



Rhode Island KIDS COUNT Budget Analysis Governor's Fiscal Year 2021 Budget Proposal Items Affecting Children and Families

Governor Gina Raimondo's proposed Fiscal Year 2021 (FY 2021) \$10.2 billion budget includes many items that will affect the well-being of Rhode Island's children and families, including:

Early Learning and Development

- **Family Home Visiting:** Adds \$650,000 in new state general revenues to be matched with \$650,000 in federal Medicaid dollars to maintain current evidence-based family home visiting programs in the state.
- **Prenatal Expansion of First Connections:** Adds \$378,000 in new state general revenues to expand the First Connections program to help connect pregnant women with supportive services as early as possible before the birth of their child.
- **Child Care Assistance Program (CCAP)**
 - Adds \$3.9 million in new state general revenues to increase the tiered quality rates for programs serving children in CCAP (\$1.8 million for infant/toddler rates and \$2.1 million for preschool rates) to work toward meeting federal equal access requirements and promote access to quality programs.
 - In Article 15, Early Learning Center base rates for infants/toddlers in one-star programs will be increased to the 25th percentile (\$222.38/week) and base rates for preschoolers in one-star programs will be increased halfway to the 25th percentile of the 2018 Market Rate Survey (\$176.67/week). Rates for higher quality programs will also receive incremental adjustments. Rates for school-age children will not be adjusted or tiered and are below the 25th percentile (\$146.26/week).
 - Article 15 clarifies that Family Child Care rates for children in CCAP are determined through collective bargaining and shall be implemented in a tiered manner, reflective of the quality rating of the provider.
 - Adds \$200,000 in state general revenues to expand CCAP eligibility to include low-income families who require child care to enroll in or maintain enrollment in a Rhode Island public higher education institution.
 - Article 15 changes statutory language to make the Department of Human Services (DHS) responsible for conducting the child care market rate survey instead of the Department of Labor and Training. The next survey would be conducted by June 30, 2021 and every three years thereafter.
- **Head Start:** Maintains \$1.2 million in state funding for Head Start.
- **RI Pre-K**
 - Adds \$4.5 million in new state general revenues and \$3 million in new federal funds available through the Preschool Development Grant to expand RI Pre-K by adding 750 new high-quality seats.
 - Article 10 requires the Department of Education (RIDE) to include the number of students enrolled in RI Pre-K classrooms approved by the department in the average daily membership for the foundation education-aid formula beginning in FY 2021.
 - Article 10 establishes a statutory goal of expanding voluntary, high-quality Pre-K so that every four-year-old can enroll in RI Pre-K through a mixed delivery system of child care centers, public school districts, and Head Start centers across Rhode Island.
 - Article 10 authorizes RIDE to promulgate and adopt regulations for the implementation of high-quality, universal Pre-K.
 - Article 10 adds statutory language that requires RIDE to prioritize communities with a higher proportion of low-income children for new Pre-K seats. It also requires that enrollment in RI Pre-K be conducted through a lottery

until universal access is achieved and that RI Pre-K enrollment matches the socioeconomic distribution of the community.

- Article 10 adds a statutory requirement that RIDE and DHS shall work together with other state departments and private philanthropy to research and establish programs to improve, expand, and renovate facilities to ensure providers meet licensing and facilities standards to expand access to high-quality Pre-K.
- Article 10 removes language from the original *2008 Rhode Island Pre-Kindergarten Act* referencing a plan to provide Pre-K to three-year-olds and to strengthen child care and early learning programs for infants and toddlers.
- **Early Elementary Education:**
 - Article 10 requires every school district in Rhode Island to develop a kindergarten transition plan for all incoming students and families, including strategies to promote connections between pre-kindergarten programs and district schools.
- **Early Childhood Education Governance and Data System**
 - Article 10 requires RIDE and DHS to work together and with other departments to facilitate the coordination of federal, state, and local policies concerning early education and child care and develop joint plans for the use of federal funds for early learning and child care.
 - Requires continued investment, development, and support of the state's Early Care and Education Data System.
- **Early Childhood Care and Education Facilities**
 - Article 5 would authorize an \$87.5 million Housing and Infrastructure Bond which includes \$15 million for the Early Childhood Care and Education Campaign Fund.
 - Article 10 introduces the Rhode Island Early Childhood Care and Education Capital Fund Act with a new capital fund to be managed by DHS through a competitive grant program.
- **Comprehensive Early Childhood Education Program Approval**
 - Article 10 changes the *Educational Services to Very Young Children* statute to make RIDE's early childhood high-quality classroom or program approval voluntary for kindergarten and preschool classrooms that enroll children ages four to six.

Economic Well-Being

- Article 19 recommends an increase in the **minimum wage** from \$10.50 to \$11.50 per hour, effective October 1, 2020.
- Recommends an increase in the **State Earned Income Tax Credit (EITC)** in one percentage point increments each tax year for five years or from 15% to 20% by 2025.
- **Housing**
 - Recommends an \$87.5 million housing and infrastructure bond, including \$25.0 million in new funding for affordable housing, be submitted to voters on the November 2020 ballot.
 - Recommends establishment of a **permanent funding stream for affordable housing** through an increase in the real estate conveyance tax on property valued over \$500,000. This is expected to generate \$3.6 million in FY 2021.
- **Rhode Island Works**, the state's cash assistance or TANF program
 - Recommends \$200,000 in federal funding to allow adults in the Rhode Island Works program to not have their **earned income** count against their benefit for six months or until their family income exceeds 185% of the federal poverty level or the 48-month time limit is reached, whichever comes first
 - Recommends \$300,000 in federal funding to increase the **clothing allowance** for children from \$30 to \$100 to bring it more in line with neighboring states that provide significantly greater allowances.
 - Recommends \$40,000 in federal funding to allow **18-year-olds** to stay enrolled in Rhode Island Works as long as they are enrolled in high school.

Education

- **Education Funding**

- Fully funds the tenth year of the education funding formula, with an additional \$34.8 million in FY 2021 over FY 2020.
- Recommends an increase of \$2.5 million for **Multilingual Learners** (formerly known as English Learners) categorical funding, bringing total state funding to \$7.5 million.
- Recommends level funding for **high-cost special education** categorical funding at \$4.5 million, **career and technical education** categorical funding at \$4.5 million, and **transportation** categorical funding at \$7.6 million.
- Includes \$43.1 million in funding for the **Central Falls School District**, an increase of \$1.6 million compared over FY 2020.
- Recommends additional \$500,000 for **Central Falls School District** for the remainder of FY 2020 to provide aid for an increase in student enrollment not anticipated in the March 2019 student population projections.
- Changes the name of the **English Language (EL) to Multilingual Learner (MLL)** categorical fund.
- **Rhode Island Promise Scholarship (RI Promise Scholarship)**
 - Article 11 recommends \$7.2 million from general revenues, \$257,439 more than FY 2020, to **support the current RI Promise Scholarship program** which provides qualified graduating high school students two years of free tuition at CCRI.
 - Article 11 **makes the RI Promise Scholarship permanent** by removing the current provision that the program end with the high school graduating class of 2020.
 - Article 11 excludes **grants awarded by DCYF or the College Crusade** from being considered from the last dollar calculations for the Rhode Island Promise scholarship.
 - Expands the RI Promise Scholarship eligibility to include **certificate programs**.
- Recommends an increase of \$268,995 in general revenue to support **three additional student advisors at the Community College of Rhode Island**.
- Includes **tuition increases** previously approved by the Council on Postsecondary Education, including a 3.1% tuition increase at CCRI, a 7.3% increase at RIC, and a 2.8% increase at URI.
- Recommends \$9.6 million from tuition savings fees and federal loan reserve funds for the **Last Dollar Scholarship program** to allow students with proven academic performance and financial need to attend one of Rhode Island's public higher education institutions.
- Recommends \$2.1 million from general revenues for **Wavemaker Fellowships**, a competitive student loan reimbursement program for college and university graduates working in science, technology, engineering, and medicine. Recommends an expansion of the program to include educators of science, technology, engineering and math.
- Recommends \$700,000 for the **Advanced Coursework Network**, an increase of \$200,000 over FY 2020.
- Proposes \$3.2 million from tuition savings fees, an increase of \$900,000 over FY 2020 funding, for the **Dual/Concurrent Enrollment Initiative** to allow more students to earn college credit at their high school or at state public higher education institutions at no cost to families.
- Includes \$200,000 in funding to sustain the **Pathways in Technology, Early College High School (P-TECH) Initiative**, which supports partnerships among high schools, colleges, and businesses and allows students to get both high school diplomas and associate degrees in five or six years while participating in mentorships and internships that prepare them for employment.
- Recommends \$2.0 million for the **School Resource Officer Categorical Aid**. Expands qualifying expenditures to include hiring of **new mental health professionals**, including student assistance counselors, school counselors, psychologists, and social workers. The recommended funding level of \$325,000 for School Resource Officers reflects the actual state expenditures on this program, which are lower than the \$1.0 million originally provided in the FY 2020 Enacted Budget and an additional \$1.5 million for school districts for school resource officers and mental and behavioral health professionals.
- Recommends \$590,000 for **teacher training, curricula and resources to teach mental and behavioral skills** and to intervene when mental and behavioral health challenges are presented in the classroom.
- Recommends \$500,000, consistent with FY 2020, to support **Rhode Island's recovery high school**, designed to serve students recovering from a substance abuse disorder.

- Recommends \$500,000 for two new positions at RIDE to support school districts in **defining high-quality curricula and establishing social studies standards**, an increase of \$300,000 from FY2020.
- Includes \$115,000 for the WIDA ACCESS test, an **assessment of English language proficiency** for multilingual learners.
- Recommends \$345,000, consistent with FY 2020, from general revenues to support **Child Opportunity Zones** to strengthen education, health, and social services for students and their families and improve student achievement.
- Recommends \$80.0 million in **school housing aid** to districts, including \$79.1 million for traditional School Housing Aid and \$900,000 for the School Building Authority Capital Fund, consistent with FY 2020.

Health

- **Medicaid:**
 - Preserves **Rlte Care** eligibility and benefits for children, parents, and pregnant women at current levels.
 - Codifies the consumer protections of the federal **Affordable Care Act (ACA)**. The statute requires the following protections: guaranteed issue and renewability regardless of any preexisting conditions, coverage for essential health benefits, and preventive services without a copay for large group and small employer health insurance plans. The State codification of the ACA has no fiscal impact and would only take effect upon the repeal of the ACA at the federal level.
- **Article 13:** Article 13 authorizes the licensing of private entities to cultivate, process, and manufacture **marijuana** products and authorizes the State to hire one or more contractors to operate the sales for the adult-use market on the State’s behalf. The Budget includes \$21.8 million in revenue attributable to the implementation of a State-controlled adult use marijuana system. License fees are estimated to generate \$699,000 in revenue in FY 2021. Profits from the market would be shared among the State (61%) municipalities (10%), and the contractors (29%). Rhode Island would receive an estimated \$21.1 million in net revenue. The Budget includes a \$643,372 increase in restricted receipts in FY 2021 for food safety staffing and the operational costs.
- **Article 14:**
 - **Perinatal doula services:** The Governor’s budget includes \$94,802 from general revenue, matched by Medicaid, to provide Medicaid coverage for perinatal doula services, which provide support to women before, during, and after childbirth, as a strategy to address racial disparities in maternal health. The budget assumes an \$850 payment would be made for perinatal doula services for 10% of the estimated 5,000 births. Article 14 establishes Medicaid coverage for perinatal doula services.
 - **Neonatal intensive care** unit rates: Includes a savings of \$2.5 million from moving the neonatal fee-for-service payments to the managed care rates with the intent of reducing high-risk pregnancies related to inadequate prenatal care and higher maternal drug use and smoking during pregnancy.
 - **Rlte Share:** The Governor recommends \$5.0 million in general revenue savings from maximizing Rlte Share enrollment by moving working Medicaid beneficiaries from standard Medicaid coverage onto employer-sponsored insurance, where the State will pay the costs of the employee’s premium, rather than the full cost of enrolling the employee in one of the State’s managed care plans. The budget establishes a new penalty for employers who do not comply with Rlte Share reporting requirements.
- **Article 21:** makes significant changes to the **regulation of tobacco products** including cigarettes, cigars, and vaping products, or e-cigarettes in Rhode Island. These changes include:
 - **Raising the Minimum Age to Purchase:** Aligns Rhode Island statutes with the newly enacted federal law that raises the minimum age to purchase tobacco products and electronic nicotine devices from 18 to 21.
 - **Banning Flavored Vaping Products:** Codifies the Governor’s 2019 executive order prohibiting the sale of electronic nicotine delivery systems that include a flavor or have greater than 35 ml/mg of nicotine. The ban is statutorily effective upon the passage of the Budget.
 - **Taxes on Cigarettes, Cigars, and Vaping Products:** Increases the excise tax on cigarettes by \$0.35, which raises the tax from \$4.25 to \$4.60 per pack of twenty. Raises the maximum tax per cigar by \$0.30, from \$0.50 to \$0.80. Adds e-cigarettes to the definition of “other tobacco products” (OTP) and subjects them to the OTP tax at the rate of 80% of the wholesale cost. Increases fees for tobacco and e-cigarette dealers. These additional taxes and

fees are estimated to bring in an additional \$2.0 million in revenue after accounting for estimates of revenue losses associated with increasing the minimum age to purchase from 18 to 21.

Safety

- **Child Welfare**

- Recommends 14 new FTEs to start in April 2020 to **recruit, train, license, and support foster parents**. The budget assumes \$2.5 million in general revenue savings from shifting youth from more costly out-of-home placements into foster care, where appropriate.
- Recommends hiring **four new Child Protective Investigators** to start in April 2020 to decrease caseloads to meet best practice, increase screenings, and reduce youth entering care. The budget assumes \$341,801 in general revenue savings.
- Recommends 2.0 Senior Legal Counsel and 2.0 Paralegal positions to **facilitate child advocacy and case worker partnerships** with the goal of more quickly moving children in care to permanency.
- Includes \$525,763 in general revenue savings for FY 2021 by **renegotiating private agency foster care contracts**, which will include standardized rates based on need.
- Recommends borrowing \$17.0 million to replace the Department of Children, Youth, and Family's (DCYF) **child welfare data system**, RICHIST, which has been in place since 1997. Total funding for this new system from FY 2021 through FY 2023 would be \$28.2 million, including \$11.2 million from federal funds.
- Eliminates \$200,000 in general revenue funding for the **Department of Children, Youth, and Families Higher Education Opportunity Incentive Fund** which is used to help former foster children attend postsecondary educational institutions in Rhode Island. The program will be funded using reserve funds in FY 2021.

- **Juvenile Justice**

- Recommends \$1.1 million for the **Female Youth Project**, which would establish two in-state psychiatric residential treatment facilities for girls with complex behavioral health care needs currently being treated out-of-state, in a hospital, or at the Rhode Island Training School (RITS). Funds cover six months of implementation of this initiative.
- Recommends \$3.5 million from Rhode Island Capital Plan funds to **redesign a module at the RITS** to include an intake center with beds for youth entering the facility and an overflow area for sentenced youth. There is currently no separation of non-sentenced youth from the general population. The Governor also recommends **restructuring the education program at the RITS** due to a reduced census of youth at the RITS and reduced demand for teachers, resulting in \$438,651 in general revenue cost savings.