



# Rhode Island KIDS COUNT Budget Analysis

## Governor's Fiscal Year 2018 Budget Proposal

### Items Affecting Children and Families

The Governor's proposed Fiscal Year 2018 budget includes many items that will affect the well-being of Rhode Island's children and families, including:

#### **Early Childhood**

- Includes \$1.1 million increase to the State Pre-K program for four-year-olds which, when combined with federal Preschool Expansion Grant funding, will enable Rhode Island to expand the State Pre-K program to serve over 1,000 children in 2017-2018.
- Adds \$390,000 to state-funded Head Start preschool slots for three- and four-year-olds to close the gap between federal and state funding levels per child. Funding will help Head Start programs attract and retain qualified, effective teaching staff and expand program hours to meet new federal requirements.
- Includes funding for the Child Care Assistance Program (CCAP) to implement new federal rules designed to improve continuity of access to child care, specifically: a permanent graduated-phase out policy, 12 month continuous eligibility, 3 months of eligibility for families who lose their jobs to engage in job search, infant-toddler prioritization, and expanded outreach to homeless families.
- Adds \$1 million to create enhanced reimbursement rates for child care programs serving infants and toddlers that meet high-quality standards. The Governor's budget cover letter recommends that the General Assembly consider adding more funding to expand this effort to support and incentivize high-quality child care.
- Provides \$250,000 in funding to support implementation of the Kindergarten Entry Profile (KEP). The KEP will assess the status of incoming kindergarten students and help teachers understand their developmental needs in order to better tailor instruction, to share with parents, and to contribute towards a statewide measure of how Rhode Island children are doing when they enter kindergarten.
- Adds one new FTE staff position at RI Department of Education (RIDE) to support early learning programs.

#### **Education**

- Fully funds the seventh year of the education funding formula, with an additional \$45.5 million in funding over FY 2017.
  - Article 18 makes permanent the English Language Learner (ELL) categorical fund in the state's education funding formula passed as a pilot last year and provides \$2.5 million in categorical funds to local districts to support evidence-based ELL programs during FY 2018.
  - Recommends an increase of \$1.1 million in early childhood education categorical funds (State Pre-K).
  - Recommends level funding for the high-cost special education, transportation, and career and technical education categorical funds.
  - Includes \$938,900 in "density aid" to districts with more than 5% of students attending public schools of choice (i.e., charter schools, Davies Career and Technical School, and the MET).
  - Includes \$3.8 million in stabilization funding for two state-operated schools (Davies Career and Technical School and the MET).
- Provides \$500,000 to provide SAT and PSAT tests for free to all Rhode Island public school students, consistent with the FY 2017 budget.
- Article 3 creates the Rhode Island Promise Scholarship to guarantee two years of free tuition and fees at Rhode Island's public universities. Students will be eligible to receive a scholarship at Community College of Rhode Island (CCRI) immediately after high school graduation or at Rhode Island College (RIC) or University of Rhode Island (URI)

beginning in their junior year of college. The scholarship will cover the cost of two years of tuition and mandatory fees after the student receives federal and other financial aid available to that student. Each student can only receive one scholarship, so they cannot receive scholarships for both two years at CCRI and two years at RIC or URI. In order to be eligible, students must have completed their high school diploma or equivalency before reaching age 19 and must have completed the FAFSA. Students at CCRI must enroll the fall after graduating from high school and must enroll full time. Students at RIC and URI must be enrolled full time, have a declared major, have accumulated a minimum of 60 credits, and maintain a minimum GPA of 2.0. The projected cost is \$10 million in FY 2018.

- Provides \$260,000 to expand access to computer science courses for elementary and secondary students, consistent with the FY 2017 budget.
- Level funds the E-Rate program, which provides Internet connectivity to schools (\$400,000).
- Level funds the Textbook Expansion Program (\$240,000).
- Level funds the School Breakfast Program (\$270,000).
- Recommends \$80.0 million for school housing aid to districts, including \$70.9 million for school housing aid and \$9.1 million for the School Building Authority Capital Fund established last year, consistent with the FY 2017 allocation.
- Adds one new FTE RIDE leadership staff position to support English Language Learner/World Languages.
- Provides \$60,000 to support the training and professional development of school leaders and teachers and the implementation of the proposed Rhode Island English Language Learner regulations.
- Includes \$550,000, a decrease of \$50,000 from last year, for the Advanced Coursework Network, which helps high school and middle school students access personalized, advanced coursework opportunities. This includes \$250,000 from general revenue funds and \$300,000 from permanent school funds.
- Includes \$1.2 million to continue funding the Pathways in Technology Early College High School (P-TECH) program, which connects high schools, community colleges, and businesses.
- Provides \$1.8 million, \$500,000 more than last year, to continue funding Prepare RI, a dual enrollment initiative that will allow qualified students to earn college credit at their high school and at state public higher education institutions, at no cost to students or families.
- Provides \$3.7 million to Davies Career and Technical School to upgrade facilities to allow for more training in advanced manufacturing.
- Level funds the Recovery High School, a high school providing individualized programs for students recovering from substance abuse (\$500,000).

## **Safety**

- Includes a net increase in general revenue of \$4.5 million for the RI Department of Children, Youth, and Families (DCYF). The increase is attributed to changes in contracted provider services for residential and community-based services (including a \$1.2 million start-up investment spread over FY 2017 and FY 2018 to help increase foster family capacity), increased personnel expenditures in Child Welfare, and reduced personnel costs in Juvenile Corrections.
- Proposes consolidation of certain DCYF youth detention populations at the RI Training School in an effort to free up space for Eleanor Slater Hospital (ESH) patients as the ESH is reorganized. The Roosevelt Benton Youth Assessment Center will be vacated by the Training School, and forensic patients from ESH will be moved to that facility, which shares the same campus as the RITS. The budget includes \$2.5 million from RI Capital Plan funds to renovate Youth Assessment Center in FY 2017.
- Increases the foster care and adoption assistance subsidies by \$0.1 million in general revenues, to build additional foster care capacity in support of DCYF's efforts to increase placements with families and reduce congregate care placements.
- Adds one FTE position to the Office of the Child Advocate for a Case Management Coordinator funded through a federal grant.
- Revises lead poisoning inspection requirements for foster homes and shelters.

## Economic Well-Being

- Article 20 increases the minimum wage from \$9.60 per hour to \$10.50 per hour, effective October 1, 2017.
- RI Department of Human Services (DHS) budget continues staff reductions of 60 FTEs employee implemented in FY 2017 due to expected efficiencies due to the implementation of the Unified Health Infrastructure Project (UHIP), resulting in \$2.6 million in general revenue savings.
- Moves funds from several DHS programs to the Individual and Family Support (IFS) program in order to centralize eligibility determination services.
- Includes \$500,000 to continue a Pay for Success program to increase employment and reduce recidivism among parents and others who were formerly incarcerated.

## Health

- Article 22 repeals the Lead Hazard Mitigation Act and amends the Lead Poisoning Prevention legislation to centralize lead poisoning prevention under the RI Department of Health (DOH). DOH would now be responsible for all aspects of program, including overseeing interagency coordination activities, adopting rules and regulations to certify lead safe compliance for all residential units, permitting lead inspectors, and maintaining a registry of lead safe certificates. Article 22 adds a requirement that pre-1978 rental properties be inspected by a licensed lead inspector, ends the exemptions for owner-occupied units, modifies lead requirements for foster homes and shelters, and adds zero-bedroom (studio) units as exempt. It also maintains that pregnant women and families with children under age six have a right to lead-safe housing and continues to provide injunctive relief for pregnant women and families with children under six living in rental properties that are not in compliance with standards for lead hazard reduction or abatement.
- Continues funding for the Unified Health Infrastructure Project (UHIP), the integrated eligibility system for health coverage and other public benefit programs launched in September 2016. Recommends \$5.8 million in general revenue/state IT funds and \$15.0 million in federal funds for FY 2018. Reduces UHIP total funding from \$87.5 million in all funds in FY 2017 to \$20.8 million in all funds in FY 2018 due to adjustments in scope of work. Adds \$250,000 from general revenues to fund legal fees incurred as a result of grievances filed related to UHIP implementation.
- Appropriates \$9.6 million for HealthSource RI, which includes general revenue, restricted receipts, and federal funds. The FY 2018 budget for HealthSource RI is \$2.8 million less than its enacted FY 2017 enacted budget due to expiration of federal funds (\$1.0 million) and a decrease of restricted receipts (\$1.8 million).
- In FY 2018, provides \$2.7 million in all funds to support the RI Office of the Health Insurance Commissioner, including level funding of \$400,000 for RIREACH, Rhode Island's health insurance consumer support program.
- Articles 12 and 13 continue Reinventing Medicaid efforts that reduce overall Medicaid spending by \$79 million (\$39.1 million in general revenue and \$39.9 million in federal funds). Initiatives relating to children and families include increasing the assessment on insurance companies for services for children with special health care needs from \$7,500 to \$12,500 per child (\$3.6 million in general revenue); modifying the managed care performance goal program (\$2.3 million in general revenue); freezing managed care administrative rates (\$827,155 in general revenue); reforming the oral surgery payment structure for parents and other adults (no financial impacts provided); and creating a home asthma response program for high risk pediatric asthma patients (no financial impacts provided). The FY 2018 budget also recommends \$27.9 million in general revenue (\$504 million of all funds) for the expansion of Medicaid coverage to non-pregnant adults without children.
- Article 16 allocates \$16.2 million for the funding of several information technology projects, including \$2.5 million for DOH to upgrade its Vital Records system.
- Article 8 increases the cigarette tax by \$0.50, from \$3.75 to \$4.25 per pack, estimated to provide \$8.7 million in general revenue in FY 2018. Allocates \$500,000 of those funds to be used for a tobacco prevention and cessation program. Allocates \$2.5 million of these funds to an Outdoor Recreation Investment fund to be used for local recreation matching grants, state and local recreation programming, and state capital funding for recreation-related acquisitions and maintenance.
- Creates a Health Equity Institute at DOH through a \$662,588 general revenue shift from Community Health and Equity to Central Management.