

Rhode Island KIDS COUNT Budget Analysis – FY 2010 Budget Proposal Implications for the Economic Security of Children and Families in Rhode Island

The General Assembly is now considering Governor Carcieri’s proposed SFY 2010 budget (H5983) for July 1, 2009 to June 30, 2010.

| FY10 Budget | Proposal |
|------------------------------|---|
| Article 38 | <p>Changes Rhode Island’s Earned Income Credit from 25% of the federal earned income tax credit, 15% of which is refundable (effectively 3.75% of the federal earned income tax credit) to 15% of the federal earned income tax credit and makes it fully refundable.</p> <p>This change lowers the earned income credit some families can claim but allows families with very low incomes and no income tax liability to collect a larger refund.</p> <p>This article takes effect upon passage but does not affect families’ taxes until the 2011 tax year.</p> <p>This same change was proposed in Senate Bill 0122.</p> |
| Housing Resources Commission | <p>Eliminates funding for the Neighborhood Opportunities Program. This state-funded program, which was started in FY01 with a \$5 million appropriation, subsidizes the cost of affordable rental homes. Families generally pay 30% of their income toward rent with the remainder being subsidized. In FY05, funding was increased to \$7.5 million. By FY08, funding had been reduced to \$2.5 million and kept at that funding level for FY09. Since 2001, NOP has contributed \$41.5 million in gap funding for the development and operation of 1,217 homes.</p> <p>House Bill 5987 has been introduced to restore funding to this program.</p> |
| Department of Human Services | <p>Rhode Island Works As of July 1, 2009, about 3,200 families will lose cash assistance because they will have met the new time limits instituted as part of the changeover to RI Works from FIP (48 months total or 24 months within a 60-month period).</p> <p>There are bills in both the House and Senate (H-5546 and S-0775) that propose repealing the 24/60 periodic time limit and establishing a hardship exemption to the lifetime limit of 48 months when the state unemployment rate exceeds 7.5%, the unemployment rate when the RI Works legislation was put into place.</p> |
| Education Aid | <p>Eliminates funding for the administration of the School Breakfast Program The budget eliminates the administrative cost reimbursement (\$300,000) to school districts for the school breakfast program and shifts this cost to the districts themselves.</p> |
| Department of Human Services | <p>Provides funding for 25.0 additional staff to support several income support programs for families. These staff will include additional eligibility technicians for programs like the SNAP/Food Stamp Program which have seen a recent increase in enrollment.</p> |