

# **Rhode Island in Context: Regional and Historic Trends**

**Volume I of III: Government Finance**



**RIPEC**

September 2019

## RIPEC Mission Statement

RIPEC is an independent, nonprofit, and nonpartisan public policy research and education organization dedicated to the advancement of effective, efficient, and equitable government in Rhode Island.

Through in-depth research, program monitoring, advocacy, and public information activities, RIPEC:

- Suggests approaches to help improve the effectiveness and efficiency of government agencies;
- Promotes fiscal responsibility and sound management practices;
- Assists elected officials and their staffs in the development of sound policies and programs;
- Enhances understanding between the private sector and state and local governments;
- Provides objective information and conducts educational programs for the benefit of Council members, public officials, and the general public;
- Builds coalitions with other community groups to promote sound public policies; and
- Promotes a public policy agenda to foster a climate for economic opportunity.

## Abbreviations

CCAP – Child Care Assistance Program

CEC – Caseload Estimating Conference

CPI – Consumer Price Index

FPL – Federal Poverty Level

FTE – Full-time Equivalent

FY – Fiscal Year

REC – Revenue Estimating Conference

RIWP – Rhode Island Works Program

SSI – Supplemental Security Income

TANF – Temporary Assistance for Needy Families

# Table of Contents

	<b>Page</b>
Introduction	5
Expenditures	6
Revenues	9
Taxes	13
How Rhode Island Compares	17
Consensus Economic Forecast	23
Caseload Estimating Conference	24

## Introduction

This is the first of three volumes that comprise “Rhode Island in Context: Regional and Historic Trends,” 2019 Edition. “Rhode Island in Context” provides summaries and analyses of the most current national, regional, and state data that measure government finance, population, and the economy against national and regional averages over decades.

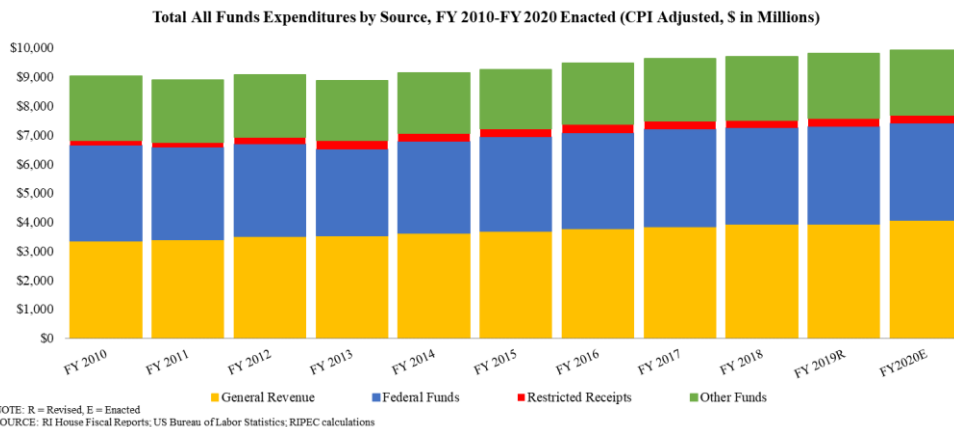
The following pages make up “Volume I: Government Finance” and offer historic and current data and analyses related to government finance in the State of Rhode Island, as well as future projections. Volume I provides data revealing trends related to government expenditures, revenues, taxes, and caseloads, in addition to economic forecasting.

Volumes II and III will lay out data and analyses concerning Rhode Island’s population and economy.

Highlights in Volume I include:

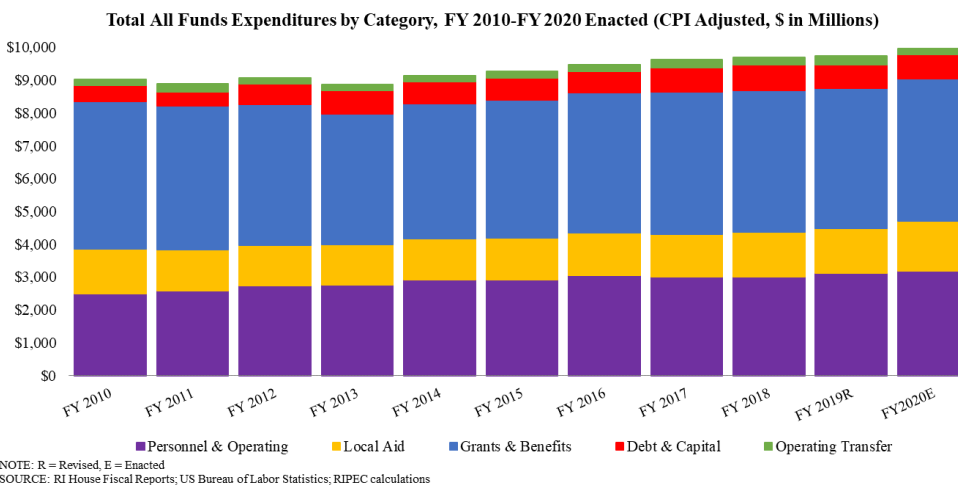
- After adjusting for inflation, all funds expenditures grew by 10.1 percent between fiscal year (FY) 2010 and the FY 2020 enacted budget.
- Between FY 2012 and the FY 2020 budget as enacted, the Ocean State’s general revenue budget increased by 16.3 percent on an adjusted basis, which is higher than the adjusted growth in Rhode Islanders’ mean personal income (13.4 percent) and the rate of inflation (14.0 percent) in the same period.
- In FY 2010, the number of full-time equivalent (FTE) positions authorized was at its lowest since FY 1990. There has been a 5.1 percent increase in FTE authorizations since FY 2010.
- General revenue deficits are projected to grow to \$266.3 million, or 5.1 percent of available revenue, by FY 2024.
- On an adjusted basis, Rhode Island’s general revenues increased by 25.8 percent between FY 2000 and FY 2020. Personal income taxes accounted for the largest share of increase in general revenues (32.1 percent) in this period.
- In adjusted dollars, the municipal property taxes levied in Rhode Island expanded by 112.3 percent from 1980 to 2019; the statewide property tax levy averaged 1.7 percent annual growth.
- In FY 2016, Rhode Island’s total general revenue collections of \$200.15 per \$1,000 of personal income were 16<sup>th</sup> highest in the country. In per capita terms, Rhode Island had the 12<sup>th</sup> highest general revenue collections in the U.S.
- In FY 2016, the Ocean State spent more than the national average in the categories of education and libraries, public safety, environment and housing, government administration and interest on general debt, and other. It spent below the national average on social services and income maintenance, as well as transportation.
- Between FY 2006 and FY 2016, the largest share of change in direct general expenditures in the Ocean State came from social service and income maintenance (26.0 percent), vendor payments (22.8 percent), and elementary and secondary education (22.3 percent).
- On an adjusted basis, Medicaid expenditures from general revenues are anticipated to grow by \$356 million (57.3 percent) between FY 2005 and FY 2020.

# Expenditures



Using the Consumer Price Index (CPI) to adjust for inflation, the table to the left shows expenditures by the State of Rhode Island from all funds between FY

2010 and FY 2020.\* On an adjusted basis, all funds expenditures grew by 10.1 percent between FY 2010 and the enacted FY 2020 budget. On a nominal basis, most of the growth in the last decade was in expenditures from general revenue, which increased by \$723.4 million (21.6 percent). There was also a notable increase of \$123.2 million (69.1 percent) in expenditures from restricted receipts. Additionally, expenditures from federal funds grew by an adjusted \$26.0 million (0.8 percent), and expenditures from other funds grew by 34.5 million (1.6 percent).

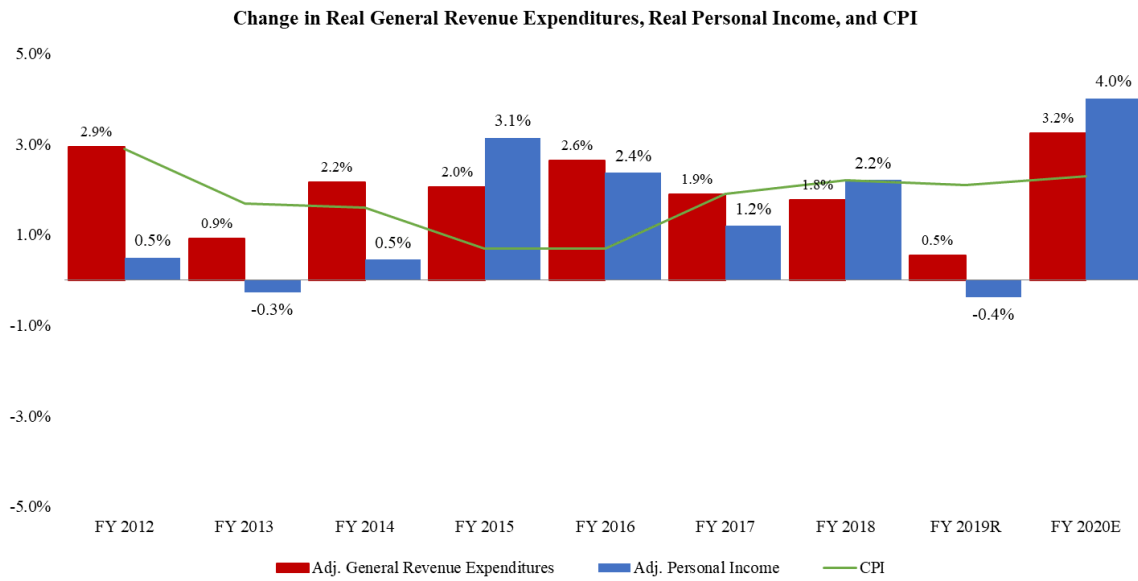


In the enacted FY 2020 budget, grants and benefits was the largest category of expenditure, comprising 43.4 percent of state expenditures.

However, on an adjusted basis, total spending on grants and benefits has decreased in the last decade by \$166.2 million, or 3.7 percent. The fastest-growing category of expenditure is debt and capital, which grew by an adjusted \$254.2 million (51.4 percent) since FY 2010. State spending on personnel and other operations comprised the second largest portion of the state budget (32.0 percent) and saw a 27.4 percent increase in real dollars over the last decade. By a respective 11.6 percent, and 9.1 percent, expenditures on local aid and operating transfers have also increased on an adjusted basis since FY 2010.

\* FY 2020 began on July 1, 2019 and will end on June 30, 2020.

# Expenditures

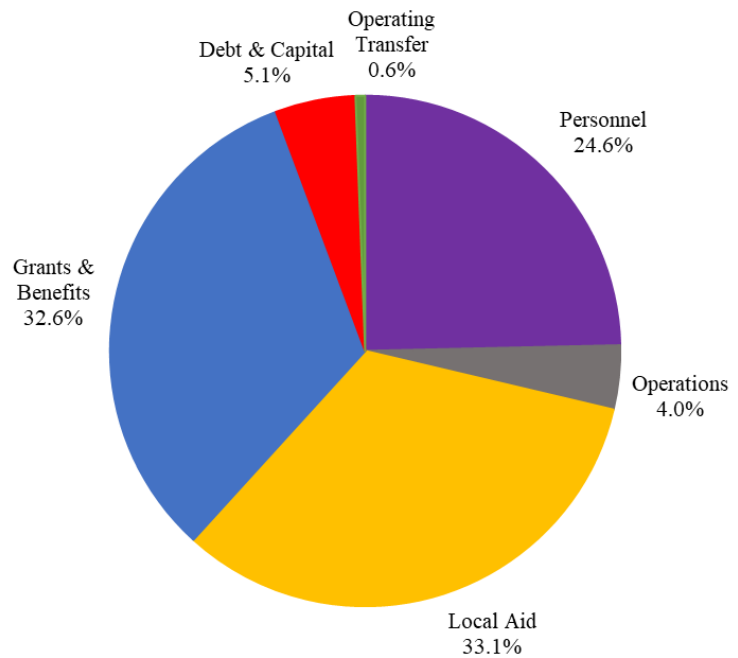


NOTE: R = Revised, E = Enacted  
 SOURCE: State Budget Office Documents; May 2019 Revenue Estimating Conference Economic Forecast; RIPEC calculations

Between FY 2012 and FY 2020, the Ocean State’s general revenue budget increased by 16.3 percent on an adjusted basis, from \$3,504.5 million in FY 2012 to \$4,077.6 million in the FY 2020 budget as enacted. This rate of increase is somewhat higher than the 13.4 percent adjusted growth in Rhode Island’s mean personal income in the same period. At 14.0 percent, inflation also grew at a slower pace than the state’s general revenue expenditures between FY 2012 and FY 2020.

In the FY 2020 budget as enacted, local aid expenditures of \$1,348.1 million account for the largest share—33.1 percent—of general revenue spending, closely followed by grants and benefits, which amount to \$1,327.9 million and comprise 32.6 percent of the general revenue expenditures. Spending on personnel makes up the third largest share of state general revenue for the FY 2020 budget as enacted, amounting to \$888.8 million, or 24.6 percent of total general revenue spending. Capital and debt services account for 5.1 percent of general revenue expenditures in the FY 2020 enacted budget, while operations amount to 4.0 percent, and operating transfers comprise 0.6 percent.

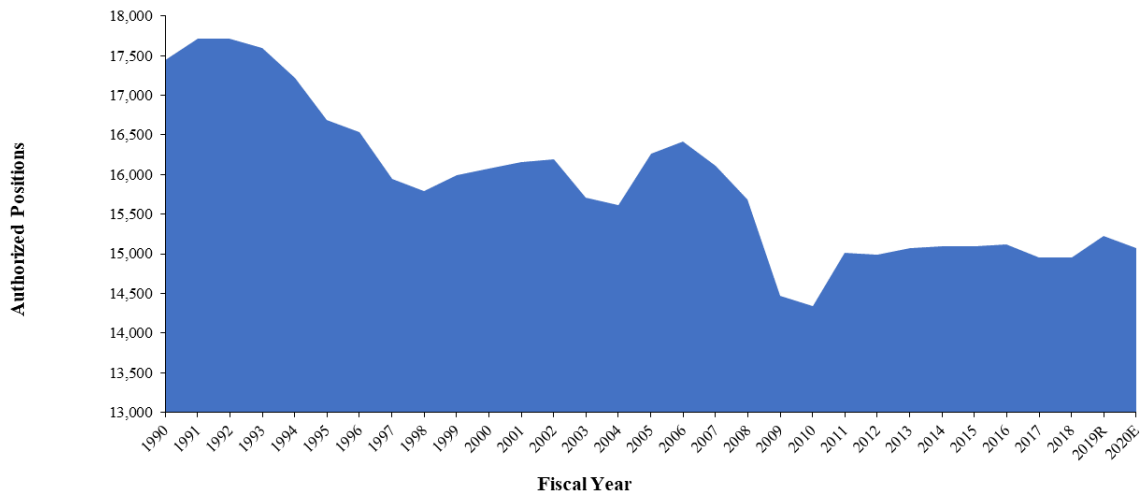
**FY 2020 Expenditures by Category as a % of Total General Revenue Expenditures**



SOURCE: House Fiscal Advisory Staff "Budget as Enacted, FY 2020"; RIPEC calculations

# Expenditures

Authorized Full Time Equivalent (FTE) Positions  
FY 1990 - FY 2020



NOTE: Includes higher education third-party positions; R = Revised, E = Enacted  
SOURCE: State Budget and House Fiscal Advisory Staff documents

State spending on personnel is partially determined by the number of FTE positions authorized in Rhode Island’s annual budget. Importantly, the authorization of an FTE position does not necessarily mean that the position will be filled, and in consequence, the state does not incur the cost of every authorized FTE. For example, in FY 2017 the state had an average of 1,023.0 non-research vacancies. In FY 2018, the average number of non-research vacancies grew to 1,194.2. However, officials in the state have made efforts in the past decade to more closely match authorized FTEs to filled positions, partially explaining the long-term decline in FTE authorization depicted in the chart above.\*

Rhode Island experienced a contraction in the number of authorized FTE positions between FY 1990 and the FY 2020 budget as enacted, amounting to 2,363.3 fewer FTE authorizations, a 13.6 percent decline. Over the last twenty years, the largest number of authorized FTE positions was in 2006, when there were 16,417.4 FTEs authorized. The lowest number in the period was in 2010, when there were 14,340.8 authorized FTEs. In the FY 2020 budget as enacted, there are a total of 15,074.7 authorized FTEs, amounting to a nominal increase of 733.9 authorized FTEs (5.1 percent) since FY 2010.

\* See House Fiscal Advisory Staff, “[Budget as Enacted, FY 2020](#),” 817-819.



## Revenues

<b>Budget Statement (\$ million)</b>			
<b>Summary</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Opening Surplus</b>			
Free Surplus	\$ 61.7	\$ 52.5	\$ 25.5
Reappropriated Surplus	10.3	10.06	-
<b>Total Revenues</b>	<b>\$ 3,908.4</b>	<b>\$ 4,018.9</b>	<b>\$ 4,178.7</b>
Cash Stabilization	(119.1)	(122.1)	(126.1)
<b>Total Available Revenues</b>	<b>\$ 3,861.3</b>	<b>\$ 3,959.3</b>	<b>\$ 4,078.1</b>
<b>Enacted Expenditures</b>			
Adjustments	-	25.6	\$ (30.0)
<b>Total Expenditures</b>	<b>\$ 3,798.7</b>	<b>\$ 3,933.8</b>	<b>\$ 4,077.6</b>
Total Surplus	62.6	25.5	0.5
Reappropriations	(10.1)	-	-
<b>Total Ending Balance</b>	<b>\$ 52.5</b>	<b>\$ 25.5</b>	<b>\$ 0.5</b>

SOURCE: House Fiscal Advisory Staff, "Budget as Enacted, FY 2020"

Total FY 2019 revised revenues of \$4,018.9 million include a net opening surplus of \$52.5 million from the closing of FY 2018. After a transfer of \$122.1 million to Rhode Island's budget reserve and cash stabilization account (or "rainy day fund"), total FY 2019 available revenues were \$3,959.3 million. Revised expenditures of \$3,933.8 million were \$25.6 million greater than enacted. Together, these changes resulted in a revised FY 2019 closing balance of \$25.5 million.

Enacted FY 2020 general revenues of \$4,178.7 million in addition to an ending balance of \$25.5 million in FY 2019 result in a transfer to Rhode Island's cash stabilization fund of \$126.1 million. Enacted expenditures of \$4,107.6 million, coupled with \$30.0 million in adjustments, result in total expenditures of \$4,077.6 and a projected closing balance of \$0.5 million for FY 2020.

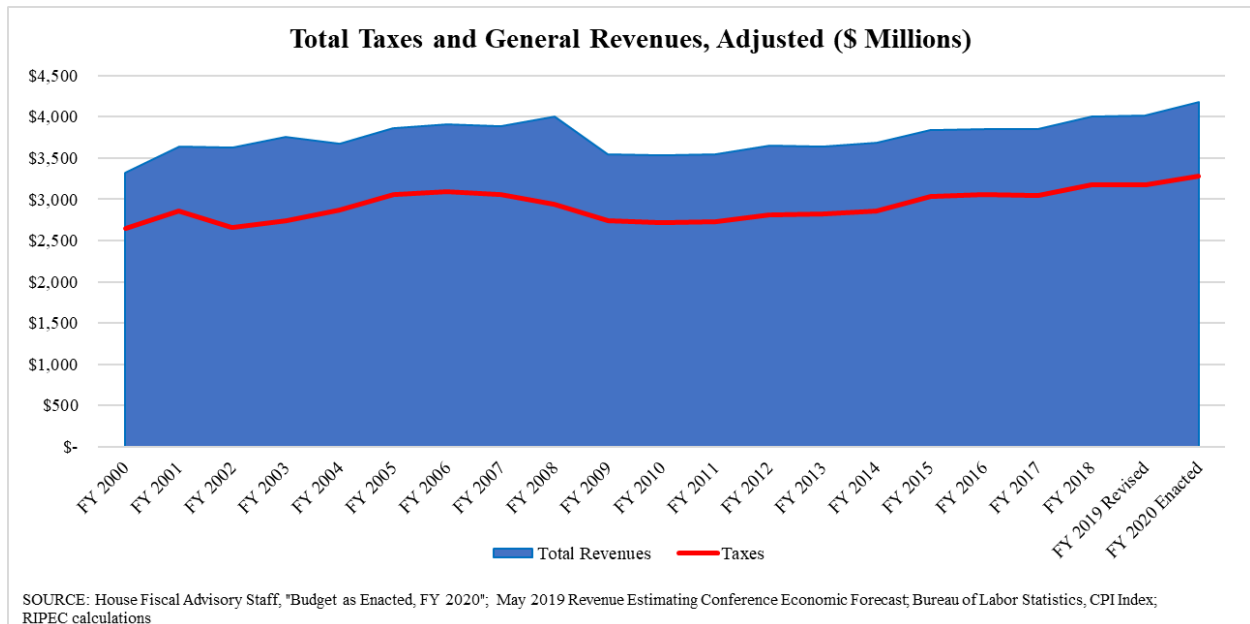
## Revenues

General revenue deficits in the out-years are projected to grow to \$266.3 million, or 5.1 percent of available revenue, by FY 2024. Between FY 2020 and FY 2024, expenditures are projected to grow by 15.2 percent, nearly double the projected revenue growth for the same period of 8.7

percent. A significant contributing factor to the state’s projected out-year deficits is the use of one-time revenues to fund recurring expenses. However, out-year projections also include the expense of reimbursing municipalities during the car tax phaseout.\*

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Available Revenues	\$ 4,078.1	\$4,093.7	\$4,229.6	\$4,334.0	\$4,431.7
Total Expenditures	\$ 4,077.6	\$4,222.4	\$4,339.0	\$4,505.6	\$4,698.1
Deficit/Surplus	\$ 0.5	\$ (128.6)	\$ (109.5)	\$ (171.6)	\$ (226.3)
As a % of Available Revenue	0.0%	3.1%	2.6%	4.0%	5.1%

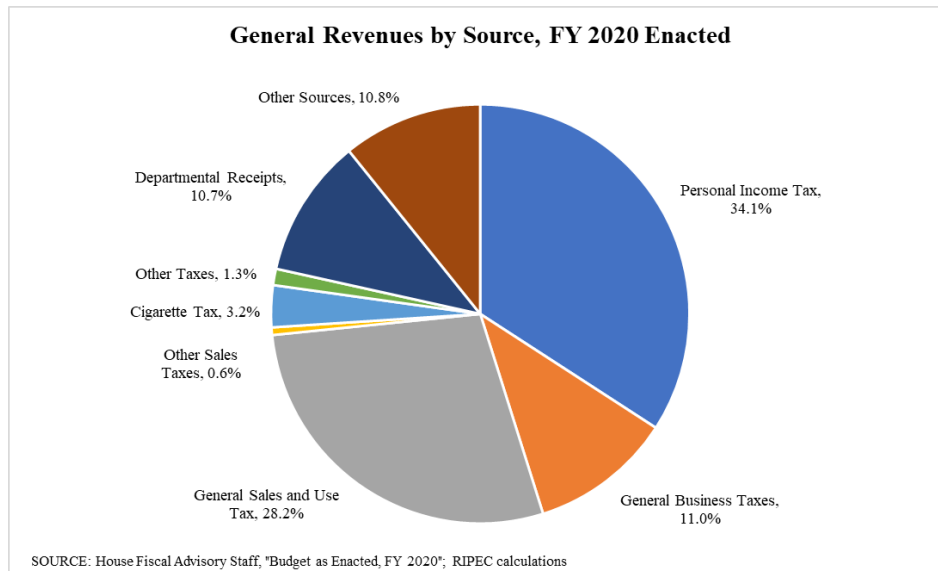
NOTE: Totals may not sum due to rounding  
SOURCE: House Fiscal Advisory Staff, "Budget as Enacted, FY 2020"



On an adjusted basis, Rhode Island’s total general revenues increased by \$857.9 million, or 25.8 percent, between FY 2000 and FY 2020. Of this, 73.2 percent—\$628.2 million—is attributable to a 23.7 percent increase in tax revenue between FY 2000 and FY 2020. The remaining balance is comprised of departmental receipts and other revenues. In comparison to FY 2010, total FY 2020 revenues as enacted are 18.3 percent higher on an adjusted basis, and total taxes are 20.7 percent higher.

\* See House Fiscal Advisory Staff, "[Budget as Enacted, FY 2020](#)," 39.

# Revenues



Rhode Island’s personal income tax comprises the largest share of general revenues in the FY 2020 enacted budget, accounting for 34.1 percent of overall revenue and 43.5 percent of taxes. The second-largest source of general revenues for the Ocean State in the FY 2020 enacted budget is the general sales and use tax, which comprises 28.2 percent of general revenues and 36.0 percent of taxes. General business taxes are the third largest source of revenue for Rhode Island, comprising 11.0 percent of general revenues and 14.0 percent of taxes overall.

Since FY 2000, personal income tax has accounted for the largest share of increase in total revenues (32.1 percent), followed by general sales and use taxes (28.9 percent), and general

business taxes (13.0 percent). While revenue produced through the cigarette tax increased by 127.3 percent between FY 2000 and FY 2020, it accounted for only 4.0 percent of the total increase in general revenues in this period. Similarly, departmental receipts increased by 116.2 percent between FY 2000 and FY 2020 but account for 12.7 percent of the total increase in general revenues. Other sales taxes—which include motor vehicle, motor fuel, and alcohol sales taxes—are the only form of revenue projected to bring in fewer nominal dollars in FY 2020 than twenty years previous.

General Revenues	FY 2000	FY 2005	FY 2010	FY 2015	FY 2020 Enacted
<b>Taxes</b>					
Personal Income Tax	\$817.1	\$979.1	\$898.1	\$1,226.8	\$1,426.8
General Business Taxes	213.3	302.6	383.0	438.1	459.7
General Sales & Use Tax	631.3	847.7	803.4	954.0	1,180.4
Other Sales Taxes*	53.5	59.6	60.5	68.5	24.4
Cigarette Tax	59.4	136.3	138.3	136.9	135.0
Other Taxes	43.1	51.4	37.5	41.6	52.6
<i>Taxes</i>	<i>\$1,817.8</i>	<i>\$2,376.7</i>	<i>\$2,320.9</i>	<i>\$2,865.9</i>	<i>\$3,278.9</i>
Department Receipts	\$207.4	\$268.0	\$333.1	\$350.6	\$448.5
Other Sources	252.2	360.4	363.0	400.3	451.4
<b>Total Revenues</b>	<b>\$2,277.3</b>	<b>\$3,005.1</b>	<b>\$3,017.0</b>	<b>\$3,616.7</b>	<b>\$4,178.7</b>

\* Motor vehicle, motor fuel and alcohol sales taxes  
 NOTE: Totals may not sum due to rounding  
 SOURCE: House Fiscal Advisory Staff, "Budget as Enacted"; RIPEC calculations

# Revenues

May 2019 Revenue Estimating Conference									
Revenues	FY 2018	FY 2019			FY 2020				FY 2019 FY 2020 Change
	Audited	Nov-18	May-19	Nov-18 May-19 Change	Nov-18	May-19	Enacted	May-19 Enacted Change	
<b>Personal Income</b>	\$1,345.3	\$1,380.7	\$1,384.0	\$3.3	\$1,428.3	\$1,426.8	\$1,426.8	\$0.0	\$42.8
<b>General Business</b>									
Business Corporation	\$127.7	\$154.7	\$164.5	\$9.8	\$163.5	\$164.0	\$164.0	\$0.0	(\$0.5)
Public Utilities Gross Earnings	109.6	100.8	102.9	\$2.1	103.2	103.2	103.2	\$0.0	\$0.3
Insurance Companies	130.3	126.1	110.8	(\$15.3)	132.1	119.5	119.7	\$0.2	\$8.9
Other*	74.9	78.3	70.9	(\$7.4)	84.1	73.5	72.8	(\$0.7)	\$1.9
<i>Subtotal</i>	<i>\$442.4</i>	<i>\$459.9</i>	<i>\$449.1</i>	<i>(\$10.8)</i>	<i>\$482.9</i>	<i>\$460.2</i>	<i>\$459.7</i>	<i>(\$0.5)</i>	<i>\$10.6</i>
<b>Sales and Use Taxes</b>									
General Sales and Use	\$1,057.2	\$1,111.0	\$1,117.6	\$6.6	\$1,157.0	\$1,172.9	\$1,180.4	\$7.5	\$62.8
Motor Vehicle	20.8	3.1	1.1	(\$2.0)	5.3	3.0	3.0	\$0.0	\$1.9
Cigarettes	146.9	139.0	139.8	\$0.8	134.3	135.0	135.0	\$0.0	(\$4.8)
Alcohol	19.9	20.7	20.7	\$0.0	21.4	21.4	21.4	\$0.0	\$0.7
<i>Subtotal</i>	<i>\$1,244.8</i>	<i>\$1,273.8</i>	<i>\$1,279.2</i>	<i>\$5.4</i>	<i>\$1,318.0</i>	<i>\$1,332.3</i>	<i>\$1,339.8</i>	<i>\$7.5</i>	<i>\$60.6</i>
<b>Other Taxes**</b>	\$65.3	\$52.3	\$63.3	\$11.0	\$50.5	\$52.6	\$52.6	\$0.0	(\$10.7)
<b>Total Taxes</b>	<b>\$3,097.9</b>	<b>\$3,166.7</b>	<b>\$3,175.6</b>	<b>\$8.9</b>	<b>\$3,279.7</b>	<b>\$3,271.9</b>	<b>\$3,278.9</b>	<b>\$ 7.0</b>	<b>\$103.3</b>
<b>Departmental Receipts</b>	\$397.6	\$405.0	\$421.0	\$16.0	227.0	251.0	\$448.5	\$197.5	\$27.5
<b>Total Taxes &amp; Departmentals</b>	<b>\$3,495.5</b>	<b>\$3,571.7</b>	<b>\$3,596.6</b>	<b>\$24.9</b>	<b>\$3,506.7</b>	<b>\$3,522.9</b>	<b>\$3,727.4</b>	<b>\$204.5</b>	<b>\$130.8</b>
<b>Other Sources</b>									
Other Miscellaneous	37.1	11.7	10.0	(\$1.7)	6.95	6.85	28.7	\$21.8	\$18.6
Lottery	365.0	399.6	400.1	\$0.5	427.1	412.8	412.8	\$0.0	\$12.7
Unclaimed Property	10.9	10.1	11.2	\$1.1	9.5	9.9	9.9	\$0.0	(\$1.3)
<i>Subtotal</i>	<i>\$412.9</i>	<i>\$421.4</i>	<i>\$421.3</i>	<i>(\$0.1)</i>	<i>\$443.6</i>	<i>\$429.6</i>	<i>\$451.4</i>	<i>\$21.8</i>	<i>\$30.0</i>
<b>Total General Revenues</b>	<b>\$3,908.4</b>	<b>\$3,993.1</b>	<b>\$4,017.9</b>	<b>\$24.8</b>	<b>\$3,950.3</b>	<b>\$3,952.5</b>	<b>\$4,178.7</b>	<b>\$226.3</b>	<b>\$160.8</b>

\*"Other" General Business Taxes include Financial Institutions, Bank Deposits, and Health Care Provider taxes  
\*\* "Other Taxes" include Inheritance and Gift, Racing and Athletics, and Realty Transfer taxes  
NOTE: Totals may not sum due to rounding  
SOURCE: FY 2019 and FY 2020 Budget as Enacted; Nov. 2018 and May 2019 Revenue Estimating Conferences; RIPEC calculations

Data from the Rhode Island State Controller’s FY 2018 audit as well as the November 2018 and May 2019 Revenue Estimating Conference (REC) show that Rhode Island receives revenue from three main sources: taxes, departmental revenues, and “other sources,” which include lottery and unclaimed property revenues. The enacted FY 2020 budget assumes the Ocean State will bring in \$4,178.7 million in general revenues, which is \$226.3 million greater than the \$3,952.5 million estimated at the May 2019 REC. Total general revenues in the FY 2020 enacted budget are \$160.8 million more than the FY 2019 general revenues estimated at the May 2019 REC. Regarding both FY 2019 and FY 2020, the May 2019 REC produced more optimistic revenue estimates than the November 2018 REC.

**Individual Income Tax Rates and Brackets, 2019**

	Rate & Bracket	Single			Married		
		Standard Deduction	Personal Exemptions		Standard Deduction	Personal Exemptions	
			Per Filer	Per Dependent		Per Filer	Per Dependent
Connecticut*	3.00% > \$0	N/A	\$15,000	\$0	3.00% > \$0	N/A	\$0
	5.00% > \$10,000				5.00% > \$10,000		
	5.50% > \$50,000				5.50% > \$50,000		
	6.00% > \$100,000				6.00% > \$100,000		
	6.50% > \$200,000				6.50% > \$200,000		
	6.90% > \$250,000				6.90% > \$250,000		
	6.99% > \$500,000				6.99% > \$500,000		
Maine**	5.80% > \$0	\$12,200	\$4,200	\$300	5.80% > \$0	\$24,400	\$8,400
	6.75% > \$21,850				6.75% > \$43,700		
	7.15% > \$51,700				7.15% > \$103,400		
Massachusetts	5.05% > \$0	N/A	\$4,400	\$1,000	5.05% > \$0	N/A	\$8,800
New Hampshire***	5.00% > \$0	N/A	\$2,400	N/A	5.00% > \$0	N/A	\$4,800
Rhode Island^	3.75% > \$0	\$8,750	\$4,100	\$4,100	3.75% > \$0	\$17,500	\$8,200
	4.75% > \$64,050				4.75% > \$64,050		
	5.99% > \$145,600				5.99% > \$145,600		
Vermont^^	3.35% > \$0	\$6,100	\$4,250	\$4,250	3.35% > \$0	\$12,200	\$8,500
	6.6% > \$39,600				6.6% > \$66,150		
	7.60% > \$95,900				7.60% > \$159,850		
	8.8% > \$200,100				8.8% > \$243,650		

\* CT taxpayers are also given personal tax credits based upon adjusted gross income (AGI); CT has "tax benefit recapture," by which many high-income taxpayers pay the top rate on all income, not just on amounts above the threshold

\*\* ME's dependent personal exemption is structured as a tax credit; deductions or exemptions are tied to the federal tax system

\*\*\* Applied to dividend and interest income only

^ The personal exemption phases out between \$203,850 - \$227,050

^^ VT taxpayers with federal AGI above \$150,000 will pay the greater of state income tax or 3.0% of federal AGI

NOTE: Bracket levels are adjusted for inflation each year in ME, RI, and VT

SOURCE: The Tax Foundation, Individual Income Tax Brackets, 2019

Rhode Island's top marginal income tax rate of 5.99 percent is lower than the top marginal rates in Connecticut (6.99 percent), Maine (7.15 percent), and Vermont (8.8 percent). Each of these four states has a progressive tax structure, ranging from seven brackets in Connecticut to three in Maine and Rhode Island. Conversely, Massachusetts has a flat tax rate of 5.05 percent on ordinary income and New Hampshire has a flat tax rate of 5.0 percent on dividend and interest income.

**State Corporate Income Tax Rates and Brackets, 2019**

State	Rates & Brackets	Apportionment
Connecticut	8% > \$0	Sales
Maine	3.50% > \$0	Sales
	7.93% > \$350,000	
	8.33% > \$1,050,000	
	8.93% > \$3,500,000	
Massachusetts	8% > \$0	Double wtd sales/Sales
New Hampshire	8% > \$0	Double wtd sales
Rhode Island	7% > \$0	Sales
Vermont	6.00% > \$0	Double wtd sales
	7.00% > \$10,000	
	8.50% > \$25,000	

Sales = single sales factor; Double wtd sales = 3 factors with sales double-weighted

NOTE: This is not inclusive of all forms of corporate taxation. Many states impose other taxes on corporations including gross receipts or franchise taxes. Other states may also impose different rates for financial institutions.

SOURCE: The Tax Foundation; Federation of Tax Administrators

Rhode Island's flat state corporate income tax rate of 7.0 percent is lower than the 8.0 percent flat rate used in Connecticut, Massachusetts, and New Hampshire. Maine and Vermont use a progressive tax structure for corporate income tax; Maine has four brackets and a top rate of 8.93 percent on over \$3.5 million and Vermont has three brackets with a top rate of 8.5 percent on over \$25,000. Massachusetts, New Hampshire, and Vermont allow for a double-weighted sales apportionment on multi-state factors. The remaining New England states—Connecticut, Maine, and Rhode Island—allow for a single use sales factor.

## Tax Credits and Tax Against Which Credit May be Applied (2015)

Credit	Business Corporations	Public Service Corporation	Banks	Bank Deposits	Insurance	Personal Income	All Other	2014 Cost	2015 Cost
Accommodations Under Americans with Disabilities Act	*	*						\$ -	\$ -
Adult and Child Daycare	*	*	*		*			-	-
Adult Education	*	*	*	*	*			-	-
Anchor Institution^	*	*	*		*			N/A	N/A
Apprenticeship	*							-	-
Biotechnology Investment	*							X	X
Child and Dependent Care						*		3,272,280	3,514,986
Contribution to Scholarship	*	*	*	*	*	*		1,197,840	1,171,502
Earned Income (Federal/State)						*		10,529,853	18,949,131
Education Assistance and	*	*	*		*			-	-
Employment – Welfare Bonus	*	*	*	*	*			-	-
Enterprise Zone Wage	*	*	*		*			420,735	855,932
Historic Homeownership						*		N/A	N/A
Historic Preservation	*	*	*		*	*		1,331,248	1,037,731
Historic Structures	*	*	*		*	*		9,307,630	13,164,495
Hydroelectric Power	*							-	-
Incentives for Innovation and	*							-	-
Interest for Loans to Mill Building	*	*	*		*	*		-	-
Investment	*		*		*	*		19,440,000	2,567,962
Jobs Training	*	*	*		*	*		3,579,736	588,428
Juvenile Restitution	*							-	-
Lead Paint Abatement						*		174,211	231,060
Motion Picture Production	*		*		*	*		3,073,899	3,079,929
Motor Carrier Fuel Use Taxes Paid to Rhode Island							*	3,479,354	3,380,989
Musical and Theatrical Production	*	*	*		*	*		79,859	464,974
New Qualified Jobs Incentive Act^	*	*	*		*	*		N/A	-
Property Tax Relief						*		4,310,877	4,207,901
Real or Personal Property Taxed in Another State							*	-	-
Rebuild Rhode Island^	*	*	*		*	*		N/A	N/A
Research and Development	*				*			8,494,085	2,679,264
Research and Development	*				*			27,432	-
Residential Renewable Energy	*							-	-
Specialized Investment in Mill	*		*		*			-	-
Stay Invested in RI Wavemaker						*		N/A	-
Tax on Net Estate of Decedent^							*	‡	‡
Taxes Paid to Other States						*		143,938,021	170,006,382
Wages Paid by Employers in Mill	*							-	-
<b>Total</b>	<b>27</b>	<b>15</b>	<b>17</b>	<b>3</b>	<b>19</b>	<b>17</b>	<b>3</b>	<b>\$212,657,060</b>	<b>\$225,900,666</b>

^ = Credit newly effective or newly introduced in 2015

X = Foregone revenue is included with another tax expenditure item

‡ = Foregone revenue is on a fiscal year basis

SOURCE: RI Department of Revenue "2018 Tax Expenditures Report"

The Rhode Island Department of Revenue found that in FY 2015, the most recent year for which data are available, tax credit programs applying to the individual income tax, the business corporations' tax, and all other state taxes, amounted to \$225.9 million in forgone revenue. In FY 2014, that sum was \$212.7 million.

## State and Local Sales Tax Rates, 2019

State	Rate	Rank*	Avg. Local Rate**	Combined Rate	Combined Rank
Connecticut	6.35%	12	0.00%	6.35%	33
Maine	5.50%	29	0.00%	5.50%	42
Massachusetts	6.25%	13	0.00%	6.25%	35
New Hampshire	0.00%	46	0.00%	0.00%	47
<b>Rhode Island</b>	<b>7.00%</b>	<b>2</b>	<b>0.00%</b>	<b>7.00%</b>	<b>23</b>
Vermont	6.00%	16	0.18%	6.18%	36

\*50 states and Washington D.C. included in rankings

\*\*Weighted by population to determine average local tax rate

SOURCE: Tax Foundation, State and Local Sales Tax Rates, 2019

General sales taxes across the United States range from a low of 2.9 percent in Colorado to a high of 7.25 percent in California. Rhode Island's 7.0 percent rate is tied for second highest in the nation alongside Indiana, Mississippi, and Tennessee (where the rate is also 7.0 percent). Rhode Island has the highest state sales tax rate in New England. However, when local rates are included, 23 states have a state and local rate of 7.0 percent or greater, and rates range from a low of 1.43 percent in Alaska, where there is no statewide sales tax, to 9.47 percent in Tennessee. Five states—Alaska, Delaware, Montana, New Hampshire, and Oregon—have no state sales tax.

## Sales Tax Exemptions, 2019

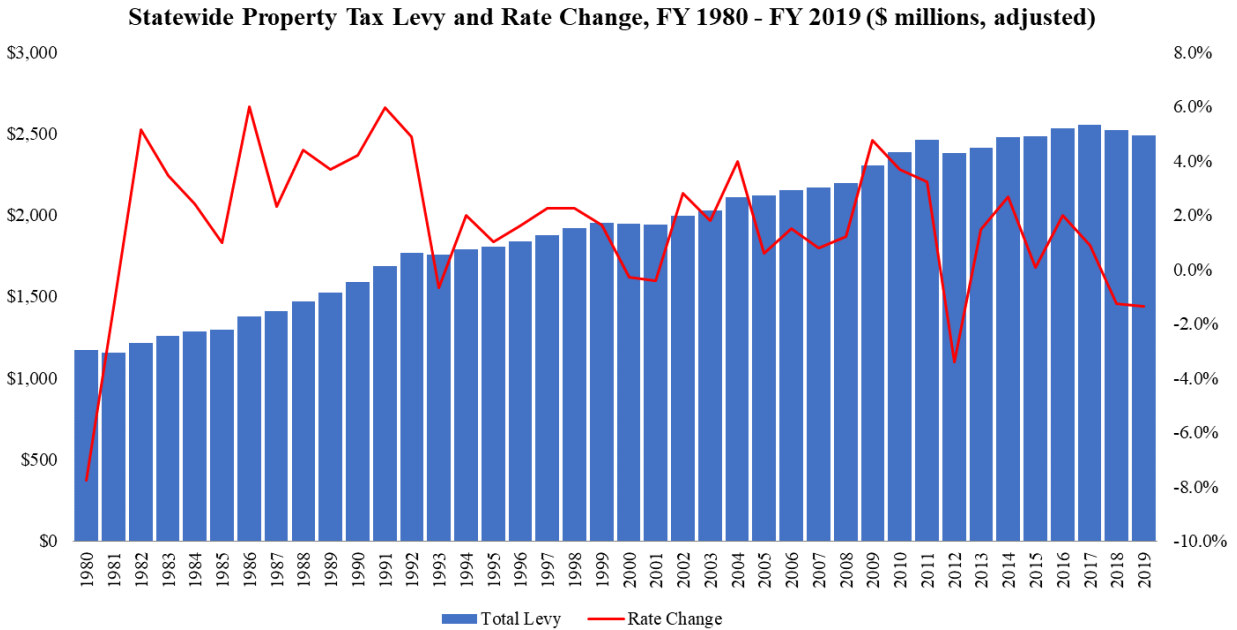
	Food	Prescription Drugs	Non-Prescription Drugs	Clothing
Connecticut	*	*		
Maine	*	*		
Massachusetts	*	*		**
New Hampshire				
<b>Rhode Island</b>	*	*	*	**
Vermont	*	*	*	*

\*\* Clothing under a certain dollar amount is exempted

NOTE: Not all exemptions are captured in this table

SOURCE: Tax Foundation; Federation of Tax Administrators

When comparing sales tax rates, it is also essential to consider the impact of exemptions to the sales tax code. Rhode Island exempts several categories of goods and most services from sales tax, including food not intended for immediate consumption, prescription and non-prescription drugs, and clothing and footwear.



SOURCE: Division of Municipal Finance; US Bureau of Economic Analysis; RIPEC calculations

In adjusted dollars, the sum of municipal property taxes levied in Rhode Island grew from \$1,171.6 million in 1980 to \$2,487.4 million in 2019, an expansion of 112.3 percent over 39 years. Since 2010, the total levy has grown by \$99.8 million in adjusted terms, or 4.2 percent. On an adjusted basis, the levy’s growth rate between 1980 and 2019 contracted by as much as 7.8 percent in 1980 and expanded by as much as 6.0 percent in 1986 and 1991. On average, over this 39-year period the statewide property tax levy rose by 1.7 percent annually.



## How Rhode Island Compares

### State and Local Revenues Per \$1,000 of Personal Income and Per Capita How Rhode Island Compares to the United States Average - FY 2016

	Per \$1,000 of Personal Income				Per Capita			
	US	RI	Rank	% of US	US	RI	Rank	% of US
<b>Tax Revenues</b>								
Property	\$ 31.23	\$ 47.54	4	152.2%	\$ 1,567.53	\$ 2,418.93	6	154.3%
Individual Income	23.35	23.01	27	98.5%	1,172.12	1,170.73	19	99.9%
General Sales	23.39	18.12	38	77.5%	1,174.03	922.03	36	78.5%
Other Taxes	21.28	20.81	26	97.8%	1,068.41	1,058.69	23	99.1%
<b>Total State and Local Taxes</b>	<b>99.25</b>	<b>109.47</b>	<b>7</b>	<b>110.3%</b>	<b>4,982.09</b>	<b>5,570.38</b>	<b>12</b>	<b>111.8%</b>
Charges and Misc Revenues	44.58	41.46	35	93.0%	2,237.89	2,109.78	30	94.3%
Intergovernmental Revenues	42.83	49.22	17	114.9%	2,149.88	2,504.58	14	116.5%
<b>Total General Revenues</b>	<b>186.66</b>	<b>200.15</b>	<b>16</b>	<b>107.2%</b>	<b>9,369.86</b>	<b>10,184.74</b>	<b>12</b>	<b>108.7%</b>
<b>Non General Revenues*</b>	<b>24.43</b>	<b>19.39</b>	<b>34</b>	<b>79.4%</b>	<b>1,226.29</b>	<b>986.87</b>	<b>29</b>	<b>80.5%</b>
<b>Total Revenues</b>	<b>\$211.09</b>	<b>\$ 219.54</b>	<b>21</b>	<b>104.0%</b>	<b>\$ 10,596.15</b>	<b>\$11,171.61</b>	<b>17</b>	<b>105.4%</b>

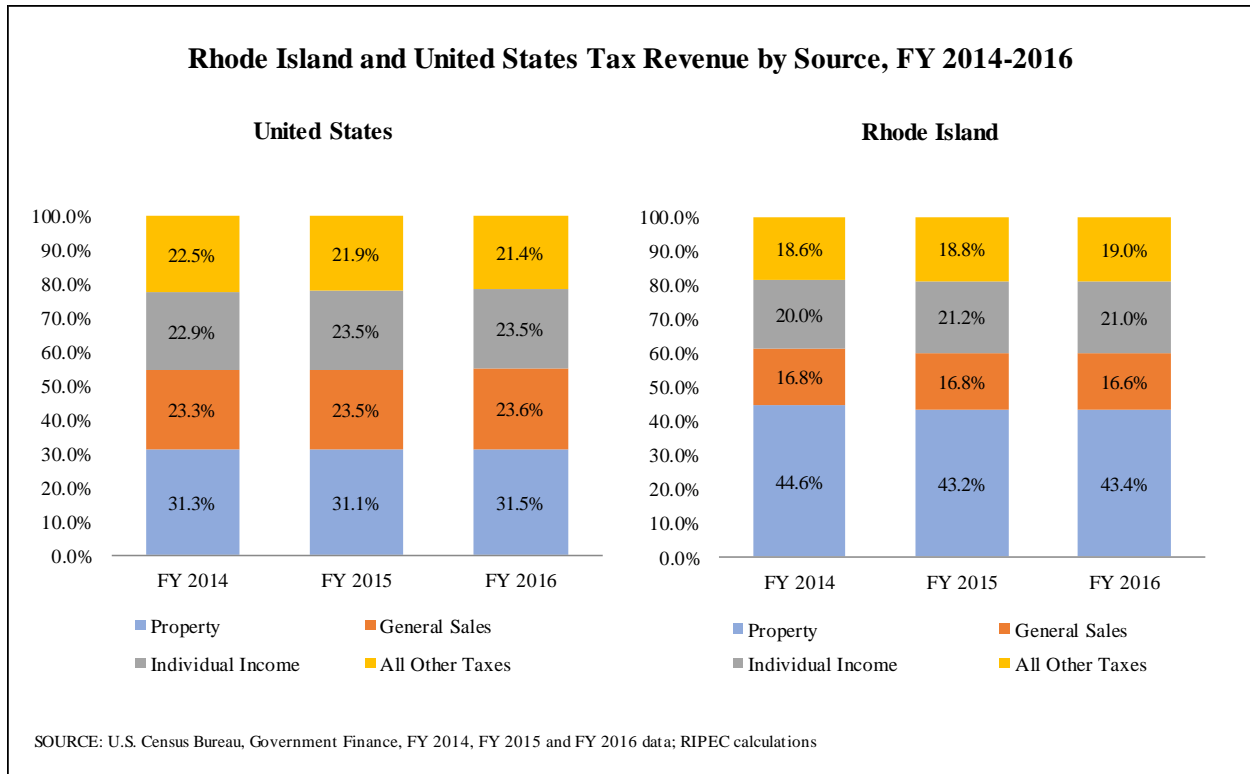
\* Insurance trust, utility and liquor store revenue

SOURCE: US Census Bureau, Government Finance, FY 2016 data, Bureau of Economic Analysis for personal income data; RIPEC calculations

In FY 2016—the fiscal year for which the most recent data are available—the State of Rhode Island had total general revenue collections of \$200.15 per \$1,000 of personal income, 107.2 percent of the U.S. average of \$188.66. This sum ranked Rhode Island 16<sup>th</sup> highest among the states. In per capita terms, Rhode Island’s total general revenue collections of \$10,184.74 was 12<sup>th</sup> highest in the nation and 108.7 percent of the national average.

General revenues are broken into three major categories: taxes, charges and miscellaneous revenues, and intergovernmental transfers. Of the three, taxes represent the largest share of total revenues. As a share of personal income, total tax collections in the Ocean State in FY 2016 were \$109.47 per \$1,000, 110.3 percent of the national rate of \$99.25 per \$1,000 of personal income. On a per capita basis, total tax collections in Rhode Island were \$5,570.38, 111.8 percent of the U.S. average. Rhode Island ranked 7<sup>th</sup> highest in the nation when tax collections are measured per \$1,000 of personal income, and 12<sup>th</sup> highest when measured on a per capita basis.

## How Rhode Island Compares



In general, property taxes represent the largest share of tax collections, accounting for 31.5 percent of all FY 2016 taxes across the country, and 43.4 percent of tax revenue in Rhode Island, a difference of 11.9 percentage points. General sales tax accounts for a smaller share of Rhode Island tax revenues (16.6 percent) compared to the national average (23.6 percent). The same is true of income tax (21.0 percent v. 23.5 percent) and other tax collections (19.0 percent v. 21.4 percent), which includes excise taxes and corporate income taxes.

The chart above shows taxes as a share of revenue for the United States (states' average, not federal tax revenue) and Rhode Island in fiscal years 2014, 2015, and 2016. As illustrated, property taxes accounted for a smaller share of Rhode Island's state and local tax revenue in FY 2016 than in FY 2014. General sales taxes also comprised a smaller portion of state and local tax revenue in FY 2016 when compared to FY 2014, while individual income tax and all other taxes proportionally increased.

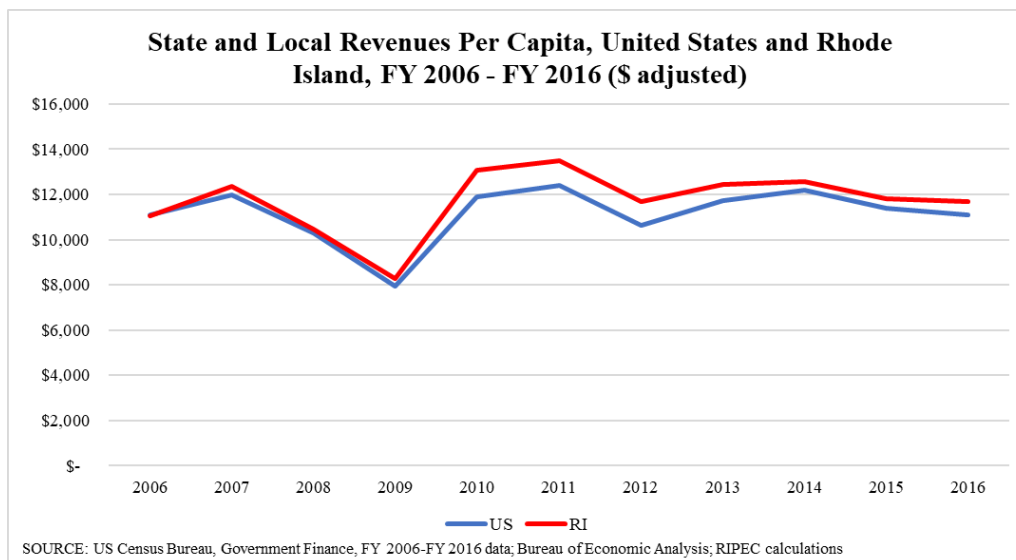
In contrast, the United States, on average, experienced an increase in property taxes as a proportion of total tax revenue in this period. Nationally, individual income taxes and general sales taxes also increased on a proportional basis, while all other taxes decreased as a share of overall tax revenue.

## How Rhode Island Compares

State and Local Revenues Per Capita United States and Rhode Island, FY 2012-2016										
	United States					Rhode Island				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
<b>Tax Revenues</b>										
Property	\$ 1,431.70	\$ 1,449.93	\$ 1,473.93	\$ 1,532.02	\$ 1,567.53	\$ 2,233.46	\$ 2,282.64	\$ 2,311.59	\$ 2,343.38	\$ 2,418.93
Individual Income	986.35	1,077.55	1,078.09	1,154.75	1,172.12	1,028.70	1,034.54	1,033.76	1,152.58	1,170.73
General Sales	1,010.30	1,041.24	1,097.20	1,155.78	1,174.03	801.54	837.38	869.51	909.94	922.03
Other Taxes	1,026.76	1,064.97	1,062.19	1,076.48	1,068.41	913.08	977.47	965.61	1,021.40	1,058.69
<b>Total State and Local Taxes</b>	<b>\$ 4,455.10</b>	<b>\$ 4,633.69</b>	<b>\$ 4,711.40</b>	<b>\$ 4,919.02</b>	<b>\$ 4,982.09</b>	<b>\$ 4,976.78</b>	<b>\$ 5,132.02</b>	<b>\$ 5,180.47</b>	<b>\$ 5,427.29</b>	<b>\$ 5,570.38</b>
Charges and Misc Revenues	2,007.10	2,070.20	2,101.81	2,183.01	2,237.89	2,030.74	2,047.39	2,063.98	2,136.84	2,109.78
Intergovernmental Revenues	1,875.87	1,861.28	1,903.22	2,064.51	2,149.88	2,376.91	2,386.90	2,495.93	2,432.52	2,504.58
<b>Total General Revenues</b>	<b>\$ 8,338.08</b>	<b>\$ 8,565.18</b>	<b>\$ 8,716.42</b>	<b>\$ 9,166.54</b>	<b>\$ 9,369.86</b>	<b>\$ 9,384.43</b>	<b>\$ 9,566.32</b>	<b>\$ 9,740.38</b>	<b>\$ 9,996.65</b>	<b>\$ 10,184.74</b>
<b>Non General Revenues*</b>	1,397.72	2,322.23	2,767.33	1,565.40	1,226.29	1,292.91	1,956.90	2,113.57	1,136.30	986.87
<b>Total Revenues</b>	<b>\$ 9,735.80</b>	<b>\$ 10,887.41</b>	<b>\$ 11,483.75</b>	<b>\$ 10,731.94</b>	<b>\$ 10,596.15</b>	<b>\$ 10,677.34</b>	<b>\$ 11,523.22</b>	<b>\$ 11,853.95</b>	<b>\$ 11,132.95</b>	<b>\$ 11,171.61</b>

\* Insurance trust, utility, and liquor store revenue  
SOURCE: US Census Bureau, Government Finance, FY 2006- FY 2016 data; Bureau of Economic Analysis; RIPEC calculations

The table above outlines changes in state and local revenue collections between FY 2012 and FY 2016 for the United States and Rhode Island, as measured on a per capita basis. Except for non-general revenues (which include trust, utility, and liquor store revenue), every category of revenue increased over the four-year period in both Rhode Island and the nation. Total general revenues in Rhode Island increased by \$800.31 per capita, or 8.5 percent, between FY 2012 and FY 2016, while total revenues increased by \$494.27 per capita (4.6 percent). In comparison, general revenues increased nationwide by \$1,031.79 per capita (12.4 percent) and total revenues increased by \$860.36 per capita (8.8 percent). However, in FY 2016 Rhode Island revenues remained \$575.45 more per capita than the national average, a difference of 5.4 percent.



On an adjusted basis, the difference in state and local revenue collections per capita between Rhode Island and the national average has declined since 2010, when Rhode Island revenues per capita were \$1,178.61, or 9.4 percent, greater than the nationwide average.

## How Rhode Island Compares

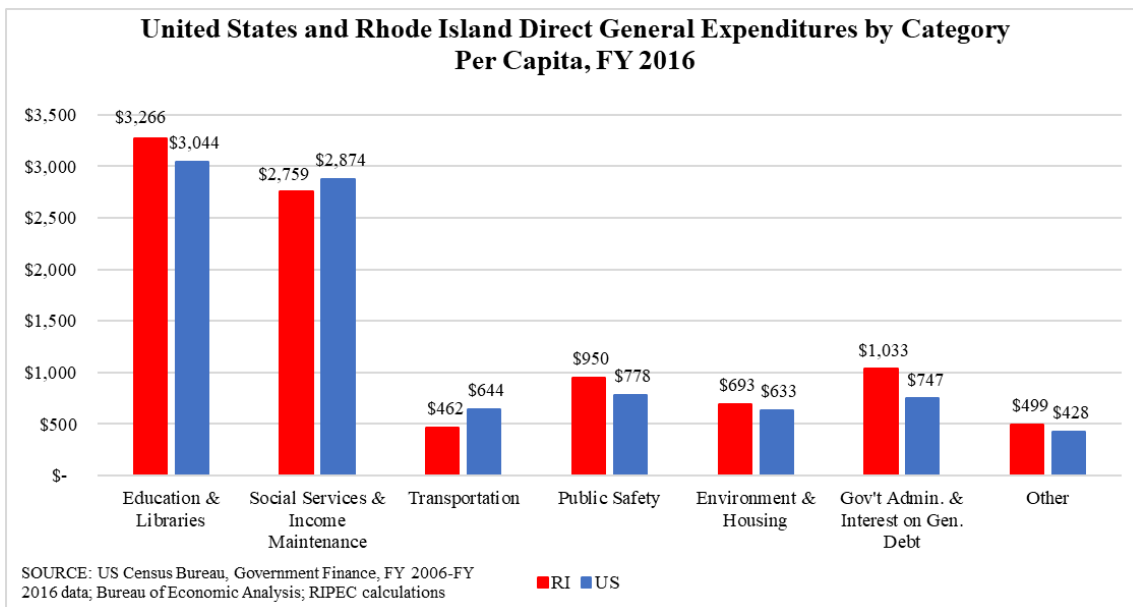
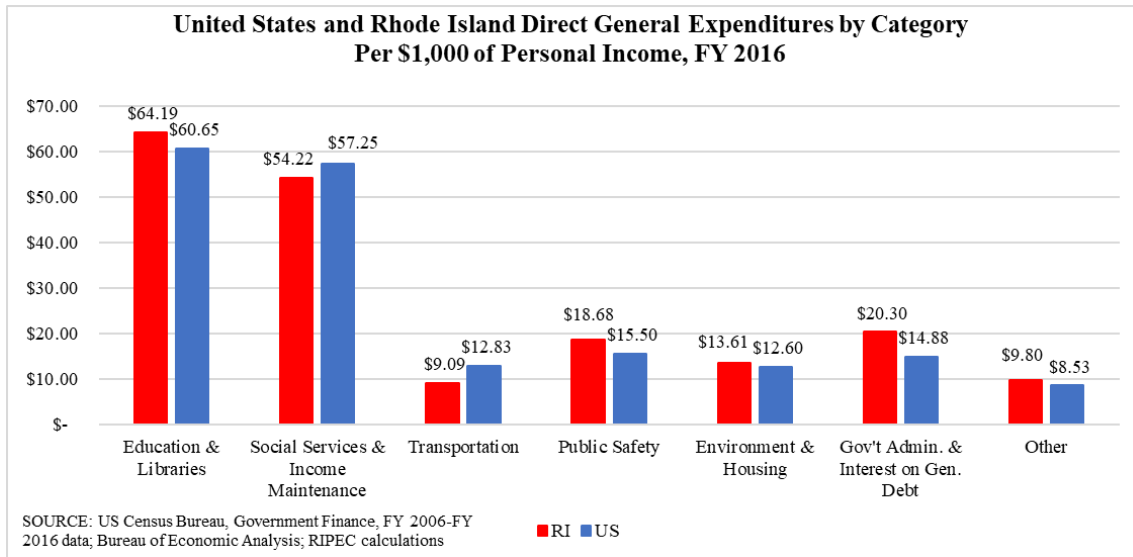
State and Local Expenditures Per \$1,000 of Personal Income and Per Capita How Rhode Island Compares to the United States Average - FY 2016									
	Per \$1,000 of Personal Income				Per Capita				
	US	RI	Rank	% of US	US	RI	Rank	% of US	
<b>Direct General Expenditures</b>									
Education & Libraries	\$ 60.65	\$ 64.19	26	105.8%	\$ 3,044.31	\$ 3,266.18	16	107.3%	
Social Services & Income Maintenance	57.25	54.22	30	94.7%	2,873.91	2,758.81	27	96.0%	
Transportation	12.83	9.09	48	70.8%	644.06	462.32	44	71.8%	
Public Safety	15.50	18.68	7	120.5%	777.95	950.29	6	122.2%	
Environment & Housing	12.60	13.61	19	108.0%	632.67	692.51	15	109.5%	
Gov't Admin. & Interest on Gen. Debt	14.88	20.30	3	136.5%	746.76	1,033.10	5	138.3%	
Other	8.53	9.80	14	114.8%	428.44	498.70	12	116.4%	
<i>Total Direct General Expenditures</i>	<i>\$ 182.24</i>	<i>\$ 189.88</i>	<i>21</i>	<i>104.2%</i>	<i>\$ 9,148.09</i>	<i>\$ 9,661.92</i>	<i>16</i>	<i>105.6%</i>	
<b>Other Direct Expenditures</b>									
Utility & Liquor Store	\$ 14.38	\$ 7.65	42	53.2%	\$ 721.97	\$ 389.26	43	53.9%	
Insurance Trust	20.97	28.56	5	136.2%	1,052.75	1,453.28	8	138.0%	
<i>Total Direct Expenditures</i>	<i>\$ 217.59</i>	<i>\$ 226.08</i>	<i>20</i>	<i>103.9%</i>	<i>\$ 10,922.81</i>	<i>\$ 11,504.47</i>	<i>15</i>	<i>105.3%</i>	
<b>Intergovernmental Expenditures</b>	\$ 0.21	\$ 0.34	4	163.4%	\$ 10.55	\$ 17.48	4	165.6%	
<b>Total Expenditures</b>	<b>\$ 217.80</b>	<b>\$ 226.43</b>	<b>20</b>	<b>104.0%</b>	<b>\$ 10,933.37</b>	<b>\$ 11,521.95</b>	<b>15</b>	<b>105.4%</b>	

SOURCE: US Census Bureau, Government Finance, FY 2016 data; Bureau of Economic Analysis; RIPEC calculations

Total expenditures (direct expenditures and intergovernmental expenditures) for FY 2016 in Rhode Island of \$226.43 per \$1,000 of personal income were 104.0 percent of the national average and 20<sup>th</sup> highest in the country. When total expenditures are measured on a per capita basis, Rhode Island's state and local government expenditures totaled \$11,521.95, which ranked the state 15<sup>th</sup> highest in the country and was 105.4 percent of the national average.

Direct general expenditures (direct expenditures, excluding utility, liquor store, and insurance trust spending) comprise most government spending. Within direct general expenditures are seven broad categories: education and libraries, social services and income maintenance, transportation, public safety, environment and housing, government administration and interest on general debt, and other. In FY 2016, state and local direct general expenditures in Rhode Island of \$189.88 per \$1,000 of personal income was 21<sup>st</sup> highest in the nation and 104.2 percent of the national average. On a per capita basis, Rhode Island's direct general expenditures of \$9,661.92 were 16<sup>th</sup> highest nationally and 105.6 percent of the national average.

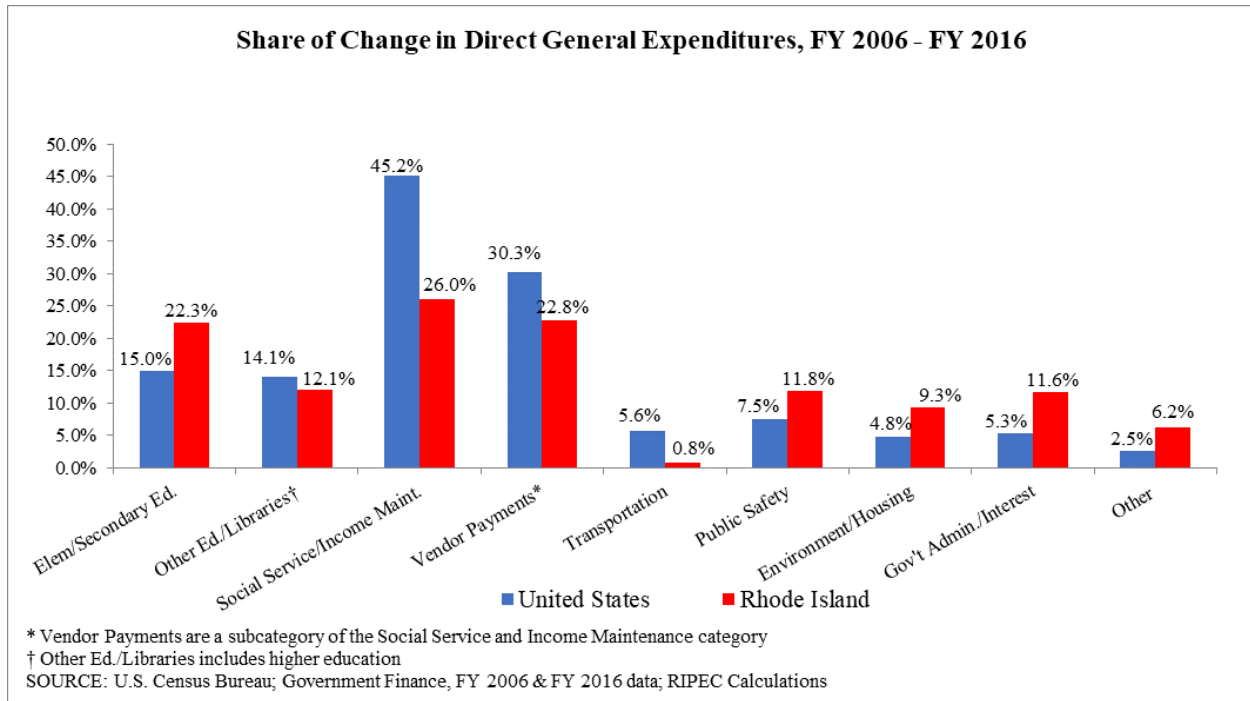
## How Rhode Island Compares



Whether measured in per capita terms or per \$1,000 of personal income, the Ocean State spent more than the national average in the categories of education and libraries, public safety, environment and housing, government administration and interest on general debt, and other in FY 2016. It spent below the national average on transportation and social services and income maintenance when measured in both per capita terms and per \$1,000 of personal income.

Per capita, Rhode Island spent 32.2 percent more than the national average on government administration and interest on general debt, 19.9 percent more on public safety, and 16.4 percent more on other in FY 2016. Conversely, Rhode Island expenditures on a per capita basis were 32.9 percent lower than the national average in the category of transportation, and 4.1 percent lower in the category of social services and income maintenance.

## How Rhode Island Compares



The chart above shows the share of change in direct general expenditures by category between FY 2006 and FY 2016 for both the United States and Rhode Island. As detailed, the largest share of change in direct general expenditures in the Ocean State come from social service and income maintenance (26.0 percent), vendor payments (22.8 percent), and elementary and secondary education (22.3 percent). Combined, over 70 cents of every dollar increase in direct general expenditures in Rhode Island is accounted for by these three categories of spending.

The United States had the same three fastest-growing categories of spending as Rhode Island, though social service and income maintenance (45.2 percent) and vendor payments (30.3 percent) comprise a larger share of change in expenditures in the U.S. than in Rhode Island. Conversely, expenditures in elementary and secondary education (15.0 percent) make up a smaller share of change. Expenditures in other education and libraries and transportation likewise comprise a smaller share of change in Rhode Island than nationwide, while expenditures on public safety, environment and housing, government administration and interest on general debt, and other categories comprised a larger share of change in Rhode Island than nationally.

## Consensus Economic Forecast

Rhode Island Consensus Economic Forecast												
Economic Indicator	FY 2021		FY 2022		FY 2023		FY 2024		FY 2025		FY 2026	
	Nov-18	May-19	Nov-18	May-19	Nov-18	May-19	Nov-18	May-19	Nov-18	May-19	Nov-18	May-19
Employment	510.5	502.7	510.9	503.9	510.6	504.2	510.1	503.8	510.4	503.6	511.0	503.6
Unemployment Rate	4.1%	4.1%	4.4%	4.3%	4.8%	4.6%	5.0%	4.8%	5.0%	5.0%	5.0%	5.0%
Personal Income	\$64,459	\$63,076	\$66,937	\$65,623	\$69,437	\$68,128	\$72,052	\$70,673	\$74,790	\$73,368	\$77,646	\$76,173
Personal Income Growth	4.0%	4.1%	3.8%	4.0%	3.7%	3.8%	3.8%	3.7%	3.8%	3.8%	3.8%	3.8%
Consumer Price Index	2.4	1.9	2.4	2.5	2.2	2.3	2.1	2.3	2.0	2.3	2.0	2.3
Personal Consumption Expenditures Growth	4.0%	4.3%	3.8%	4.3%	3.6%	4.0%	3.5%	3.8%	3.3%	3.6%	3.3%	3.4%

SOURCE: November 2018 and May 2019 Economic Forecast, Revenue Estimating Conference

Representatives from the Rhode Island State Budget Office, Senate Fiscal Staff, and House Fiscal Staff meet twice annually, in November and May, for the publicly held Revenue Estimating Conference (REC) and Caseload Estimating Conference (CEC). The Governor’s budget submission is based on revenue and caseload estimates during the November REC, and the May REC informs legislators’ budgetary decision-making. These conferences also include testimony on the economic forecast in the nation and the Ocean State by IHS Markit, a London-based information company, and the Rhode Island Department of Labor and Training. A product of that testimony is the consensus economic forecast.

As illustrated above, key economic indicators in the consensus economic forecast were revised between the November 2018 REC and the May 2019 REC. Notably, projected employment numbers, the unemployment rate, and average personal income were revised downward, while CPI is projected to be higher from FY 2022 onward than was forecasted in November 2018. Projected annual personal consumption expenditures growth figures between FY 2021 and FY 2026 were revised upward between the November and May meetings. Projected annual personal income growth between FY 2021 and FY 2023 saw upward revisions between November and May, while FY 2024 projections were revised downward, and FY 2025 and FY 2026 projections stayed constant.

## Caseload Estimating Conference

May 2019 Caseload Estimating Conference Change in Caseloads											
	FY 2018	FY 2019				FY 2020				FY 2019 - FY 2020 Change	
	Actual	Enacted	Nov-18	May-19	Nov-May Change	Nov-18	May-19	Enacted	May-Enacted Change	Amount	Percent
TANF/RIWP	9,831	10,025	9,700	9,250	(450)	9,700	9,250	9,334	84	84	0.9%
CCAP	8,895	9,300	9,125	9,040	(85)	9,517	9,240	9,240	-	200	2.2%
SSI	35,118	35,000	34,500	33,750	(750)	34,883	33,750	33,750	-	-	0.0%
GPA	256	270	210	162	(48)	210	162	162	-	-	0.0%

NOTE: Totals may not sum due to rounding  
SOURCE: May 2019 Caseload Estimating Conference; House Fiscal Advisory Staff, "FY 2020 Budget as Enacted," RIPEC calculations

Caseloads for four types of cash assistance programs are estimated during the May and November CEC. The Rhode Island Works Program (RIWP) provides cash assistance, education, and training and employment services to low-income working parents and those seeking work. The cash assistance part of this program is fully funded through the federal Temporary Aid to Needy Families (TANF) block grant. The Child Care Assistance Program (CCAP) helps families with incomes at or below 180.0 percent of Federal Poverty Level (FPL) by partially or fully paying for childcare expenses.

The Supplemental Security Income (SSI) caseloads in the above table reflect Rhode Island's portion of monthly SSI benefits. SSI provides benefits to individuals aged 65 and older, as well as to blind and disabled individuals with limited income and resources. The General Public Assistance Program (GPA) is a state-run program available for adults aged 19-64 who have limited income and resources and an illness or medical condition that prevents them from working. The GPA "bridge" program enables certain SSI applicants to receive up to \$200 per month while they are waiting for a determination of their eligibility. The GPA program additionally funds indigent burials and may be used as "the benefit of last resort" for individuals who do not qualify for RIWP or SSI. It is funded solely through general revenues.\*

Of the four cash assistance caseload programs, the enacted FY 2020 budget funds an increase in the number of TANF/RIWP and CCAP caseloads when compared to May 2019 CEC estimates for FY 2019, while SSI and GPA caseloads are kept level. TANF/RIWP is budgeted for an increase of 84 caseloads, or 0.9 percent, and CCAP is budgeted for an increase of 200 caseloads, or 2.2 percent. Regarding FY 2019, caseload estimates between the November and May CEC decreased in every category: TANF/RIWP caseloads decreased by 450 (4.6 percent), CCAP caseloads decreased by 85 (0.9 percent), SSI caseloads decreased by 750 (2.2 percent) and GPA caseloads decreased by 48 (22.9 percent).

\* See Rhode Island [Caseload Estimating Conference](#), May 2019; Rhode Island Department of Human Services, [CCAP Eligibility Information](#) and [GPA – Covered Benefits](#); U.S. Social Security Administration, [SSI in Rhode Island](#).



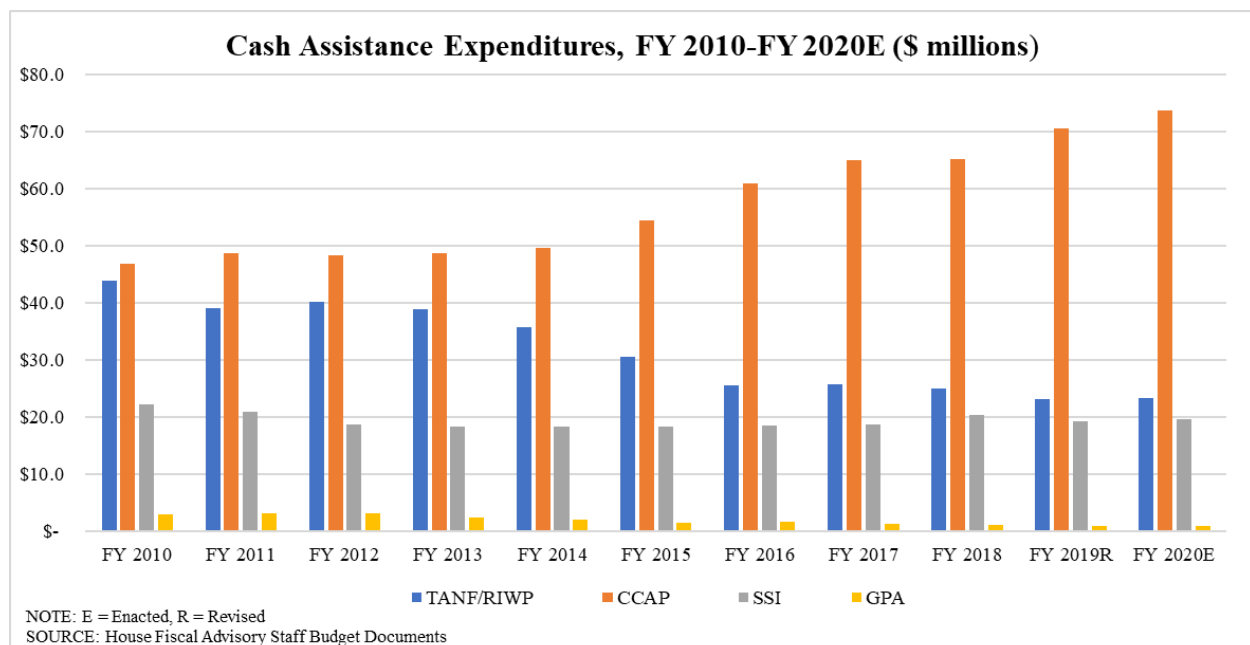
## Caseload Estimating Conference

Cash Assistance Expenditures (\$ millions)				
	TANF/ RIWP	CCAP	SSI	GPA
FY 2010	\$ 43.8	\$ 46.8	\$ 22.2	\$ 2.8
FY 2011	39.0	48.7	20.9	3.0
FY 2012	40.1	48.3	18.6	3.0
FY 2013	38.8	48.7	18.2	2.3
FY 2014	35.7	49.6	18.3	2.0
FY 2015	30.5	54.3	18.2	1.4
FY 2016	25.4	60.9	18.5	1.5
FY 2017	25.6	64.9	18.7	1.2
FY 2018	24.9	65.1	20.2	1.1
FY 2019R	23.1	70.5	19.2	0.9
FY 2020E	23.3	73.6	19.5	0.9
FY 2010-2020				
Change	\$ (20.5)	\$ 26.8	\$ (2.7)	\$ (1.9)
Percent	-46.8%	57.3%	-12.2%	-67.9%

NOTE: SSI = Supplemental Security Payments, R = Revised, E = Enacted  
SOURCE: House Fiscal Advisory Staff Budget Documents; RIPEC calculations

From FY 2010 to the FY 2020 enacted budget, total cash expenditures for TANF/RIWP are projected to decrease by \$20.5 million, or 46.8 percent. Conversely, expenditures for CCAP are projected to increase to \$73.6 million in FY 2020, which is \$26.8 million (57.3 percent) higher than in FY 2010. Of that increase, \$2.9 million is from general revenues. In FY 2020, it is projected that general revenues will comprise \$10.0 million, or 13.6 percent, of CCAP spending. Together, TANF/RIWP and CCAP comprise 82.6 percent of all cash assistance expenditures in the FY 2020 enacted budget. CCAP expenditures alone comprise 62.7 percent of state spending on cash assistance programs in the FY 2020 enacted budget.

While it is anticipated that expenditures for SSI will increase by \$0.3 million (1.6 percent) between FY 2019 and FY 2020, spending on this program has decreased by \$2.7 million (12.2 percent) since FY 2010. GPA expenditures have also decreased between FY 2010 and FY 2020, falling by \$1.9 million (67.9 percent) in terms of total spending and by \$1.0 million (52.6 percent) in general revenue spending. Since FY 2015, GPA has been entirely funded through general revenue.



# Caseload Estimating Conference

May 2019 Caseload Estimating Conference Change in Medicaid Expenditures (\$ millions)										
Medicaid Expenditures	FY 2018	FY 2019				FY 2020				FY 2019-2020 Change
	Actual	Enacted	Nov-18	May-19	Nov-May Change	Nov-18	May-19	Enacted	May-Enacted Change	
Hospitals*	\$ 192.3	\$ 191.2	\$ 195.1	\$ 198.5	\$ 3.4	\$ 199.0	\$ 199.8	\$ 194.9	\$ 4.9	\$ (3.6)
Long-Term Care**	226.3	396.3	402.0	377.4	\$ (24.6)	454.3	440.5	428.1	\$ 12.4	50.7
Managed Care***	1,857.4	1,774.6	1,791.1	1,779.8	\$ (11.3)	1,796.3	1,770.6	1,769.2	\$ 1.4	(10.6)
Pharmacy	(3.9)	(0.5)	(0.6)	(0.3)	\$ 0.3	(0.5)	(0.1)	(0.1)	\$ -	0.2
Pharmacy Clawback	64.3	66.0	69.4	69.5	\$ 0.1	74.7	74.2	74.2	\$ -	4.7
<b>Total</b>	<b>\$ 2,336.5</b>	<b>\$ 2,427.6</b>	<b>\$ 2,457.0</b>	<b>\$ 2,424.9</b>	<b>\$ (32.1)</b>	<b>\$ 2,523.8</b>	<b>\$ 2,485.0</b>	<b>\$ 2,466.3</b>	<b>\$ (18.7)</b>	<b>\$ 41.4</b>
<i>General Revenue</i>	<i>\$ 923.7</i>	<i>\$ 954.3</i>	<i>\$ 966.1</i>	<i>\$ 948.5</i>	<i>\$ (17.6)</i>	<i>\$ 997.9</i>	<i>\$ 984.8</i>	<i>\$ 976.6</i>	<i>\$ 8.2</i>	<i>\$ 28.1</i>

\* Includes Medicaid Disproportionate Share Hospital (DSH) Payments  
 \*\* Includes Nursing & Hospice Care and Home & Community-based Services  
 \*\*\* Includes Rhode Health Partners, Rhody Health Options, Other Medical Services, & Medicaid expansion  
 NOTE: Totals may not sum due to rounding  
 SOURCE: May 2019 Caseload Estimating Conference; House Fiscal Advisory Staff, "FY 2020 Budget as Enacted," RIPEC calculations

Total Medicaid expenditures are projected to increase by \$41.4 million (1.7 percent) between the May 2019 CEC estimates for FY 2019 and the FY 2020 budget as enacted. Regarding FY 2019, Medicaid expenditure projections decreased by 32.1 million (1.3 percent) between the November and May CEC. Between FY 2019 and FY 2020, the largest projected growth in Medicaid expenditures is in the category of long-term care, which is expected to increase by \$50.7 million (13.4 percent) and includes nursing and hospice care as well as home and community-based services.

On an adjusted basis, total state spending on Medicaid is projected to grow by \$1,020 million, or 70.5 percent, between FY 2005 and FY 2020. In the same 15-year period, Medicaid expenditures from general revenues are anticipated to grow by \$356 million in adjusted dollars, an increase of 57.3 percent.

