



Rhode Island KIDS COUNT Budget Analysis Governor's Fiscal Year 2020 Budget Proposal Items Affecting Children and Families

Governor Gina Raimondo's proposed Fiscal Year 2020 (FY 2020) \$9.93 billion budget includes many items that will affect the well-being of Rhode Island's children and families, including:

Early Learning and Development

- **Child Care Licensing**
 - Article 3 clarifies state requirements for employees and individuals seeking employment at a child care center or family child care home to receive criminal background checks, including checks of sex offender registries and expands background checks to apply to all adult household members in family child care homes.
 - Article 4 transfers the responsibility for licensing child care programs from the Department of Children, Youth, and Families to the Department of Human Services.
- **Child Care Assistance Program (CCAP)**
 - Rates: Article 10 recommends \$700,000 in state general revenues to increase the tiered quality rates for child care centers serving preschool-age children in CCAP. Article 15 recommends \$150,000 in state general revenues to implement tiered quality rates for all CCAP children enrolled in family child care. Both articles remove a requirement that state payment rates be no higher than the lowest rate that child care providers charge private customers.
 - Eligibility: Article 11 establishes that Rhode Island Promise scholars may qualify for CCAP.
 - Article 15 recommends \$200,000 from state general revenue to provide child care assistance to parents enrolled full-time in a degree or certificate program at an accredited postsecondary institution as well as assistance to parents enrolled part-time in combination with employment.
 - Article 15 also requires that the Department of Human Services provide appropriate child care to every child who is eligible for RI Works to assure that the parents, relative caretakers, or other legally responsible adults with whom they are living can obtain or maintain employment, provided that they meet the work requirements of their individual employment plans. In addition, Article 15 changes the limit on family assets to \$1 million in order to comply with new federal regulations and narrows the CCAP requirement that eligible families must cooperate with child support enforcement to apply only to children receiving a child care subsidy.
- **Head Start:** Maintains \$1.2 million in state funding for Head Start.
- **State Pre-K**
 - Article 10 recommends an additional \$9.3 million in state general revenues to sustain the current 60 State Pre-K classrooms as federal funding expires and to begin to add new State Pre-K classrooms through a mixed delivery system of child care centers, public schools, and Head Start. The Article establishes a goal to expand Pre-K so that every family that wants it can enroll their four-year-old.
 - Recommends \$400,000 for 4.0 FTEs at the Rhode Island Department of Education to manage the State Pre-K program.
 - Article 10 also strengthens state statutory language requiring programs be implemented to improve, expand, and renovate early childhood facilities to expand access to pre-kindergarten learning environments and to develop the early childhood workforce.
- **Early Elementary Education:** Article 10 requires every school district in Rhode Island to develop a plan to improve transitions into kindergarten and establishes a goal of aligning early learning standards, curriculum, instruction and

assessments from Pre-K through Grade 3. Requires state agencies to identify ways to align state systems to support early childhood education, including funding an integrated early childhood data system that centralizes early learning data across multiple state agencies.

- **Family Home Visiting:** The Department of Health budget includes \$650,000 in new state general revenues to support evidence-based family home visiting programs and another \$378,00 to expand the First Connections program.

Education

- **Education Funding**

- Fully funds the ninth year of the education funding formula, with an additional \$28.7 million in funding over FY 2019.
- Recommends an increase of \$8.2 million in early childhood categorical funds (State Pre-K), bringing total state funding to \$15.6 million.
- Recommends an increase of \$2.3 million for the English Language Learner (ELL) categorical funding, bringing total state funding to \$5.0 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 \$7.4 million.

- **Rhode Island Promise Scholarship (RI Promise Scholarship)**

- Rhode Island College (RIC) – Article 11 expands the RI Promise Scholarship to RIC students in their third and fourth years who have earned a minimum of 60 credit hours and declared a major. Students who have previously received a scholarship to the Community College of Rhode Island (CCRI) would not be eligible. Recommends \$3.3 million from reserve funds to expand the RI Promise Scholarship to RIC students in their third and fourth years, including \$2.4 million for scholarship awards and \$900,000 to support services at RIC.
- Adult students – Article 11 expands the RI Promise Scholarship to adult students ages 25 and older pursuing degrees and certificates from CCRI beginning in the fall of 2019. Students would be required to complete at least 18 credit hours per year, maintain a 2.5 grade point average, and remain on-track to completing the degree or credential being pursued. The scholarship would fund 60 credit hours over a maximum of four years. Recommends \$2.0 million from reserve funds to expand the RI Promise Scholarship to allow adults ages 25 and older to attend CCRI full-time or part-time at no cost.
- 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. Recommends \$7.9 million from general revenues, \$1.9 million more than FY 2019, to support the current RI Promise Scholarship program which provides qualified graduating high school students two years of free tuition at CCRI.

- **Degree completion:** Directs the Council on Postsecondary Education to take certain actions to address the amount of time it takes to earn a degree. Requires that public higher education institutions analyze the postsecondary and workforce needs of the state and use this information to plan for the expansion, consolidation, and closure of programs.

- **Last Dollar Scholarship funding:** Recommends \$8.0 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. Repeals the requirement that 20% or \$2.0 million in need-based grants go to students attending private, non-profit higher education institutions.

- Includes \$325,000 to support the **SNAP Education and Training** program at CCRI, which would provide need-based aid to students enrolled in certain training programs at CCRI to pay for transportation, books, child care, and other non-tuition costs and funds to support a work study program.

- Recommends \$1.2 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. The Governor also recommends extending the sunset provision to December 31, 2023.

- Includes **tuition increases** previously approved by the Council on Postsecondary Education, including a 3.0% tuition increase at CCRI, a 7.3% increase at RIC, and a 3.0% increase at URI.

- Recommends \$100,000 from general revenue for **curriculum development** assistance to local school districts.
- Recommends \$2.0 million for **school-based mental health services**, including \$600,000 in general revenue funds and \$1.4 million from a new federal adolescent health and academic achievement grant.
- Recommends \$500,000, consistent with FY 2019, to support **Rhode Island's recovery high school**, designed to serve students recovering from a substance abuse disorder.
- Recommends \$80.0 million in **school housing aid** to districts, consistent with FY 2019, including \$79.0 million for traditional School Housing Aid and \$1.0 million for the School Building Authority Capital Fund.
- Recommends \$345,000, consistent with FY 2019, from general revenues to support **Child Opportunity Zones** to strengthen education, health, and social services for students and their families and improve student achievement.
- Proposes \$2.3 million from tuition savings fees, an increase of \$500,000 over FY 2019 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.
- Recommends \$700,000 for the **Advanced Coursework Network**, an increase of \$250,000 over FY 2019.
- Includes \$260,000 in general revenue funds to offer **computer science education** to every public school student, an increase of \$50,000 from FY 2019 funds.
- Includes \$200,000 in new 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.

Economic Well-Being

- Article 13 recommends an increase in the **minimum wage** from \$10.50 to \$11.10 per hour, effective January 1, 2020.
- Article 15 related to **school meals** requires that all eligible schools participate in the Community Eligibility Provision (CEP) of the national school nutrition program, which allows eligible schools with high percentages of low-income students to offer free school breakfast and lunch to all students by providing a formula-based reimbursement to schools, rather than a per meal reimbursement for only eligible students. A limited waiver would be available for schools that may face a financial hardship. Article 15 also requires that schools with 70% or more of students eligible for free or reduced-price meals offer breakfast after the bell, sometimes called breakfast in the classroom or grab-and-go breakfast, which has been shown to increase school breakfast participation. Recommends \$55,000 from general revenue for the No Student Hungry Initiative.
- Article 15 regarding the **Rhode Island Works** program, the state's cash assistance or TANF program, simplifies the program by repealing the state's 24-month periodic time limit and retaining the 48-month lifetime time limit.
- Recommends \$150,000 from general revenues to **fund a Complete Count Initiative** to ensure that the state conducts the outreach needed to have an accurate and complete count in the 2020 Census.
- Proposes the **transfer of \$2.5 million from Rhode Island Housing** to state general revenues by June 30, 2019.

Safety

- **Juvenile Justice/Rhode Island Training Schools (RITS)**
 - Anticipates a savings of \$500,000 from general revenue for reorganization of housing modules within RITS.
 - Assumes a savings of \$400,000 for changes in the education program at RITS due to a decline in the census.
 - Article 15 recommends expansion of local contributions made for education costs for students detained or sentenced to RITS by placing them in the funding formula. The Governor's budget includes savings of \$300,000 million by shifting costs to local school districts.
- **Pivot to Prevention:** Recommends an investment of \$73,600 from general revenue (\$136,000 all funds) for the Department of Children, Youth, and Family's portion of the state's Pivot to Prevention initiative to refer all infants and toddlers who have been maltreated to Early Intervention or other high-quality early childhood services.
- Assumes a savings of \$2.6 million from general revenues and \$3.7 million from all funds for placement of youth ages 18 to 21 into **Voluntary Extension of Care** from independent living and semi-independent living placements.

- Recommends modifying **foster care licensing requirements** to increase kinship foster care placements. This initiative is expected to generate \$250,000 in general revenue savings.
- Article 15 also requires the Director of DCYF to promulgate regulations that subject foster homes to, at minimum, a visual inspection to assess whether there are any potential lead hazards in the home. The Department of Health shall review the results of all **lead inspections of foster homes** and ensure that owners receive all information needed to remediate the lead hazards identified in the inspection.
- Reduces funding for **school resource officers** to \$1.0 million from general revenues based on program participation.

Health

- Preserves **Rite Care eligibility and benefits** for children, parents, and pregnant women at current levels.
- Recommends an additional \$190,000 for the **Childhood Lead Poisoning Prevention** program.
- Article 14 proposes a **Reinsurance Program** to stabilize health insurance rates and premiums which would be paid for by a Shared Responsibility Payment Penalty (otherwise known as an Individual Mandate), imposed on those who are not enrolled in health insurance. The penalty would be equal to the now-eliminated federal individual mandate penalty under the Affordable Care Act. Parents would pay a penalty for any uninsured children at half the rate of the penalty assessed for adults. There would be exceptions for very low-income individuals and families. Those who have been assessed a penalty will qualify for a 60-day Special Enrollment Period to purchase health insurance through HealthSource RI for the upcoming year.
- Article 20 legalizes **adult use of marijuana** limited to persons over the age of 21 with consumption banned in public spaces. The Office of Cannabis Regulation would have the authority to limit the potency of products and create a marijuana advisory board to make regulatory recommendations. Legal marijuana would be taxed at a rate of 20% by weight in addition to a 10% retail tax. Combined revenue from taxes and fees related to legalization is estimated to generate \$6.5 million in revenue. Twenty-five percent of revenue would be used to fund regulatory, public health, and public safety activities; 15% would be distributed to cities and towns; and 60% would be distributed to the general fund.
- Increases the **cigarette tax** from \$4.25 to \$4.50 per pack, increases the cigar tax from \$0.50 to \$0.80, and creates a tax on electronic nicotine delivery systems at the rate of 40% of the wholesale cost. These new and increased taxes would generate an estimated \$4.6 million in revenue.