

Summary of the Governor’s Proposed FY2024 Budget Proposals Important to the Fiscal Health of the State and Its Residents

This analysis of Governor McKee’s proposed FY2024 budget summarizes policy proposals and spending recommendations of particular relevance to low-income and modest-income Rhode Islanders for their advancement and economic opportunity. Rhode Islanders will have opportunities to provide testimony and input into the shaping of the annual budget, which is a statement of our state’s priorities, until a final budget is negotiated by the Governor and the General Assembly.

Overview

Table 1: FY2024 Proposed budget (July 1, 2023 - June 30, 2024)		
Expenditures by Revenue Type	FY2024 Proposed Budget Amounts	FY2024 Proposed Budget Percentages
General Revenue	\$5.30 billion	38.6%
Federal Funds	\$5.53 billion	40.2%
Other Funds	\$2.54 billion	18.4%
Restricted Receipts	\$386.8 million	2.8%
Total	\$13.75 billion	100%

Governor Daniel McKee released his proposed \$13.75 billion budget, on January 19, 2023, for Fiscal Year 2024, which begins on July 1, 2023. The Governor also released his proposed revised budget for Fiscal Year 2023, which began on July 1, 2022 and ends on June 30, 2023. The proposed FY2024 budget, is unusual – benefitting from an unexpectedly large surplus of \$610.0 million¹, and a considerable infusion from the federal America Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) and ongoing enhanced federal matching funds for Medicaid expenditures during the pandemic.

The FY2024 budget (**Table 1**) has four funding sources: General Revenue, \$5.30 billion; Federal Funds (including ARPA funding), \$5.53 billion; Restricted Receipts (revenue targeted and limited to specific uses, such as transportation), \$386.8 million; and Other Funds (including lottery revenue), \$2.54 billion. The proposed FY2024 budget and revised FY2023 budget, like the FY2022, FY2021, and FY2020 budgets, are unusually large by historic standards, due to coronavirus pandemic federal relief funds, including from ARPA and from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The FY2023 and revised FY2022 budgets outlined plans to spend the entire \$1.13 billion in ARPA funds between FY2022 and FY2027. When the FY2023 and revised FY2022 budgets were released, The Economic Progress Institute (EPI) noted that budgets can only obligate expenditures for the current fiscal year and not future fiscal years. The Governor’s proposed FY2024 and revised FY2023 budgets allocate nearly the entire ARPA amount in FY2023 and FY2024 to meet all spending rules, including deadlines, leaving \$40.7 million of the \$1.13 billion ARPA allocation untargeted. The budget proposal spends \$450.4 million instead of the original \$279.7 million in FY2024, and \$556.7 million instead of the enacted \$535.9 million in FY2023. **Appendix Table A1** presents a breakdown of ARPA spending by fiscal year and **Appendix Table A2** presents a breakdown of spending by category.

EPI highlights FY2024 budget proposals important to the fiscal health of the state and Rhode Island residents.

Basic Needs

RI Works: The budget includes no proposals for improving RI Works, the state's cash assistance program that helps Rhode Island residents meet their most basic needs.

Food and Nutrition:

- The **RI Community Food Bank** is level-funded at \$450,000.
- The **Meals on Wheels** program includes a proposed increase of \$100,000 to support operations, for total funding of \$630,000. An additional \$50,000 is allocated for **elderly nutrition services**.

Senior Centers: The proposed budget increases support for senior centers from \$1.0 million to \$1.2 million.

Housing

The Governor's proposed budget uses tens of millions of dollars in federal relief funds, general obligation bonds, and general revenue to expand affordable housing and address other housing needs.

New Positions: The proposed budget directs \$2.7 million from general revenue to fund twenty-one additional positions at the newly created Department of Housing, seventeen full-time employees (FTE) would be transferred from the Executive Office of Commerce's Office of Housing and Community Development.

ARPA Funds: The proposed FY2024 budget uses \$103.0 million of ARPA recovery funds to develop affordable housing and provide homelessness services. The proposal includes \$30.0 million in newly targeted funds for homelessness infrastructure, raising the total ARPA funding for housing from \$250.0 million to \$280.0 million. A breakdown of ARPA spending on housing and homelessness programs is presented in **Appendix Table A3**.

Child Care Assistance Program (CCAP) and Pre-K

Child Care Support: The proposed budget uses \$1.7 million of ARPA funds to provide retention bonuses and start-up grants for Family Child Care Providers (FCCPs), support quality improvements, create a workforce registry, and provide educational opportunities for direct care staff.

Family Child Center Providers: The proposed budget increases the updated state contract with Family Child Care Providers (FCCPs) by \$2.8 million for FY2024 and \$3.9 million for FY2023 with federal funds. Included for FCCPs is \$375,000 for training supports, a retroactive 30% rate increase for calendar year 2022, and another 2.5% rate increase for calendar year 2023.

Pre-Kindergarten: The proposed budget recommends an additional \$8.0 million to maintain 800 Pre-K seats and to prepare for 35 new classrooms in FY2025. Funding will aid in developing a new Pre-K state lottery application system for enrollment. The total proposed general revenue allocation for pre-kindergarten is \$22.9 million.

Child Care Assistance Program (CCAP) and Head Start Funding: The proposed budget does not include programmatic changes in CCAP, Head Start, or Early Head Start. The Head Start programs are level-funded, CCAP will see increased funding from higher enrollment projections and increased rates for providers (\$1.0 million additional from general revenue for a total of \$10.2 million in general revenue, as well as \$14.4 million additional from federal and state funding for a grand total of \$84.5 million). CCAP provides financial support for working families and parents participating in a training program or enrolled in higher-education to enroll their children, under age thirteen, in center- or family-based childcare. The income entry and exit income limits were increased in the FY2023 budget.

K-12 Education

Education Funding Formula: The proposed budget fully funds the education formula adopted in 2010 with more than \$1.1 billion.

Poverty Calculations: The proposed FY2024 budget changes how poverty is defined for the funding formula, as required by the General Assembly last year. The new approach calculates poverty status on the number of students receiving a means-tested benefit, such as Supplemental Nutrition Assistance Program (SNAP) benefits, and multiplies the count by 1.6 to include non-citizens and impoverished children in families not participating in any benefits programs.

Students Experiencing Homelessness: The proposed budget provides \$2.5 million for students experiencing homelessness. (SNAP) benefits, and multiplies the count by 1.6 to include non-citizens and impoverished children in families not participating in any benefits programs.

Multilingual Language Learners (MLL): The proposed budget doubles funding for the MLL program from \$5.0 million to \$12.8 million general revenue.

School Breakfast Program: The proposed budget level funds administrative cost reimbursements with \$270,000 of general revenue.

Higher Education and Workforce Development

Higher Education: General revenue allocated in the budget plays an important role in higher education funding despite a large majority of the funding for Rhode Island's public colleges and university coming from tuition placed in restricted receipts funds.

The proposed FY2024 budget increases general revenue funding for higher education by \$28.7 million, from \$265.9 million to \$294.6 million. The increase includes \$9.5 million for the Office of Postsecondary Commissioner (OPC) and net increases for the three institutions: University of Rhode Island (URI), \$7.9 million; Rhode Island College (RIC), \$3.6 million; and Community College of Rhode Island (CCRI), \$2.6 million.

The OPC funding includes the following initiatives:

- Rhode Island Promise Scholarship: Increase scholarships to help CCRI students with tuition and fees for two years with an additional \$668,101 for a total of \$8.6 million.
- Promise I Scholarship: Increase need-based scholarships at both public and private institutes of higher education by \$4.8 million for a total of \$9.6 million.
- Fresh Start Scholarship: A new CCRI program to help up to 1,000 adults with tuition and fees for one semester to restart their education towards completing their degrees with new funding of \$2.5 million.
- RI Longitudinal Data System: Fund three new positions and operating expenses, in addition to four existing positions, in a revision of the state's DataSpark program with \$575,000.

Higher Education Academies: The proposed budget funds the Office of the Postsecondary Commissioner to establish three new academies to annually support 1,000 students, ages 16 and above (including high school seniors and recent graduates), to continue their education with \$6.5 million in SFRF funds. Services would include coaching, college readiness coursework, summer course enrollment, transition from high school to postsecondary education or workforce training.

Workers and Workforce Development

The Department of Labor and Training, the Governor's Workforce Board, and the RI Department of Elementary and Secondary Education/Adult Education are the primary agencies responsible for the range of adult workforce development services. The proposed FY2024 budget includes the following funding:

Governor's Workforce Board: Funding the Governor's Workforce Board with \$43.3 million, an increase of \$2.8 million from the FY2023 enacted amount; this includes \$6.0 million in general revenue funds.

Adult Education Services: A total of \$12.6 million to the RI Department of Education to fund the network of community-based organizations that provide foundational skills (literacy, digital literacy, English language services) and workforce preparation services to low skilled adults as well as General Education Degree (GED) preparation and testing. Total funds include \$2.7 million in general revenue, \$3.0 million in ARPA funds, \$3.5 million from the Job Development Fund, \$2.4 million in federal Workforce Innovation and Opportunity Act (WIOA) funds, and \$1.0 million from the Temporary Assistance for Needy Families (TANF) block grant.

Enhanced Real Jobs: Funding the Enhanced Real Jobs program to connect Rhode Islanders in workforce trainings with employers in industries impacted by the pandemic with \$20.0 million of ARPA resources.

Office of Community Engagement: Staff and partners at the newly established office will be trained in cultural competency to advance the goals of fair treatment and the equitable distribution of resources and services with \$100,000 in general revenue resources.

Digital Credential: As directed by recently passed legislation, the proposed budget funds DLT workforce development programs to provide digital-format credentials as well as the currently available paper credentials, with \$1.0 million in general revenue resources.

Wages for Direct Support Professionals: The proposed budget includes a wage increase from \$18.00 to \$20.00 per hour for direct support professionals working with adults with intellectual and developmental disabilities. The proposed budget appropriates \$13.9 million of general revenue (\$30.8 million all funds²) to pay for the wage increases. The proposed budget does not propose wage increases for direct support professionals who provide care for seniors or people with other disabilities.

Paid Leave: The proposed budget does not include proposals to strengthen the state's Paid Family Medical Leave (PFML) program. Rhode Island was one of the first states in the nation to implement PFML through the Temporary Caregiver Insurance (TCI) program, many other states, including neighboring Massachusetts and Connecticut, have passed more extensive paid leave programs. Rhode Island state employees remain unable to access TCI.

Health Coverage and Care

Children and Families

Children with Special Healthcare Needs: A pay rate increase is proposed to support the Cedar Family Centers, which offer care management to help families access support services for children with special healthcare needs. The proposed budget allocates \$551,955 in general revenue (\$1.2 million all funds).

Equality in Reproductive Care: The proposed budget includes \$592,405 in general revenue to expand reproductive care services, including abortion coverage, to Medicaid recipients and \$29,500 to expand coverage to state employees.

Long-Term Care

Nursing Homes Minimum Staffing: The proposed budget ensures, through an audit, minimum staffing in nursing homes is functioning in accordance with new state law, including the requirement to pass through funding for wages by providing \$172,500 in general revenue (\$345,000 in all funds).

Conflict-Free Case Management (CFCM): To comply with federal regulations, the proposed budget implements a person-centered conflict free case management system for Long-Term Services and Support (LTSS) and Home- and Community-Based Services (HCBS) with an increase of \$6.5 million in general revenue (\$14.4 million all funds).

Home- and Community-Based Services: The proposed budget does not include new proposals to expand services or financial assistance to enable seniors to stay out of nursing homes and remain in their homes and communities.

Behavioral Health

Certified Community Behavioral Health Clinics: As part of building a more comprehensive health system to provide access to a broad range of behavioral health services, medical screening and monitoring, and social services, the proposed budget supports expanding the infrastructure network of certified community behavioral health clinics with \$30.0 million of ARPA funds, and support funding the clinics, including rates consistent with the federal model with \$7.2 million of general revenue for a total of \$22.4 million from all funds. The deadline to establish the clinics would be delayed from July 1, 2023, to February 1, 2024.

Other

HealthSource RI: The proposed budget funds the operating expenses for HealthSource RI with \$3.5 million from general revenue (\$13.9 million all funds).

Transition from Medicaid to Qualified Health Plans: The proposed budget funds the first two months of qualified health plan premiums as part of a HealthSource RI automatic enrollment program, through the state's health insurance marketplace, eligible individuals transitioning off Medicaid when the pandemic's Public Health Emergency ends, now scheduled for May 2023, through \$1.3 million in SFRF resources in FY2023 and \$1.3 million in FY2024.

The proposed budget funds the hiring of three appeals officers to manage additional appeals expected from this "unwinding" as Medicaid recertifications are processed for the first time since the onset of the public health emergency with \$206,160 of general revenue (\$373,425 all funds).

Health Insurance Market Integrity Fund: The proposed budget includes \$14.8 million in reinsurance payments to health insurance carriers and \$0.6 million for program administration from \$9.7 million in federal funds and \$5.7 million from penalties paid by individuals who do not have health insurance.

Economic Development

Minority Business Accelerator: The proposed budget supports a minority business accelerator program, supporting technical and financial assistance and investment in minority-owned businesses with \$4.0 million of ARPA Federal Recovery Funds in FY2024. This amount is from a total of \$6.0 million in ARPA funding, less than the \$10.0 million proposed last year.

Minority Entrepreneurship: The proposed budget includes level-funding a minority urban business incubator, administered by non-profit Urban Ventures program, with \$140,000.

Rebuild RI Tax Credit: The budget calls for using budget surplus funds to increase the total cap on this multi-year program from \$210 million to \$225 million, as well as for providing \$11.4 million in general revenue to fund commitments already made. According to information provided by the Commerce Corporation to the November 2022 Revenue Estimating Conference, \$201.9 million in tax credits and sales tax reimbursements had been authorized and \$47.6 million distributed as of October 5, 2022.

Wavemaker Fellowship: The proposed budget expands the Wavemaker Fellowship to teachers. The program was originally designed to offset student loans with tax credits for full-time Rhode Island workers in STEM (Science, Technology, Engineering, and Mathematics) and expanded last year to include some healthcare practitioners. The proposed budget expands last year's \$3.2 million program funding with an additional \$800,000.

First Wave Closing Fund: The proposed budget supports the First Wave Closing Fund, which provides flexible "last-dollar" financing for business development and retention, by allocating \$20.0 million in general revenue.

Sunsetting of Programs: The proposed budget extends the sunset dates – from December 31, 2023, to December 31, 2024 – of 12 economic development programs coordinated and managed by the Rhode Island Commerce Corporation. The programs proposed to be extended include the Rebuild RI Tax Credit, the Wavemaker Fellowship, Tax Increment Financing, and the I-195 Redevelopment Project Fund. The purpose of sunset dates is to encourage the General Assembly to review programs for their effectiveness in spurring economic activity and opportunity and to close those not achieving their stated purposes.

Last-Mile Broadband: The proposed budget supports extending broadband service to underserved communities and the sizable number of Rhode Islanders who do not have access to high-speed reliable internet service, by using \$25.0 million in FY2023 and FY2024 from State Fiscal Recovery Capital Projects funds. These funds will provide a partial state match to secure \$100.0 million in additional federal funds for which Rhode Island is eligible through the Infrastructure Investment and Jobs Act.

Revenue & Taxation

Rainy Day Fund: All states set aside money into a “rainy day fund” to provide a cushion to help meet the challenges of recessions. Reserves are important to keep critical state programs operational, including support programs, and to keep money flowing in the local economy. While the rainy day funds of most states, including the five other New England states, are at 10% or more of annual general spending, Rhode Island’s budget stabilization fund is constitutionally capped at 5%. As an amendment to the state constitution is likely required to change this, the proposed budget creates a second rainy day fund with \$55 million, approximately an additional 1%, from the budget surplus.

Sales Tax Reduction: The proposed budget reduces the state sales tax from 7.00% to 6.85%, possibly a first step in a larger reduction, with an implementation date of October 1, 2023. A revenue reduction of \$25.0 million is expected for FY2024 and \$34.7 million for FY2025. The administration estimates an average household annual savings of \$39.00, with other savings going to businesses. Rhode Island already exempts food, medicines, and most clothing from the sales tax, it is unclear whether this measure would increase tax equity and fairness or disproportionately benefit those already able to afford big-ticket items.

Gas Tax: As required by Rhode Island state law, the state’s motor fuel tax is adjusted for inflation every other year. The proposed budget eliminates the next proposed increase of \$0.03/gallon, scheduled for July 1, 2023, and freezes the tax at the current rate of \$0.35/gallon until 2025. Implementing this proposal would result in a revenue loss of \$24.6 million over two years and possibly result in an ongoing annual revenue loss of approximately \$12 million, even with a reinstatement of the inflation adjustment in two years. Because the gas tax is collected from the supplier and not at the pump, there is no guarantee the savings will actually be shared with the consumer. At least one industry study of more than 100 cases of state gas tax adjustments, both up and down, has concluded that the full adjustment is not typically shared with consumers. The administration has proposed using budget surplus funds to make up for the revenue loss.

Utilities Gross Receipts Tax: The proposed FY2023 supplemental budget suspends a tax on electricity and natural gas for four winter months in 2022-2023. The temporary tax suspension would provide an estimated \$24.00 in relief per electricity customer and \$30.00 in relief per natural gas customer. Slightly over half of the benefit would go to residential customers, with the rest benefiting corporate customers. The loss of revenue would be covered by \$35.6 million in budget surplus funds.

Hospital License Fee: Each year the General Assembly authorizes a fee hospitals pay on net patient revenues. The proposed budget estimates the fee would raise an additional \$217.2 million in revenue that is not already included in the revenue estimate used for the budget, but will be taken into account as the FY2024 budget is negotiated.

Corporate Minimum Income Tax: The proposed budget reduces the corporate minimum income tax by \$25 per year, from \$400 to \$375. The minimum tax was reduced from \$500 to \$450 in Tax Year 2016 and from \$450 to \$400 in Tax Year 2017. The new amount would take effect in Tax Year 2024 and reduce state revenues by an estimated \$1.0 million in FY2024 and \$2.1 million in FY2025.

Truck Trade-In Sales Tax Exemption: Last year’s budget made traded-in motorcycles (when purchasing another motorcycle) exempt from the sales tax on the trade-in value. Previously, this sales tax exemption applied only to cars. The FY2024 proposed budget exempts the trade-in value of trucks weighing 14,000 pounds or less, with an estimated revenue loss of \$3.7 million in FY2024 and \$5.0 million in FY2025.

Tax Fairness and Sustainable Revenue: The proposed budget does not include measures to design a more progressive tax system for Rhode Island or to raise additional revenue to fund critical programs.

Revenue Sharing with Cities and Towns

PILOT: The proposed budget recommends funding the Payment in Lieu of Taxes (PILOT) program with \$50.2 million, \$1.7 million above the enacted FY2023 budget. The PILOT monies are state funds used to compensate local governments for property taxes they cannot collect from tax-exempt institutions like hospitals and colleges.

Aid to Distressed Communities: The proposed budget recommends funding the Payment in Lieu of Taxes (PILOT) program with \$50.2 million, \$1.7 million above the enacted FY2023 budget. The PILOT monies are state funds used to compensate local governments for property taxes they cannot collect from tax-exempt institutions like hospitals and colleges.

Car Tax Phase-Out: The accelerated, and now completed, phasing out of the car tax, the State is still obligated to reimburse local governments for the lost revenue. The proposed budget includes \$224.7 million to make the local governments whole, \$3.8 million more than was required in the enacted FY2023 budget.

Resources/Further Reading

The Economic Progress Institute summary is based on the Governor's proposed budget and other documents:

House Bill 5200 (the legislative text of the FY2024 Budget Proposal, including all articles):

<http://webserver.rilegislature.gov/billtext23/housetext23/h5200.pdf>

House Bill 5199 (the legislative text of the FY2023 Supplemental Budget Proposal, including all articles):

<http://webserver.rilegislature.gov/billtext23/housetext23/h5199.pdf>

Executive Summary, Fiscal Year 2024 Budget Proposal:

https://omb.ri.gov/sites/g/files/xkgbur751/files/2023-01/Executive%20Summary_0.pdf

House Fiscal Advisory Staff's Governor's FY 2024 Budget at a Glance (February 2023):

<https://www.rilegislature.gov/housefiscalreport/2020/FY%202024%20Budget%20Analysis%20Section%201%20Budget%20at%20a%20Glance.pdf>

Senate Fiscal Office's Governor's FY2024 and FY2023 Supplemental Budgets, 2023-H-5200 AND 2023-H5199, First Look (January 24, 2023):

<https://www.rilegislature.gov/sfiscal/Budget%20Analyses/FY2024%20SFO%20Governor%27s%20Budget%20-%20First%20Look.pdf>

Appendix I: Proposed ARPA State Fiscal Recovery Funds Spending

The Economic Progress Institute has detailed the flow of approximately \$2.5 billion in American Relief Plan Act funds received by Rhode Island (<http://www.economicprogressri.org/wp-content/uploads/2021/08/ARP-Flow-Chart-FINAL.pdf>). Some of these funds go directly to local governments or flow through the state to agencies (with targeted uses). The \$1.13 billion in ARPA funds, refers to the portion designated as State Federal Recovery Funds (SRFS) and subject to allocation as part of the state budget process. These funds must be allocated by December 31, 2024 and spent by December 31, 2026, the midpoint of FY2027. It is this pool of money that the Governor has proposed to spend between FY2022 and FY2027. Table A1 shows how the Governor proposes spending the \$1.13 billion in SFRF by Fiscal Year and the changes in allocations by year compared with the previously proposed and enacted amounts.

Table A1: Proposed Overall Spending of ARPA State Federal Recovery Funds by Fiscal Year		
Fiscal Year (July through June)	Proposed/Enacted FY2022 – FY2027 Spending	Change from Previously Proposed/Enacted Spending
FY2022	\$83.3 million	-\$47.7 million
FY2023	\$556.7 million	+20.8 million
FY2024	\$450.4 million	+\$170.7 million
FY2025	\$0.0 million	-\$171.0 million
FY2026	\$0.0 million	-\$13.3 million
FY2027	\$0.0 million	-\$0.1 million
Not Targeted	\$40.7 million	+\$40.7 million
Total	\$1.13 billion	\$0.0

Table A2 shows how the Governor proposes spending the \$1.13 billion in State Fiscal Recovery Funds by Fiscal Year and the changes in allocations by spending category compared with the previously proposed and enacted amounts.

Table A2: Proposed ARPA State Fiscal Recovery Funds Spending by Category		
Category	Proposed/Enacted FY2022 – FY2027 Spending	Change from Previously Proposed/Enacted Spending
Housing	\$280.0 million	+\$30.0 million
Public Health	\$183.5 million	-\$88.2 million
Business	\$169.0 million	+\$5.0 million
Climate	\$147.5 million	+\$25.0 million
Children/Families/Education	\$124.4 million	+\$4.0 million
Economic/Workforce Development	\$83.0 million	-\$47.0 million
Behavioral Health	\$56.7 million	+\$1.6 million
Public Infrastructure/Technology	\$27.5 million	+\$27.0 million
Administration	\$18.9 million	+\$1.9 million
Not Targeted	\$40.7 million	+\$40.7 million
Total	\$1.13 billion	\$0.0

For housing, the proposed FY2024 budget would use \$103.0 million of ARPA relief funds as part of \$280.0 million in spending on housing from FY2022 through FY2026, as detailed in Table A3.

Table A3: Proposed ARPA SFRF Spending on Housing		
Program	Proposed FY2024 Spending	Proposed Total Spending FY2022 - FY2026
RI Housing to develop affordable housing units	\$30.0 million	\$100.0 million
Help eligible first-time purchasers with up to \$17,500 for making down payments	\$10.0 million	\$30.0 million
RI Housing to undertake community revitalization by repairing homes and acquiring and redeveloping blighted properties	\$10.0 million	\$25.0 million
Increasing the housing supply for families earning up to 20% above an area's median income level; such housing is often called workforce housing rather than affordable housing	\$8.0 million	\$20.0 million
Provide housing stability services for people making a transition from homelessness or prison to housing	\$7.0 million	\$21.5 million
Funding homelessness infrastructure , including acquiring or building permanent or temporary shelters or other options and providing wrap-around services for people making use of such shelters or other housing so that these people avoid returning to homelessness	\$30.0 million	\$45.0 million
RI Housing to acquire properties (site acquisition) to redevelop into affordable housing	\$5.0 million	\$25.0 million
An Affordable Housing Predevelopment Program to fund an increase in the capacity of housing developers to expand affordable housing production	\$2.5 million	\$10.0 million
Underwrite a comprehensive Statewide Housing Plan , including a needs assessment	\$0.0 million	\$2.0 million
OHCD Predevelopment and Capacity Building to fund staffing for the administration of affordable housing projects; these funds appear to support the same effort noted above to increase staffing at the Office of Housing and Community Development	\$0.5 million	\$1.5 million
Total	\$103.0 million	\$280.0 million

Endnotes

1 When the FY2023 budget was enacted in early July of 2022, it already took into consideration a surplus of \$289.2 million from FY2022. Increased state revenue above this amount, a major FEMA expenditures and reimbursement adjustment, and lower spending than budgeted for, created an adjusted and revised FY2022 surplus of \$610.0 million. The revisions in the proposed FY2023 supplemental budget create a \$257.1 million surplus for the proposed FY2024 budget.

2 "All funds" indicates total funding from the four different revenue sources identified in the Overview above: General Revenue, Federal Funds, Restricted Receipts, and Other Funds.