



## Rhode Island KIDS COUNT Budget Analysis Governor's Fiscal Year 2019 Budget Proposal Items Affecting Children and Families

Governor Gina Raimondo's proposed Fiscal Year 2019 (FY 2019) \$9.37 billion budget includes many items that will affect the well-being of Rhode Island's children and families, including:

### Early Learning and Development

- Includes \$1.1 million increase in early childhood education categorical funds for the State Pre-K program for four-year-olds to maintain 60 classrooms serving 1,080 children.
- Includes \$100,000 for the Rhode Island Department of Education to invest in high quality early learning curriculum and provide support to educators to ensure coherency among curriculum practices in the early grades.
- Maintains state funding for Head Start at \$1.2 million.
- Adds \$1.5 million to the Child Care Assistance Program (CCAP) to implement a tiered quality rates system for infant and toddler care to support and incentivize child care providers to increase the quality of care and to provide families receiving child care assistance increased access to quality child care.
- Includes \$7.6 million in increased federal (\$2.0 million) and state funding (\$5.6 million) for CCAP to implement federal rules designed to improve continuity of access to child care, including a permanent graduated phase-out policy, 12-month continuous eligibility, three-month eligibility for families to engage in job searches, infant-toddler prioritization, and expanded outreach to homeless families.
- Adds \$200,000 to the CCAP budget to establish a pilot program to help pay for child care for low-income parents enrolled in a qualified Rhode Island public institute or workforce training program.

### Education

- Fully funds the eighth year of the education funding formula, with an additional \$13.5 million over FY 2018.
  - Recommends level funding for high-cost special education, career and technical education, English Learners, and transportation categorical funds.
  - Recommends an increase of \$1.1 million in early childhood education categorical funds for the State Pre-K program for four-year-olds.
- Article 5 submits ballot referenda to the Rhode Island voters for their approval, including Question 1 which provides \$250 million in public obligation bonds for the construction, renovation, and rehabilitation of Rhode Island public schools. The state cannot issue more than \$250 million in notes over a five-year period and not more than \$100 million in notes in any single year.
- Recommends \$80.0 million in school housing aid to districts, including \$69.4 million for traditional School Housing Aid and \$10.6 million for the School Building Authority Capital Fund. The total school construction aid is consistent with the FY 2018 enacted budget.
- Article 9 introduces incentives to the traditional School Housing Aid Construction Program targeted toward high-priority projects, including projects that address health and safety deficiencies, replace or consolidate school buildings, or focus on specific high-demand areas such as science, technology, engineering, arts, and math (STEAM), early childhood education, career and technical education, and technology-enabled facilities.
- Recommends \$6.4 million to support the second year of the Rhode Island Promise Scholarship (\$3.6 million over FY 2018), which is projected to cover the cost of two years of tuition and mandatory fees at the Community College of Rhode Island for 2,750 qualifying Rhode Island students.
- Includes \$260,000 in general revenue to offer computer science education to all public school students.

- Recommends a \$150,000 increase in general revenue for a total investment of \$650,000 in general revenue and \$133,600 in federal funds to finance PSAT and SAT tests that all Rhode Island public school students are required to take under the state's *Every Student Succeeds Act (ESSA)* state plan.
- Recommends \$115,000 in general revenue to pay fees associated with Advanced Placement exams for low-income students.
- Recommends \$450,000 (\$300,000 from the Permanent School Fund and \$150,000 in general revenue) to support the Advanced Coursework Network, a program that allows middle and high school students to access career preparatory and college credit bearing courses through a network of providers including postsecondary institutions, community organizations, and school districts. This is \$100,000 less than was in the FY 2018 budget.
- Proposes \$1.8 million from tuition savings fees 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 students or families. This is an increase of \$500,000 over FY 2018 funding.
- 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 that help students earn both high school diplomas and associate's degrees in five or six years while participating in mentorships and internships that prepare them for employment. The Governor's budget also recommends repealing the December 31, 2018 sunset provision.
- Recommends level funding of \$10.1 million from tuition savings fees and federal loan reserve funds for the Last Dollar Scholarship program that allows students with proven academic performance and financial need to attend Rhode Island public higher education institutions.
- Recommends a \$3.0 million increase in appropriations (\$1.0 million each) for the Community College of Rhode Island, Rhode Island College, and the University of Rhode Island for performance-based funding linked to specific outcomes, including degree and certificate completion rates.
- Recommends \$1.6 million from general revenue for the RI Wavemaker Fund, a competitive student loan reimbursement program for college and university graduates working in STEM fields. The Governor also recommends repealing the December 31, 2018 sunset provision.

### **Economic Well-Being**

- Recommends an increase in funding for personnel in the Office of Commerce to fund a Deputy Secretary of Commerce position to focus primarily on housing and homelessness issues (\$83,000).
- Proposes that Rhode Island Housing transfer \$6.0 million (\$5.0 million more than in FY 2018) to state general revenue by June 30, 2018, and transfer another \$5.0 million to state general revenue by June 30, 2019.
- Article 2 establishes the Government Performance Improvement Fund that will support "Pay for Success" contracts designed to test out strategies for improving outcomes and lowering costs for contracted government services.

### **Safety**

- Includes \$209.2 million for the Department of Children, Youth and Families (DCYF) and 619.5 FTE positions with an increase of 7.0 FTE positions to implement the Voluntary Extension of Care Program.
- Article 15 creates the Voluntary Extension of Care Program that will reform and replace the existing programs related to services and care provided to youth, ages 18 to 21, formerly in the custody of DCYF. The program will allow youth ages 18 to 21 to remain in the care of DCYF. This program will also give youth the ability to come back into the care of DCYF if they choose. Includes continued funding of \$1.7 million from general revenue for transition appropriate services for youth ages 18 to 21 who were formerly in the care of DCYF.
- Adds .6 FTE to the Office of the Child Advocate to assist with the Office's monitoring responsibilities under the Children's Rights settlement agreement.
- Includes \$1.0 million to increase the daily board rates paid to foster families caring for children in foster care.
- Includes savings of \$500,000 for in-home community-based services provided to families and children involved with DCYF.

- Includes \$1.9 million for facility safety and security repairs, as well as the development of a residential treatment program for the female residents at the Rhode Island Training School.
- Article 15 removes foster homes serving children under age six from the requirements of receiving comprehensive environmental lead inspections at specified intervals and demonstrating that they are either lead free or lead safe. Requires the Director 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.

## Health

- Preserves Rite Care eligibility and benefits for children, parents, and pregnant women at current levels.
- The recent federal extension of the Children’s Health Insurance Program (CHIP), which was funded in a Continuing Resolution on January 22, 2018, provides \$28.5 million in general revenue savings for certain children and pregnant women through the Rite Care program.
- Proposed Medicaid cuts in the amount of \$162 million include:
  - Implements Medicaid co-pays for non-elderly adults over age 19 who are not living with a disability (including parents and pregnant women on Rite Care) for services including inpatient hospital visits, non-emergency visits to the emergency room, non-preventive physician visits, and prescription drugs. (\$3.2 million)
  - Reduces Managed Care Organizations (MCO) administrative rates by 2.5% (\$1.9 million), MCO medical rates (\$14.8 million), and MCO profit margin rates (\$6.9 million).
- Expands Rite Share to all populations instead of only the Rite Care population, and improvement in Rite Share take-up by promoting the state law allowing adult children with disabilities to stay on parents’ commercial coverage beyond age 26.
- Provides \$150,000 for a Mental Health Parity Study to compare mental health coverage to primary care coverage offered by commercial health plans.
- Increases funding to the Department of Health by \$3.6 million to \$173.3 million and includes 13.0 new FTEs connected to drug overdose and intervention efforts.
- Provides \$4.0 million to the Health Equity Institute.
- Proposes a \$1.0 million investment in a newly established *Behavioral Healthcare Link*, a state-wide resource providing 24-hour community-based assessment, triage, and treatment for people experiencing mental and behavioral health care crises.
- Provides \$1.1 million in general revenue for staffing needs related to ongoing Unified Health Infrastructure Project (UHIP) backlog and systems issues.
- Provides \$2.4 million in general revenue for HealthSource RI, which is 90% of the FY 2018 enacted and revised budget.
- Utilizes \$1.6 million of the Information Technology Investment Fund to upgrade to an electronic vital records system.
- Increases the cigarette tax by \$0.25, from \$4.25 to \$4.50 per pack, providing \$3.9 million in increased revenue.
- Increases the cigar tax by \$0.30, from \$0.20 to \$0.50 per cigar, and imposes tax on “other tobacco products” including electronic nicotine delivery systems providing \$2.3 million in increased revenue.