51.6 million in general revenue appropriations.

Table 5 shows greater detail of the available resources from the tobacco settlement and the tobacco securitization action. Of the \$248.9 million balance, the State spent \$135.0 million to balance the FY 2002 Budget, and \$77.3 million to balance the FY 2003 Budget. The remaining \$36.6 million in tobacco proceeds would be available for expenditure in FY 2003 or in the out-years.

Estimated Use of Proceeds	Exempt	Taxable	Total
<b>Issuance Amount</b>	<b>\$649.7</b>	<b>\$35.7</b>	<b>\$685.4</b>
<b>Deposits and Cost of Issuance</b>			
- Debt Service Reserve Account	(\$48.5)	(\$2.8)	(\$51.3)
- Net Original Issue Discount	(28.2)	(0.2)	(28.4)
- Capitalized Interest Account	(22.7)	(31.8)	(54.5)
- Cost of Issuance	(5.6)	(0.7)	(6.3)
- Operating Expenses Account	(0.4)	(0.2)	(0.6)
<i>Net Cost of Issuance</i>	<i>(\$105.5)</i>	<i>(\$35.7)</i>	<i>(\$141.2)</i>
<b>Net Proceeds Available to State</b>	<b>\$544.2</b>	<b>\$0.0</b>	<b>\$544.2</b>

Source: RIPEC calculations and Offering Circular of the Tobacco Settlement Financing Corporation.

Fiscal Year	Deficit Financing	Debt Refinancing <sup>(1)</sup>	Total Bond Proceeds
2002	\$135.0	\$295.3	\$430.3
2003	77.3	-	77.3
2004	36.6	-	36.6
<b>Total</b>	<b>\$248.9</b>	<b>\$295.3</b>	<b>\$544.2</b>

(1) Debt refinancing estimated to save \$343.5 million in general revenue supported debt service (FY 2003 - FY 2012)

Source: RIPEC calculations and OC of the Tobacco Settlement Financing Corp.

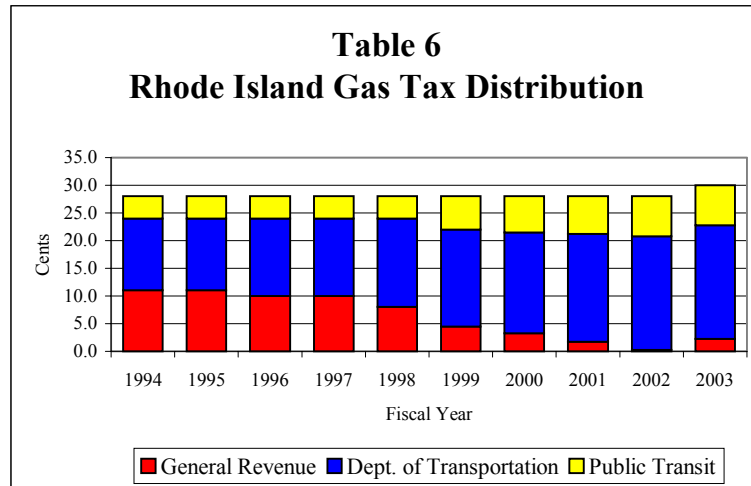
**Table 5**  
**Impact of Proposed Tobacco Securitization on**  
**Current Master Settlement Agreement Provisions**

Fiscal Year	Pledged MSA Payments (1)	Full Turbo Amortization			
		Residual MSA Payment	Debt Service Savings (2)	General Purpose Funds	Estimated Net Available
2002	\$53.6	\$53.6	NA	\$135.0	\$135.0
2003	54.3	54.3	51.6	77.3	128.9
2004	0.0	-	47.1	36.6	83.7
2005	47.6	-	40.3	-	(7.3)
2006	48.2	-	39.3	-	(8.9)
2007	48.8	-	33.3	-	(15.5)
2008	59.7	-	40.7	-	(19.0)
2009	60.6	-	34.8	-	(25.8)
2010	61.4	-	29.1	-	(32.2)
2011	62.3	-	20.1	-	(42.2)
2012	63.1	-	7.0	-	(56.1)
2013	64.0	-	-	-	(64.0)
2014	64.8	-	-	-	(64.8)
2015	65.6	-	-	-	(65.6)
2016	66.5	-	-	-	(66.5)
2017	67.4	-	-	-	(67.4)
2018	64.7	-	-	-	(64.7)
2019	65.5	-	-	-	(65.5)
2020	66.4	-	-	-	(66.4)
2021	67.3	-	-	-	(67.3)
2022	68.2	-	-	-	(68.2)
2023	69.1	69.1	-	-	69.1
2024	70.1	70.1	-	-	70.1
2025	71.1	71.1	-	-	71.1
2026	72.2	72.2	-	-	72.2
2027	73.2	73.2	-	-	73.2
2028	74.3	74.3	-	-	74.3
2029	75.4	75.4	-	-	75.4
2030	76.5	76.5	-	-	76.5
2031	77.7	77.7	-	-	77.7
2032	78.8	78.8	-	-	78.8
2033	80.0	80.0	-	-	80.0
2034	81.2	81.2	-	-	81.2
2035	82.3	82.3	-	-	82.3
2036	83.4	83.4	-	-	83.4
2037	84.6	84.6	-	-	84.6
2038	85.8	85.8	-	-	85.8
2039	87.1	87.1	-	-	87.1
2040	88.3	88.3	-	-	88.3
2041	89.5	89.5	-	-	89.5
2042	90.8	90.8	-	-	90.8
<b>Total</b>	<b>\$2,811.3</b>	<b>\$1,699.3</b>	<b>\$343.5</b>	<b>\$248.9</b>	<b>\$1,071.7</b>

- Notes:
- (1) Pledged payments include strategic contribution payments. Assumes Liquidity Reserve returned in 2021
  - (2) State will use \$295.3 million of \$544.2 million in net proceeds to defease GO debt, resulting in debt service savings of \$343.5 million.

Source: RIPEC Calculations based on House Fiscal Office Documents

*Gasoline Tax* – The FY 2003 budget includes a 2-cent increase in the State’s gasoline tax, which would increase the tax from \$0.28 to \$0.30 per gallon. The additional \$9.4 million generated from this increase would be used to balance the general revenue budget rather than have the funds earmarked for transportation activities. Rhode Island’s gasoline tax rate of \$0.30 per gallon will result in the Ocean State having the highest State tax rate among the 50 states. The following table shows the multi-year program to shift gasoline tax resources from the general revenue fund to the Intermodal Transportation Trust Fund. The final stage of the program to shift \$0.025 cents of the gasoline tax to transportation in FY 2003 was also delayed per the Governor’s request.



*Cigarette Tax* - The Assembly included a \$0.32 increase in cigarette taxes (total tax will be \$1.32 per pack) commencing May of 2002. The increase will generate an additional \$25.3 million (includes related sales tax revenue). The legislation lays out a schedule of additional increases in subsequent fiscal years. It should be noted that the Governor had proposed a \$0.35 increase in his original budget submission. The Budget includes language that would increase the rate to \$1.50 on July 1, 2003 and increase the tax by ten cents per pack each year through FY 2008, where the rate would be \$2.00 per pack.

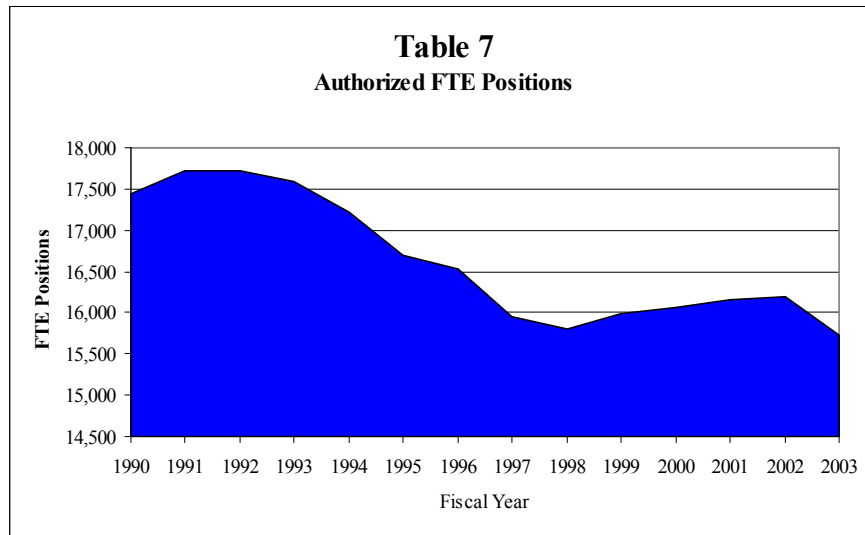
*Federal Job Creation and Worker Assistance Act* –The Act will adversely effect State personal income and corporate tax revenues through changes in the way depreciation and net operating loss provisions are treated. Nationally, States are expected to lose over \$14.0 billion in revenues over the next 3-4 years. Revenue estimators believe that the Federal provisions would translate into revenue losses in Rhode Island of nearly \$32.0 million in FY 2002 and FY 2003.

The FY 2003 budget amends current law to negate the impact of the Federal bonus depreciation and expanded net operating loss carry-back provisions, thereby preserving that revenue. However, it appears that the legislation disallows a carry-back provision altogether, which could impose additional hardships on Rhode Island businesses. According to the Rhode Island Society of Certified Public Accountants, the loss of this component of the tax code could prove harmful to small businesses that need the additional flexibility during difficult economic times.

## Major Expenditure Changes

*Full Time Equivalents (FTE)* – The General Assembly included 15,722.3 authorized FTE positions statewide in FY 2003 (includes 442.7 FTE positions in higher education that are considered exempt from the FTE position cap). Therefore, the staffing level represents a 469.4 FTE position reduction from the FY 2002 Revised Budget – a 3.0 percent decrease in authorized FTE positions. However, it should be noted that the Budget restricts the number of filled positions in the executive branch to no more than 14,277.9 FTE positions

In order to accomplish this target, the General Assembly eliminated 50.0 percent of the vacant positions that were present as of May 4, 2002. However, the General Assembly exempted its budget (280.0 FTE positions) as well as the Judiciary’s budget (721.7 FTE positions) from this FTE reduction program. The Judiciary’s FTE position authorization has increased from 682.4 FTE positions in FY 2000 to 721.7 FTE positions in FY 2003 – a 39.3 FTE position increase.



As shown on Table 7, the State had 17,440 authorized FTE positions in FY 1990. This has since declined to 15,722.3 FTE positions in FY 2003 – a 10.0 percent reduction over this period of time.

*Statewide Overhead Savings* – The General Assembly included \$25.7 million in savings through three initiatives – increased turnover, reductions in operating expenditures and reductions in contracted services. The FY 2003 Budget includes \$13.4 million in anticipated general revenue savings through increasing turnover by 2.0 percent. The legislature reduced the number of authorized FTE positions to reflect the expected staffing reductions as a result of this initiative. An additional \$8.1 million in savings is expected through a 5.0 percent reduction in operating expenditures statewide. The budget includes \$4.2 million in savings from a 10.0 percent reduction in purchased services (contracts) throughout the State.

In response to the General Assembly's directive to identify and implement \$25.7 million in operating savings, the Governor announced a series of operating expenditure reductions on July 19, 2002. The majority of the reductions were in personnel savings, principally through leaving positions vacant and additional turnover savings. For example, the Department of Corrections expects to save approximately \$1.6 million in general revenues through a series of actions designed to reduce man-hours and overtime. The Department plans to impose additional lockdown days (from 5 to 14 days), reduce inmate activities during the week (gym hours, education services and visiting hours) and consolidate a number of posts in order to achieve reductions in man-hours.

<b>Function</b>	<b>Amount</b>
General Government	(\$4,737,817)
Human Services	(7,805,447)
Education	(5,532,229)
Public Safety	(6,707,177)
Natural Resources	(941,755)
<b>Total</b>	<b>(\$25,724,425)</b>

Source: RI State Budget Office

*May Caseload Estimating Conference* – The May Conference (Budget Officer, House and Senate Fiscal Advisors) recommended an additional \$15.4 million for various cash assistance and Medicaid Assistance programs for FY 2003. This would require an additional \$6.5 million in general revenues and \$8.9 million in Federal Funds. The majority of these funds would support additional expenditures to support hospitals and nursing homes.

*Phase-out of the Local Excise Tax on Motor Vehicles* – The General Assembly added \$22.9 million in FY 2002 and \$14.7 million in FY 2003 for the program to phase-out the excise tax on motor vehicles. The additional funding in both fiscal years permits the State to exempt the first \$4,500 in vehicle value prior to taxation. The Governor had proposed to permanently freeze the exemption at \$3,500. However, the General Assembly did not include language that would continue the phase-out of the program until the tax is completely eliminated.

*Higher Education* – The FY 2003 enacted budget reduced the Governor's general revenue appropriation to higher education by \$6.5 million, essentially level-funding the State's appropriation from FY 2002. The General Assembly has indicated that the reduction can be made up through additional increases in fees and tuition. The General Assembly did continue to exempt 442.7 FTE positions from the State's limits on authorized FTE positions. These positions have been identified as those that receive third-party support from Federal and other sources for research activities.

*State Education Aid* – The General Assembly included \$628.4 million in direct education aid to local school districts, representing a \$28.2 million increase over FY 2002 (\$600.2 million). This represented a net increase of approximately \$10.8 million over the Governor’s budget request of \$617.6 million. The additional funds provide all districts with a 2.5 percent minimum increase in aid from FY 2002, as shown on Table 9. It should be noted that the increase in aid is net of a \$4.2 million decrease in funding for the progressive intervention and support initiative, where the majority of the funding went to support reform activities in Providence, Pawtucket and Central Falls.

*Judiciary* – The General Assembly increased the Judiciary’s FY 2003 general revenue appropriation by \$3.5 million to support computer conversions, general operations, and additional personnel costs. This would represent a 6.0 percent increase from FY 2002 appropriations. The courts have been converting from a WANG system to a PC based system, which is expected to cost nearly \$8.0 million over a seven-year period. The FY 2003 budget includes an additional \$1.5 million for these expenditures. The \$2.0 million balance would be used to support general operations and personnel costs. It should be noted that nearly 80.0 percent of the Judiciary’s budget is related to personnel.

**Table 9**  
**FY 2002 & FY 2003 State Education Aid By District**

<b>District</b>	<b>2002 Total</b>	<b>2003 Total</b>	<b>(2002-03) Change</b>	<b>(2002-03) % Change</b>
<b><u>Urban Core</u></b>				
Central Falls (1)	\$33,639,124	\$34,445,541	\$806,417	2.4%
Newport	10,065,853	10,956,303	890,450	8.8%
Pawtucket	56,785,845	60,946,074	4,160,229	7.3%
Providence (1)	169,002,893	178,515,475	9,512,582	5.6%
Woonsocket	41,551,538	43,984,759	2,433,221	5.9%
<i>Subtotal</i>	<i>\$311,045,253</i>	<i>\$328,848,152</i>	<i>\$17,802,899</i>	<i>5.7%</i>
<b><u>Urban Ring</u></b>				
Cranston	\$31,098,284	\$32,009,070	\$910,786	2.9%
East Providence	23,830,537	24,704,479	873,942	3.7%
North Providence	11,937,013	12,283,720	346,707	2.9%
Warwick	33,502,797	34,472,334	969,537	2.9%
West Warwick	17,658,912	18,761,998	1,103,086	6.2%
<i>Subtotal</i>	<i>\$118,027,543</i>	<i>\$122,231,601</i>	<i>\$4,204,058</i>	<i>3.6%</i>
<b><u>Suburban</u></b>				
Barrington	\$2,294,840	\$2,358,153	\$63,313	2.8%
Bristol-Warren	18,393,960	18,917,131	523,171	2.8%
Cumberland	11,816,925	12,157,658	340,733	2.9%
East Greenwich	1,642,030	1,773,002	130,972	8.0%
Jamestown	453,231	480,242	27,011	6.0%
Johnston	9,607,836	10,001,976	394,140	4.1%
Lincoln	6,669,256	6,860,685	191,429	2.9%
Middletown	9,194,316	9,731,447	537,131	5.8%
Narragansett	1,616,920	1,670,094	53,174	3.3%
North Kingstown	10,851,375	11,156,517	305,142	2.8%
Portsmouth	5,535,991	5,720,450	184,459	3.3%
Smithfield	4,925,915	5,226,413	300,498	6.1%
Westerly	5,994,381	6,189,912	195,531	3.3%
<i>Subtotal</i>	<i>\$88,996,976</i>	<i>\$92,243,680</i>	<i>\$3,246,704</i>	<i>3.6%</i>
<b><u>Rural/Emerging Suburban</u></b>				
Burrillville	\$12,458,207	\$12,885,332	\$427,125	3.4%
Chariho (2)	13,367,322	13,738,117	370,795	2.8%
Coventry	18,103,867	18,606,664	502,797	2.8%
Exeter-West Greenwich	6,602,455	7,106,491	504,036	7.6%
Foster	1,257,914	1,292,828	34,914	2.8%
Foster-Glocester	5,173,788	5,311,613	137,825	2.7%
Glocester	2,871,779	2,948,835	77,056	2.7%
Little Compton	312,417	321,960	9,543	3.1%
New Shoreham	79,523	87,124	7,601	9.6%
North Smithfield	4,258,219	4,472,330	214,111	5.0%
Scituate	3,068,641	3,152,847	84,206	2.7%
South Kingstown	9,219,644	9,627,272	407,628	4.4%
Tiverton	5,324,482	5,478,020	153,538	2.9%
<i>Subtotal</i>	<i>\$82,098,258</i>	<i>\$85,029,433</i>	<i>\$2,931,175</i>	<i>3.6%</i>
<b>State Total</b>	<b>\$600,168,030</b>	<b>\$628,352,866</b>	<b>\$28,184,836</b>	<b>4.7%</b>

(1) Includes estimated share of progressive intervention

(2) Chariho School District's State Aid represents Charlestown, Hopkinton and

(3) FY 2003 Aid does not include \$9.5 million in Direct Charter School

Source: R.I. Department of Education, State budget documents, and RIPEC