



Budget Analysis

Governor's Fiscal Year 2025 Budget Proposal

Items Affecting Children and Families

Governor Dan McKee's proposed Fiscal Year 2025 (FY 2025) \$13.7 billion budget includes many items that will affect the well-being of Rhode Island's children and families.

EARLY LEARNING AND DEVELOPMENT

- **Child Care Assistance Program:** Includes \$69.1 million to fund the RI Child Care Assistance Program, \$3 million less than the FY 2024 enacted budget allocation.
- **Head Start & Early Head Start:** Provides level funding of \$4.4 million for Head Start and Early Head Start programs providing high-quality preschool and early learning to children from birth through age five from low-income families. This includes \$1.2 million in state general revenue, \$200,000 in state-allocated federal funds from the Child Care and Development Block Grant, and \$3 million in state-allocated federal funds from the Temporary Assistance for Needy Families (TANF) Block Grant that was also included in the FY 2024 budget.
- **RI Pre-K:** Adds \$7.2 million in early childhood categorical education funds to add 35 new RI Pre-K classrooms to serve 700 more children and \$234,961 in general revenue to fund two positions at the RI Department of Education to oversee the RI Pre-K program.
- **Early Intervention:** Adds \$3.8 million to provide 100% of the Medicaid rate increase recommended for Early Intervention by the Office of the Health Insurance Commissioner. According to state law, Medicaid rate increases for Early Intervention will trigger equal or better rate increases by private health insurance providers for Early Intervention services. As of November 2023, there were 716 infants and toddlers who had been waiting more than 45 days for Early Intervention services.
- **Family Home Visiting:** Allocates \$100,000 to provide 30% of the recommended Medicaid rate increase for the First Connections Family Home Visiting program. This would mean that in July 2024, First Connections programs would receive a Medicaid rate cut as the temporary rate increase enacted in FY 2023 and continued in FY 2024 ends and annual Medicaid funding for First Connections would be reduced by \$200,000. The First Connections program provides essential services to thousands of Rhode Island families with newborns.

ECONOMIC WELL-BEING

- **Summer EBT Program for Children:** Allocates \$419,090 in general revenue and \$838,180 in total funds for administrative costs to launch a permanent Summer Electronic Benefit Transfer (EBT) Program for Children. This program would provide families with \$40 per eligible child each month during the summer starting in the summer of 2024. This program would address food insecurity during

the summer months when children are not in school and therefore do not have access to school meals.

- **Housing Bond:** Recommends a \$100 million Housing and Community Opportunity Bond to increase the production of affordable and middle-income housing, support community revitalization, and promote home ownership be submitted to voters on the November 2024 ballot.

EDUCATION

- **Education Funding:** Includes an overall increase in funding of \$19.2 million for education aid.
 - Recommends a cap on the year-over-year growth of the **Core Instruction Amount** that is the average inflation rate over the prior five years (3.87% in FY 2025). The Core instruction Amount is currently \$12,335.
 - Increases categorical funding by \$16.6 million for **Multilingual Learners**, bringing total state funding to \$36.1 million, \$7.2 million for early childhood (**RI Pre-K**), bringing total state funding to \$30.0 million, and \$600,000 for **transportation**, bringing total state funding to \$11.2 million, and level funds **special education** at \$15.0 million and **career and technical education** at \$4.5 million.
- **Math and English Language Arts:** Recommends investing \$15.0 million to improve student achievement in math and English language arts in districts with the highest needs by providing coaching services, professional development for teachers, and meeting other needs of students, families, and teachers.
- **Out of School Time:** Recommends using \$3.0 million in general revenue and \$2.0 million in State Fiscal Recovery Funds to support the Learn365RI out-of-school-time initiative.
- **School Meals:** Allocates \$800,000 to provide free school meals to approximately 6,500 public school students who are currently eligible for reduced-price breakfast and lunch.
- **School Housing Aid:** Includes an increase of \$2.0 million in general revenue over FY 2024 for a total of \$106.2 million in general revenue.
- **Dual and Concurrent Enrollment:** Proposes a \$2.3 million increase in general revenue to sustain the existing funding level for dual and concurrent enrollment programs for high school students at the University of Rhode Island, Rhode Island College, and Community College of Rhode Island.
- **Higher Education:**
 - **Hope Scholarship:** Allocates \$3.4 million for the second year of Rhode Island College's Hope Scholarship Program, representing a decrease of \$624,500 from FY 2024.
 - **Rhode Island Promise Scholarship:** Includes \$7.9 million to continue the Rhode Island Promise Scholarship at the Community College of Rhode Island, a reduction of \$689,994 from FY 2024.
 - **Higher Education Bond:** Proposes a \$135.0 million bond on the November 2024 ballot for higher education capital improvements. This includes \$80.0 million for a Biomedical Sciences building at the University of Rhode Island and \$55.0 million for a Cybersecurity Center at Rhode Island College.
 - **Last Dollar Scholarship:** Includes a \$1.3 million increase in general revenue to maintain the Last Dollar Scholarship at its existing funding level of \$9.9 million.
 - **Wavemaker Fellowship:** Reduces funding by \$400,000 compared to FY 2024 for a total of \$3.6 million from general revenues to support a competitive student loan reimbursement program for graduates working at teachers, and in science, technology, engineering and medicine.

HEALTH

- **Medicaid Rates:** Proposed to fully fund the rate increase recommended by the Office of Health Insurance Commissioner (OHIC) for Early Intervention (EI) and to phase in the OHIC-recommended rate increases for all other home and community-based services over a three-year period (from FY 2025 through FY 2027). Home and community-based services for children and families included in this increase are CEDARR, CRAFT, and other home/center-based therapeutic services. Rate increases for

El are projected to cost \$3.8 million. Other rate increases are funded through \$20.4 million in general revenue and \$31.3 million in federal funds.

- **Medicaid Redeterminations**
 - **DHS Call Center:** Recommends an increase of \$499,887 in general revenue and \$987,943 from all funds for the addition of 10.0 FTE positions for ongoing support of the Department's call center operations during increased eligibility processing activities attributable to the ending of the Public Health Emergency.
 - **HSRI Auto-Enrollment:** Includes \$1.3 million in State Fiscal Recovery Funds to automatically enroll eligible individuals who are terminated during the Medicaid redetermination process in a HealthSource RI qualified health plan and pay for the first two months of health insurance premiums.
- **Medicaid Program Integrity:**
 - **Eligibility Determination:** Recommends an increase of \$41,329 in general revenue and \$82,658 from all sources for 1.0 FTE position to increase the capacity of the Medicaid Eligibility Quality Control program, which reduces erroneous expenditures by monitoring eligibility determinations and claims processing.
 - **Income Verification Software:** Recommends an increase of \$1.4 million in general revenue and \$5.6 million from all funds for an income verification software subscription that will be used to obtain more accurate and timely income data.
- **Certified Community Behavioral Health Clinics (CCBHCs):** Recommends \$29.1 million in general revenue and an additional \$50.6 million in federal funds to support the new CCBHC model. This estimate is based on delaying the statutory start date from February 1, 2024 to July 1, 2024. CCBHCs provide behavioral health supports, medical screening and monitoring, and social services to vulnerable populations as one strategy to address the increase in mental health needs since the COVID-19 pandemic.
- **9-8-8 Mental Health Hotline:** Recommends an additional \$1.9 million in State Fiscal Recovery Funds and \$1.0 million in federal funds to sustain the national suicide hotline.
- **Vaping Prevention and Regulation:** Includes \$350,000 to the Department of Health and \$50,000 to BHDDH to start a school-based tobacco/vaping prevention program to encourage students to quit using tobacco products and support programs to reduce teenage vaping in Rhode Island. Funds come from the \$6.3 million JUUL Settlement. The budget also includes a request to begin taxing e-cigarettes like other tobacco products starting October 1, 2024. This tax would raise \$5.3 million in FY 2025 and \$6.4 million in FY 2026.
- **Lead Poisoning Prevention:** Includes funds to develop a statewide lead rental registry by September 1, 2025 as is required by the *2023 Lead Poisoning Prevention Act*. An increase of \$1.3 million in general revenue is recommended to support the development of a publicly accessible online database with information on pre-1978 properties not in compliance with the *Lead Hazard Mitigation Act*.

SAFETY

- **Budget and Staffing:**
 - Recommends a total budget for the Department of Children, Youth and Families (DCYF) of \$362 million (including \$236 million from state general revenue, an increase of \$18.6 million in general revenue and decrease of \$26.1 million in federal funds compared to the FY 2024 Budget as Enacted).
 - Recommends a net increase of 9.0 FTEs for DCYF than were authorized in FY 2024.
 - Recommends an increase of \$206,015 in general revenue and \$236,718 from all sources for 2.0 FTEs to conduct licensing and oversight of children's behavioral health organizations to ensure the quality of children's behavioral health services.

- Recommends level funding and staffing for the Office of the Child Advocate (OCA), which is statutorily mandated to protect the legal, civil, and special rights of all children and youth in the care of DCYF, keeping the total budget at \$1.6 million and staffing at 10.0 FTEs.
- **Child Welfare**
 - Recommends level funding of \$200,000 in general revenue for Higher Education Incentive Grants, which are available for youth in the care and custody of DCYF who wish to pursue postsecondary education at a state college in Rhode Island. Revisions to the administration of the program, eligibility, and the appropriation of the grant are also recommended as follows:
 - Youth with foster care involvement will be informed at the beginning of high school (14 years old) about their eligibility.
 - Grant awards shall be made by DCYF pursuant to its policies, procedures, rules and regulations.
 - All qualified applicants will receive the grant as funding allows and can use funds for tuition, fees, books, academic support, transportation, food, and housing.
 - Years to degree completion are not restricted to 2 or 4 years as some youth may require more time to complete their program of study on a full-time or part-time basis, but they must be enrolled in no less than six credits per semester.
- **Juvenile Justice**
 - Recommends an increase of \$949,732 in general revenue for the addition of 8.0 FTE positions at the Rhode Island Training School to support the permanent opening of another residential wing to accommodate an increased census.
 - Article 1 of the Governor's proposed budget for FY 2025 recommends \$15.0 million in Rhode Island Capital Plan Funds for construction of an **in-state residential treatment facility** for youth with behavioral health needs currently being served at out-of-state facilities, hospitals, or the Rhode Island Training School. This is the next planned appropriation of \$45 million over a three-year period which will end in FY 2026.