

**2026 -- S 2103**

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LC004059

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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2026**

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**A N A C T**

**RELATING TO PUBLIC FINANCE -- STATE BUDGET**

Introduced By: Senators de la Cruz, Rogers, Paolino, and E Morgan

Date Introduced: January 16, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1        SECTION 1. Sections 35-3-4, 35-3-7 and 35-3-9 of the General Laws in Chapter 35-3  
2    entitled "State Budget" are hereby amended to read as follows:  
3        **35-3-4. Estimates submitted by department heads.**  
4        (a) On dates determined by the budget officer, but not later than the first day of October in  
5    each year, each head of a department of the state government, not including the general assembly  
6    or the judiciary, shall assemble, correlate, and revise, with power to increase or decrease, the  
7    estimates for expenditures and requests for appropriations for the next ensuing fiscal year of each  
8    of the divisions, boards, commissions, officers, bureaus, institutions, or agencies of the state  
9    included within his or her department, and, after this revision, shall prepare an itemized  
10   departmental estimate of the appropriations necessary to meet the financial needs of the department,  
11   including a statement in detail of all moneys for which any general or special appropriation is  
12   desired at the ensuing session of the general assembly. The estimate shall be in such form, and in  
13   such number of copies, and with such explanation as the budget officer may require, and, on dates  
14   determined by the budget officer, but not later than the first day of October in each year, shall be  
15   submitted to the governor through the budget officer and to the fiscal advisors of the house and  
16   senate.

17        (b) The estimates shall also include a supplemental presentation of estimates of  
18   expenditures for information resources and information technologies as defined in § 29-8-2  
19   [repealed], regardless of source of financing. The estimate shall include a detailed listing and

1 explanation of expenses and the source of funds and shall be in such form, and in such number of  
2 copies, and with such explanation as the budget officer may require. Copies shall be provided  
3 directly to the house fiscal advisor, the senate fiscal advisor, and the Rhode Island information  
4 resources management board.

5 (c) Commencing with the fiscal year beginning on July 1, 2027, and in accordance with  
6 the schedule provided in this section, the estimates for expenditures and requests for appropriations  
7 shall be based upon a justification by each department head of the budget of the department from  
8 a zero base. The budget request shall be accompanied by a statement giving facts and explanations  
9 of reasons for each item requested. It shall include a brief explanation of the functions of each of  
10 the divisions, boards, commissions, officers, bureaus, institutions, or agencies of the state included  
11 within the department and comments on its policies and plans, with such descriptive, quantitative,  
12 comparative and other data as to work done and other information as is considered necessary or  
13 desirable. "Zero-based budget" requests, so-called, are requests for appropriations based upon a  
14 justification of a department from a zero base as if the budget for the department was being initiated  
15 for the first time and shall be required based upon the following schedule:

16 (1) Beginning with the fiscal year beginning July 1, 2028, zero-based budgets shall be  
17 submitted by twenty percent (20%) of state departments, being those departments which submitted  
18 the lowest budget requests for the fiscal year beginning July 1, 2027;

19 (2) Beginning with the next fiscal year, zero-based budgets shall be submitted by twenty  
20 percent (20%) of state departments, being those submitting the lowest budget requests for the fiscal  
21 year beginning July 1, 2028, except for those departments included in subsection (c)(1) of this  
22 section;

23 (3) Beginning with the next fiscal year, zero-based budget requests shall be submitted by  
24 twenty percent (20%) of state departments submitting the lowest budget requests for the fiscal year  
25 beginning July 1, 2029, except for those departments included in subsections (c)(1) and (2) of this  
26 section;

27 (4) Beginning with the next fiscal year, zero-based budget requests shall be submitted by  
28 twenty percent (20%) of state departments submitting the lowest budget requests for the fiscal year  
29 beginning July 1, 2030, except for those departments included in subsections (c)(1),(2), and (3) of  
30 this section; and

31 (5) For the fiscal year beginning July 1, 2031, and thereafter, zero-based budgets shall be  
32 submitted by all remaining state departments.

33 (d) The budget officer shall provide copies of all submitted zero-based budgets to the house  
34 fiscal advisor and senate fiscal advisor.

1                   **35-3-7. Submission of budget to general assembly — Contents.**

2                   (a) On or before the third Thursday in January in each year of each January session of the  
3 general assembly, the governor shall submit to the general assembly a budget containing a complete  
4 plan of estimated revenues and proposed expenditures, with a personnel supplement detailing the  
5 number and titles of positions of each agency and the estimates of personnel costs for the next fiscal  
6 year, and with the inventory required by § 35-1.1-3(b)(5). Provided, however, in those years that a  
7 new governor is inaugurated, the new governor shall submit the budget on or before the first  
8 Thursday in February. Beginning with the fiscal year beginning July 1, 2027, and in accordance  
9 with the schedule set forth in § 35-3-4, the budget submitted by the governor shall be a partial  
10 "zero-based budget," a budget based upon a justification of each department's estimate of  
11 expenditures and requests for appropriations from a zero base. In accordance with the schedule set  
12 forth in § 35-3-4, the entire budget for the fiscal year beginning July 1, 2031, shall be a zero based  
13 budget.

14                   In the budget the governor may set forth in summary and detail:

15                   (1) Estimates of the receipts of the state during the ensuing fiscal year under laws existing  
16 at the time the budget is transmitted and also under the revenue proposals, if any, contained in the  
17 budget, and comparisons with the estimated receipts of the state during the current fiscal year, as  
18 well as actual receipts of the state for the last two (2) completed fiscal years.

19                   (2) Estimates of the expenditures and appropriations necessary in the governor's judgment  
20 for the support of the state government for the ensuing fiscal year, and comparisons with  
21 appropriations for expenditures during the current fiscal year, as well as actual expenditures of the  
22 state for the last two (2) complete fiscal years; provided, further, in the event the budget submission  
23 includes any transfers of resources from public corporations to the general fund, the budget  
24 submission shall also include alternatives to said transfers.

25                   (3) Financial statements of the:

26                   (i) Condition of the treasury at the end of the last completed fiscal year;  
27                   (ii) Estimated condition of the treasury at the end of the current fiscal year; and  
28                   (iii) Estimated condition of the treasury at the end of the ensuing fiscal year if the financial  
29 proposals contained in the budget are adopted.

30                   (4) All essential facts regarding the bonded and other indebtedness of the state.

31                   (5) A report indicating those program revenues and expenditures whose funding source is  
32 proposed to be changed from state appropriations to restricted receipts, or from restricted receipts  
33 to other funding sources.

34                   (6) Such other financial statements and data as in the governor's opinion are necessary or

1      desirable.

2                (b) Any other provision of the general laws to the contrary notwithstanding, the proposed  
3      appropriations submitted by the governor to the general assembly for the next ensuing fiscal year  
4      should not be more than five and one-half percent (5.5%) in excess of total state appropriations,  
5      excluding any estimated supplemental appropriations, enacted by the general assembly for the  
6      fiscal year previous to that for which the proposed appropriations are being submitted; provided  
7      that the increased state-share provisions required to achieve fifty percent (50%) state financing of  
8      local school operations as provided for in P.L. 1985, ch. 182, shall be excluded from the definition  
9      of total appropriations.

10                ~~(c) Notwithstanding the provisions of subsection (a) of this section, the governor shall~~  
11      ~~submit to the general assembly a budget for the fiscal year ending June 30, 2006, not later than the~~  
12      ~~fourth (4th) Thursday in January 2005.~~

13                ~~(d) Notwithstanding the provisions of subsection (a) of this section, the governor shall~~  
14      ~~submit to the general assembly a supplemental budget for the fiscal year ending June 30, 2006,~~  
15      ~~and/or a budget for the fiscal year ending June 30, 2007, not later than Thursday, January 26, 2006.~~

16                ~~(e) Notwithstanding the provisions of subsection (a) of this section, the governor shall~~  
17      ~~submit to the general assembly a supplemental budget for the fiscal year ending June 30, 2007,~~  
18      ~~and/or a budget for the fiscal year ending June 30, 2008, not later than Wednesday, January 31,~~  
19      ~~2007.~~

20                ~~(f) Notwithstanding the provisions of subsection (a) of this section, the governor shall~~  
21      ~~submit to the general assembly a budget for the fiscal year ending June 30, 2012, not later than~~  
22      ~~Thursday, March 10, 2011.~~

23                ~~(g) Notwithstanding the provisions of subsection (a) of this section, the governor shall~~  
24      ~~submit to the general assembly a budget for the fiscal year ending June 30, 2013, not later than~~  
25      ~~Tuesday, January 31, 2012.~~

26                ~~(h) Notwithstanding the provisions of subsection (a) of this section, the governor shall~~  
27      ~~submit to the general assembly a budget for the fiscal year ending June 30, 2016, not later than~~  
28      ~~Thursday, March 12, 2015.~~

29                ~~(i) Notwithstanding the provisions of subsection (a) of this section, the governor shall~~  
30      ~~submit to the general assembly a budget for the fiscal year ending June 30, 2022, not later than~~  
31      ~~Thursday, March 11, 2021.~~

32                **35-3-9. Action on bills by house committee — Hearings.**

33                (a) The budget plan and bill or bills for proposed appropriations, when sent by the governor  
34      to the general assembly, shall be referred as soon as practicable to an appropriate committee of the

1 house of representatives, and upon receipt of the budget plan the committee shall refer it to a budget  
2 panel consisting of three (3) persons: one of whom shall be appointed by the speaker of the house;  
3 one of whom shall be appointed by the house minority leader; and one of whom shall be appointed  
4 by the senate president. The members of the panel shall be persons with expertise and experience  
5 in the areas of finance or accounting. The panel shall review the budget plan and shall consider the  
6 objectives, operations, and costs of all activities of each department; explore alternative means of  
7 conducting the activities of each department; evaluate alternative budget amounts for various levels  
8 of effort for each activity of each department. The panel shall report its findings and make its  
9 recommendations as to the needs of each department, the programs and activities of each  
10 department and all other recommendations and information that it deems appropriate, to the  
11 committee, within thirty (30) days after the budget plan is referred to it.

12           (b) The committee shall proceed to the consideration of the bill upon receipt of this  
13 recommendation of the panel. ~~and the~~ The committee shall forthwith proceed to the consideration  
14 of the bill. The committee shall hear the budget officer upon the bill as a whole or upon any item  
15 thereof or any proposed amendment thereto as each may elect, and the committee may summon the  
16 budget officer to appear before it and to furnish such information relative to the bill or any item  
17 therein, or any proposed amendment thereto, as it may require, and the committee may in its  
18 discretion hear the proper person representing any department or agency desiring to be heard with  
19 respect to any item or amendment in the bill relating to the department or agency; provided, that  
20 nothing contained in this section shall be construed to limit the right of the committee to hold public  
21 hearings upon the bill as a whole or upon any item therein, or to summon any person for  
22 examination regarding any item contained therein, or for the purpose of obtaining information  
23 necessary for a full and proper consideration of the bill. The committee, after the consideration of  
24 the bill, shall report the bill with its recommendation endorsed thereon to the house of  
25 representatives.

26           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC FINANCE -- STATE BUDGET

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- 1        This act would require that the governor submit a zero-based budget to the general
- 2        assembly with the zero-based budget phased in over a five (5) year period, commencing with the
- 3        fiscal budget year of July 1, 2027.
- 4        This act would take effect upon passage.

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