

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.

Child Support: Legislation was enacted which maintains a child support order in effect by wage withholding after the youngest child is emancipated to pay arrearages and automatically terminates when the arrearages are paid. Legislation was also enacted which 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 Fiscal Year 2009 budget with the "Rhode Island Works Program." This new program includes shorter time limits, stricter sanctions and new work requirements. Under the new program families will be eligible for 24 months of cash assistance within a 60 consecutive month period and with a lifetime limit of 48 months. The lifetime limit was changed from 60 months to 48 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. Participants who have limited literacy and work experience

may be referred to a six month intensive work readiness program.

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

FIP Child Only Cases: Eligibility for cash assistance was eliminated for children whose parents have reached the 60 month limit. It was also eliminated for families where children, due to their citizenship status, were eligible for cash assistance and received 60 months, but the parents were not eligible due to their citizenship status.

Food Stamp Program: The General Assembly passed legislation which directs the RI Department of Human Services to seek additional federal dollars through the Food Stamp Employment and Training Program to provide employment and training services to Food Stamp recipients. Legislation did not pass which would limit the number of visits a food stamp applicant must make in order to receive benefits from two to one visit per year.

Neighborhood Opportunities Program: The budget includes a restoration of \$2.5 million for the Neighborhood Opportunities Program to address the

housing and revitalization needs of deteriorating neighborhoods.

Support Services Program: The Support Services Program, Housing First, was transferred to the Rhode Island Housing Resources Commission. The program aids in the prevention of homelessness.



HEALTH

Global Medicaid Waiver – The budget assumes \$67 million in savings from significant Medicaid reforms to be attained through a Global Medicaid Waiver. The application for the waiver will be submitted to the Centers for Medicare & Medicaid Services (CMS) in July 2008 with the approval of the General Assembly. The General Assembly may revoke waiver authority through a special session. October 1, 2008 is the target date for implementation of the waiver, pending approval by CMS.

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.

RIte Care Benefits: A generic drug program for all individuals eligible for Medical Assistance was approved. 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. Additionally, children with special Health care needs and children in substitute care enrolled in RIte Care are exempted from this generic-only requirement.

RIte Care Managed Care: Children with special health care needs, children in substitute care and children with adoption subsidies will no longer have the option between enrolling either in RIte Care for service or in a RIte Care managed care plan. These children will be enrolled in a RIte Care managed care plan.

RIte Care Eligibility: Parent eligibility for RIte Care was reduced from 185% FPL to 175% FPL (except for pregnant or post-partum women). A bill that would have increased income eligibility for RIte Care from 250% to 300% of the federal poverty level (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 all U.S. permanent resident children and their parents also did not pass.

RIte Care for Legal Permanent Residents: Eligibility was eliminated for children who are legal permanent residents in the U.S. less than 5 years and those who are undocumented as of June 1, 2008. These 2,800 children had been eligible for RIte Care if they were enrolled prior to January 1, 2007.

Community Health Center Funding: \$1.2 million was appropriated in the FY 2009 budget to support additional medical services that will likely be provided at the state's 12 community health centers from a potential increase in patients seeking medical care resulting from the elimination of state funded RIte Care benefits for children who are not eligible for Medicaid.

Health Benefits for Child Care Providers: Health care subsidies for child care providers were eliminated as of July 1, 2008. Eligible family based child care providers were able to receive RIte Care benefits and center based providers received an \$85 monthly payment toward their purchase of commercial insurance for their employees.

Katie Beckett Services: Savings were assumed in the budget from the implementation of monthly premium and/or other cost-sharing measures for children and youth enrolled in RIte Care through the Katie Beckett provision for children with disabilities.



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 Fiscal Year 2008 was allocated for Fiscal Year 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 statute was revised to permit the creation of a new type of charter school, called a mayoral academy. Mayoral Academies will be subjected 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.

In-state Tuition for Youth who are Undocumented:

The General Assembly did not pass a bill that would allow 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 subsidized child care to children of families who earn at or below 180% of the federal poverty level (\$31,680 for family of 3). An estimated 7,335 children will receive child care subsidies at an annual cost of \$7,105 per child.

Child Care Market Rate Adjustment: The enacted FY 2009 budget includes an appropriation of \$1 million to provide a rate increase for the 1,137 child care providers in Rhode Island. The new rate will be an average between the 2002 and 2004 market rate surveys. The statutory requirement that the state adjust rates based on a market rate survey was also maintained.

Head Start: \$1 million was restored in the budget to save 142 Head Start slots for children to fulfill the state requirement to provide additional resources to the federally funded Head Start program.

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 begin planning 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.

Family Court Jurisdiction: The RI Department of Children, Youth and Families' FY 2009 budget includes \$1.7 million for Rhode Island Training School costs associated with reinstating the Family Court's jurisdiction over youth under age 18.

RI Training School Population: The population of the Training School has been limited to 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 or harm to self 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 2008 Rhode Island General Assembly had to close an estimated budget deficit of \$450 million for Fiscal Year 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 increased and other \$222 million in other cuts and savings to close the deficit. The legislature enacted a 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 Fiscal Year 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.

2008 Rhode Island KIDS COUNT Legislative Wrap-Up



Rhode Island KIDS COUNT
One Union Station
Providence, RI 02903
Phone: 401-351-9400
Web Site: www.rikidscount.org