

Legislative Wrap-Up

2008 SESSION OF THE RHODE ISLAND GENERAL ASSEMBLY

Selected laws and budget appropriations affecting children in the areas of economic well-being, health, education, child care and early childhood education, and safety.

ECONOMIC WELL-BEING

Affordable Housing: \$12.5 million in bonds was issued for the second year of funding from the \$50 million bond passed by voters in November 2006 for the production of affordable housing.

Neighborhood Opportunities Program: The budget includes a restoration of \$2.5 million in FY 2008 and FY 2009 for the Neighborhood Opportunities Program to address the housing and revitalization needs of deteriorating neighborhoods. The program was cut from an annual appropriation of \$7.5 million in FY 2006 and FY 2007.

Support Services Program: The Support Services Program, Housing First, was incorporated into the *Rhode Island Housing Resources Act of 1998* authorizing the Rhode Island Housing Resources Commission to administer the program. Housing First helps to prevent and end homelessness. The legislation was originally written and introduced as a means of increasing funding for Housing First, but it was amended to remove the requested increase in funding. Housing First was level funded at \$300,000 for FY 2009.

Child Support: Legislation was enacted that allows a child support order to remain in effect after the youngest child is emancipated. In such cases, the child support

wage withholding will be used to pay arrearages. The child support order will automatically terminate when the arrearages are paid. Legislation was also enacted that allows child support obligations owed (both arrears and future) to be collected against a parent's estate upon his/her death.

Family Independence Program (FIP): The General Assembly replaced FIP in the FY 2009 budget with the "Rhode Island Works Program." This new program includes shorter time limits, stricter sanctions and new work requirements. Under the Rhode Island Works Program, families will be eligible for no more than 24 months of cash assistance within any 60 month period. The total lifetime limit was reduced from 60 months to 48 months. Parents who are employed when their case closes may be eligible to receive incentive payments for up to 12 months.

If a parent is unemployed or underemployed, an initial assessment of their physical capacity, skills, education, work experience, health, safety, etc. will be conducted. Most parents will be required to conduct a job search as a first employment activity. Participants who have limited literacy and work experience may be referred to a six-month intensive work readiness program. A parent with disabilities will be referred to the Office of Rehabilitative Services. The time period in which parents

can be out of compliance with their work plan before the family's benefit is terminated (i.e. sanctioned) was reduced from six months to three months.

The new rules will affect new applicants enrolled as of July 1, 2008. Current cash assistance recipients have a 12-month grace period before the new rules apply to them.

Entitlement to Cash Assistance for Eligible Children:

Children's entitlement to cash assistance was eliminated, (except for a child whose parent is receiving SSI or who is living with a grandparent or other relative caregiver). A lifetime limit on benefits for children was implemented. Children will lose cash assistance when a member of their household has reached the new lifetime limit of 48 months. Children will also be affected by the new "periodic" limit of 24 months out of any five year period. In addition, children living with parents who are "unqualified" immigrants will be ineligible for cash assistance once one child in the family has received 24 months of cash assistance within a 60 consecutive month period, with a lifetime limit of 48 months.

Legal Permanent Residents (LPR): Legal Permanent Residents with less than five years of legal resident status will no longer be eligible for cash assistance under the Rhode Island Works Program. After five years of legal resident status, LPR families may be eligible for assistance if they meet income and resource eligibility requirements.

Food Stamp Program: The General Assembly passed legislation that directs the RI Department of Human Services to seek additional federal dollars through the Food Stamp Employment and Training Program. The additional funds are to provide employment and training services to Food Stamp recipients. Legislation was passed by the General Assembly but vetoed by the Governor that would have limited the number of visits a food stamp applicant must make in order to receive benefits from two visits per year to one visit per year.



HEALTH

RIte Care Eligibility for Children: Eligibility for RIte Care was maintained at 250% of the federal poverty level (FPL) for children. As of June 1, 2008, RIte Care eligibility was eliminated for the grandfathered group of 2,800 children including those with legal permanent

resident status for less than 5 years and undocumented children. These children had been eligible for RIte Care if they were enrolled prior to January 1, 2007. A bill that would have increased income eligibility for RIte Care from 250% FPL to 300% FPL, restored coverage to legally present immigrant children and created a RIte Care buy-in for children in families with income above 300% FPL was not enacted. Other legislation that would have provided RIte Care eligibility to undocumented and legally present immigrant children and legally present immigrant parents also did not pass.

RIte Care for children with special health care needs (receiving SSI or coverage through Katie Beckett eligibility), children in substitute care and children with adoption subsidies:

Children in these eligibility categories will now be required to enroll in a RIte Care managed care plan. Previously, enrollment in managed care was an option. Children whose parents have employer-sponsored coverage will not be enrolled in managed care but will receive "wrap around" coverage for services.

RIte Care for Parents of Eligible Children: Parent eligibility for RIte Care was reduced from 185% FPL to 175% FPL, except for pregnant or post-partum women. About 1,000 parents previously eligible will lose coverage. RIte Care coverage for 6,400 parents between 133% FPL and 175% FPL was maintained.

RIte Care Premiums: A \$45 monthly RIte Care premium for families with incomes between 133% FPL and 150% FPL was approved, as was an increase in premiums currently paid by families between 150% and 250% FPL from 3% to 5% of income. Premiums will now range from \$45 to \$114 per month per family depending on family income.

RIte Care Benefits: A generic drug program was approved for all individuals enrolled in RIte Care, with the exception of children with special health care needs and children in substitute care. Under this program, only generic drugs will be allowed, with the exception of limited brand drug coverage for certain therapeutic classes, as approved by the RI Department of Human Services.

Community Health Center Funding for the

Uninsured: \$1.2 million was appropriated in the FY 2009 budget to support additional medical services that will be provided to uninsured people at the state's 12

community health centers. There is a potential increase in uninsured patients seeking medical care at the community health centers due to the elimination of RIte Care benefits for the grandfathered group of children including legal permanent residents with less than five years of legal resident status and undocumented children.

Hospital Uncompensated Care: \$9 million was appropriated in the FY 2009 budget for expected increases in hospital costs for uncompensated care provided to individuals without adequate health insurance coverage.

Health Insurance for Child Care Providers: Access to health insurance assistance for child care providers caring for state subsidized children was eliminated as of July 1, 2008. Previously, eligible family-based child care providers were able to enroll in RIte Care and center-based providers received an \$85 monthly payment per employee toward the purchase of commercial insurance.

Global Medicaid Waiver: The General Assembly authorized the Executive Office of Health & Human Services and the RI Department of Human Services to seek a Global Medicaid Waiver from the Centers for Medicare & Medicaid Services (CMS). The Global Medicaid Waiver would include all Medicaid populations and services in one waiver, ending the existing RIte Care waiver, long-term care waivers and other separate waivers. The new waiver would provide a fixed amount of federal funds over the 5-year term of the waiver, instead of the existing federal match rate for each state dollar invested in Medicaid. The waiver would allow the state to charge co-pays to children and parents enrolled in RIte Care for brand name medications and emergency room visits. The application for the waiver is expected to be submitted to CMS in August 2008. The General Assembly reserved the right to revoke the authority to implement the global waiver if the terms and conditions negotiated with CMS are not adequate. October 1, 2008 is the target date for implementation of the waiver, pending approval by CMS.



EDUCATION

State Aid to Education: The General Assembly provided \$701.9 million in state education aid for FY 2009. The same level of local education operating aid appropriated for FY 2008 was allocated for FY 2009 with adjustments for group home beds. New legislation mandates that up to \$14.1 million of the revenue to the

state from the operation of video lottery games during additional hours on weekends and holidays, be deposited into the Permanent School Fund and allocated as education aid in the same proportion as regular education aid is allocated.

Mayoral Academies: The charter school statutes were revised to permit the creation of a new type of charter school, called a Mayoral Academy. Mayoral Academies will be subject to the same approval process as other charter schools but are exempt from teacher retirement and prevailing wage provisions of the charter school statutes. Funding was not allocated in the FY 2009 budget for the Mayoral Academies or for new charter schools.

In-state Tuition for Youth who are Undocumented: The General Assembly did not pass a bill that would have allowed undocumented Rhode Island high school graduates (who have been admitted to a Rhode Island public higher education institution and meet certain residency requirements) to pay in-state tuition and fees at public higher education institutions in Rhode Island.

School Breakfast Program: The General Assembly restored \$300,000 in state support for administration of the School Breakfast Program, down from \$600,000 in FY 2008. A bill that would have required schools where more than 40% of students receive free or reduced lunch to provide universal school breakfast programs did not pass.



CHILD CARE AND EARLY CHILDHOOD EDUCATION

Child Care Subsidy Eligibility: The enacted FY 2009 budget maintains the current eligibility for subsidized child care to children in families who earn at or below 180% of the federal poverty level (\$31,680 for family of 3). Child care subsidy eligibility was changed from 225% FPL to 180% in the 2007 legislative session.

Child Care Market Rate Adjustment: The enacted FY 2009 budget includes an appropriation of \$1.1 million to provide a rate increase for child care providers serving children with child care subsidies. The new rate will be an average of the 2002 and 2004 market rate surveys. The statutory requirement that the state adjust rates based on a biennial market rate survey was also maintained.

Comprehensive Child Care Services Program: The Comprehensive Child Care Services Program, created in 1998 to provide enhanced education and family support services to low-income children enrolled in child care, was eliminated as of July 1, 2008.

Head Start: \$1 million was restored in the budget to save 130 of 400 state-funded Head Start slots for low-income children.

Pre-Kindergarten: The General Assembly passed the *Rhode Island Pre-kindergarten Education Act*. This law requires the Rhode Island Department of Elementary and Secondary Education to plan a pilot pre-kindergarten program that meets high quality standards, builds on the existing early childhood education infrastructure in the state (including child care, Head Start and public schools) and serves children ages 3 and 4 who live in communities with concentrations of low-performing schools. A progress report on the planning phase is due to the General Assembly and the Governor by October 31, 2008.



SAFETY

Child Welfare: A limit of 1,000 out-of-home residential placements (excluding foster homes) at any time during the year was instituted, with the requirement that any savings accrued through this cap be reinvested into community-based services.

RI Training School Population: The population of the Training School has been capped at 148 males and 12 females. Whenever the population reaches 95% of capacity, or 141 males and 11 females, youth who do not pose a risk of harm to themselves or the community will be referred to Family Court for release. \$1.2 million of the projected \$2.4 million in savings will be invested into community-based programs during FY 2009.



FISCAL YEAR 2009 BUDGET

The Rhode Island General Assembly enacted a FY 2009 budget in the amount of \$6.919 billion. The enacted \$6.919 billion budget is a 1% decrease from the \$6.997 billion enacted for FY 2008. \$3.276 billion of the budget is state general revenue, \$1.997 billion is federal funds, \$152.5 million is restricted receipts, and \$1.492 billion is other funds. The 2008 Rhode Island General Assembly had to close an estimated budget deficit of \$450 million for FY 2009. The legislature used \$90 million dollars in personnel savings, \$67 million in Medicaid program reductions, \$9 million in community service grant cuts, \$37 million in revenue increases and \$222 million in other cuts and savings to close the deficit.

2008 Rhode Island KIDS COUNT Legislative Wrap-Up



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