



Rhode Island KIDS COUNT Budget Analysis Governor's Fiscal Year 2022 Budget Proposal Items Affecting Children and Families

Governor Daniel McKee's proposed Fiscal Year 2022 (FY 2022) \$11.2 billion budget includes many items that will affect the well-being of Rhode Island's children and families, including:

Early Learning and Development

- **Family Home Visiting:** Article 12 adds \$600,000 in new state general revenues to be matched with \$800,000 in federal Medicaid dollars to fund evidence-based family home visiting programs in the state, including Healthy Families America, Nurse-Family Partnership, and Parents as Teachers.
- **Prenatal Expansion of First Connections:** Article 12 adds \$100,000 in new state general revenues to be matched with federal Medicaid funding to expand the First Connections program to provide prenatal services.
- **Child Care Assistance Program (CCAP):**
 - Article 13 level funds the Child Care Assistance Program with \$9.0 million in state funds and adds \$6.0 million in new federal funds to increase statutory reimbursement rates for children birth to age 12 who are enrolled in licensed child care centers. Increases would be above the current level in statute, but below the rates the state has been paying child care providers during the COVID-19 pandemic. The Governor's proposal would align the base rate for infant, toddler, and preschool providers with the 25th percentile of the Rhode Island 2018 child care market survey and increase rates for top tier providers to the 75th percentile (the federal equal access benchmark). School-age programs would be paid at the 25th percentile of the 2018 market rate survey and would not be tiered based on program quality. Reimbursement rates for family child care programs were not included in the Governor's proposed FY 2022 budget because they are determined through collective bargaining.
 - Article 13 adds another \$200,000 from federal funds to establish a pilot program to allow eligible low-income parents to receive child care assistance while they are enrolled in a Rhode Island public institution of higher education from July 1, 2021 through June 30, 2022.
- **Head Start:** Maintains \$1.2 million in state funding for Head Start.
- **RI Pre-K:** Maintains \$14.9 million in state general revenues and \$5.5 million from federal Preschool Development Grant funds and Governor's Emergency Education Stabilization funding, to bring total funding for the RI Pre-K program to \$20.4 million. The state expects to add 300 new RI Pre-K seats with the federal funding for the 2021-2022 school year.
- **Early Learning Facilities Bond:** The Governor's capital budget includes \$5.0 million to be disbursed annually from FY 2022 through FY 2024 for physical improvements to early learning facilities, including child care and other early childhood education programs. On March 2, 2021, voters approved \$15.0 million from new general obligation bonds for this fund.

Economic Well-Being

- **Food Security:** Recommends \$350,000, an increase of \$175,000 over FY 2021, for the Rhode Island Community Food Bank to combat hunger and food insecurity.
- **Housing:** Article 16 recommends establishment of a permanent funding stream for affordable housing through an increase in the real estate conveyance tax on residential property valued over \$700,000 and by redirecting a portion of the existing real estate conveyance tax from the General Fund to a new Housing Production Fund. This is expected to generate \$3.0 million in FY 2022 and approximately \$6.7 million per year thereafter.

- **Rhode Island Works**, the state’s cash assistance or TANF program:
 - Article 13 recommends \$175,460 in federal funding to allow adults in the Rhode Island Works program to not have their **earned income** count against their benefit for six months or until their family income exceeds 185% of the federal poverty level or the 48-month time limit is reached, whichever comes first.
 - Article 13 recommends \$116,300 in federal funding to increase the **clothing allowance** for children ages 0 to 3.
 - Article 13 recommends \$40,000 in federal funding to allow **18-year-olds** to stay enrolled in Rhode Island Works as long as they are enrolled in high school.

Education

- **Education Funding:**
 - Fully funds the education funding formula, with an additional \$34.9 million over FY 2021.
 - Recommends level funding for all categorical funding, including \$5.0 million for **Multilingual Learners** (formerly known as English Learners), \$14.9 million for early childhood (for **RI Pre-K**), \$4.5 million for **high-cost special education**, \$4.5 million for **career and technical education**, and \$7.7 million for **transportation**.
 - Includes \$47.7 million in funding for the **Central Falls School District**, an increase of \$2.6 million compared to FY 2021.
 - Recommends additional \$8.5 million for the **Central Falls Stabilization Fund**, an increase of \$1.5 million from FY 2021.
- **Rhode Island Promise Scholarship (RI Promise Scholarship):**
 - Article 1 **makes the RI Promise Scholarship permanent** by removing the current provision that the program end with the high school graduating class of 2021.
 - Article 1 recommends \$7.7 million from general revenues, \$446,970 more than FY 2021, to **support the RI Promise Scholarship program** which provides qualified graduating high school students two years of free tuition at CCRI.
 - Recommends \$5.3 million from the Governor’s Emergency Education Relief Fund to **temporarily expand RI Promise** to include some adults with college credits and students graduating high school in the Class of 2020 who were unable to attend CCRI immediately because of the COVID-19 pandemic.
- Includes **tuition increases** previously approved by the Council on Postsecondary Education, including a 3.6% tuition increase at CCRI, a 5.9% increase at RIC, and a 2.5% increase at URI.
- Recommends \$1.6 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, an increase of \$400,000 from FY 2021 Enacted budget.
- Maintains \$9.6 million from tuition savings fees and federal loan reserve funds for the **Last Dollar Scholarship** program for students with proven academic performance and financial need to attend Rhode Island’s public higher education institutions.
- Recommends level funding of \$2.3 million 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.
- Recommends extending the sunset provision for 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, to December 31, 2022.
- Recommends no general revenue for the **School Resource Officer Categorical Aid** in accordance with sunset provision in FY 2021, a decrease of \$325,000 from FY 2021.
- Recommends an increase of \$590,000 from general revenue to continue to provide **teacher training, curricula, and resources to teach mental and behavioral skills** and to intervene when mental and behavioral health challenges are presented in the classroom, which was previously funded through the Opioid Stewardship Fund.
- Recommends level funding for **Rhode Island’s recovery high school**, designed to serve students recovering from a substance abuse disorder at \$500,000.

- Recommends \$295,000 for two new positions at RIDE to **establish social studies standards and to support persistently low achieving schools**.
- Includes \$115,000 in general revenue for the WIDA ACCESS test, an **assessment of English language proficiency** for multilingual learners.
- Recommends \$345,000, consistent with FY 2021, from general revenues to support **Child Opportunity Zones** to strengthen education, health, and social services for students and their families and improve student achievement.
- Recommends \$80.0 million in **school housing aid** to districts, including \$79.4 million for traditional School Housing Aid and \$590,800 for the School Building Authority Capital Fund, consistent with FY 2021.

Health

- **Perinatal Doula Services:** Recommends \$112,252 from general revenues to provide Medicaid coverage for perinatal doula services, which provide individual supports for expectant mothers before, during, and after birth. This investment is offset by savings achieved from an expected reduction in cesarean births.
- **Dental Benefits for Children:** Adds Medicaid coverage for dental caries (cavity) treatments using Silver Diamine Fluoride. This additional coverage does not appear to have a budget impact.
- **Community Health Workers:** Includes \$115,082 in general revenue savings (\$340,313 from all funds) by making an investment in Community Health Workers who provide care management services that connect patients with services in their communities. The savings come from reducing care management expenses that are incorporated into the State's managed care rates.
- **Medicaid:** Preserves **Rite Care** eligibility and benefits for children, parents, and pregnant women at current levels.
- **Rite Share:** Article 15 recommends maximizing Rite Share enrollment (and reducing Medicaid enrollment) by requiring that employers with at least 50 employees provide information to the Executive Office of Health and Human Services regarding which employees have access to employer-sponsored coverage. This initiative is projected to produce general revenue savings of \$467,273.
- **Adult Use of Marijuana:** Article 11 legalizes adult use (over age 21) of marijuana and establishes a total effective tax rate of approximately 20%, including a cultivator excise tax, a retail excise tax, and the standard sales tax in the State. Combined revenue from taxes and fees related to legalization is estimated to generate \$1.7 million in revenue in FY 2022 and \$16.9 million in FY 2023. 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.

Safety

- **Budget and Staffing:**
 - Recommends a total budget for the Department of Children, Youth and Families (DCYF) of \$264.5 million (including \$183.4 million from general revenues), which is an increase of \$8.6 million from the FY 2021 revised budget.
 - Recommends 627.5 total FTEs for DCYF, which is an increase of 10.0 FTEs from the FY 2021 enacted budget.
 - Recommends essentially level funding and level staffing of 10.0 FTEs for the Office of the Child Advocate, which is statutorily mandated to protect the rights of all children and youth in the care of DCYF.
- **Child Welfare**
 - Article 4 recommends borrowing \$17.0 million to replace **DCYF's child welfare data system, RICHIST**, which has been in place since 1997.
 - Recommends 16 new **FTEs to recruit, train, license, and support foster parents**. The budget assumes \$2.5 million in general revenue savings from shifting youth from more costly out-of-home placements into foster care, where appropriate.
 - Recommends \$40,783 for the **Extreme Family Finding** initiative to support DCYF in identifying permanent living situations for children and youth who DCYF has struggled to place.
 - Recommends one new FTE (\$95,175, including \$72,634 from general revenues) to monitor cases for youth in **congregate care** to assess if placements align to level of need and adjust placements accordingly.

- Recommends \$400,000 in general revenue funds to ensure compliance with new federal requirements in the **Family First Prevention Services Act**.
- Recommends \$500,000 in general revenue funds to provide continued **supports and services to older youth** in foster care who would have aged out during the pandemic. These funds will support identifying, locating, and re-enrolling youth who turned 21 during 2020. This will ensure compliance with requirements in the *Consolidated Appropriations Act of 2021*.
- Recommends \$200,000 in general revenue funds for the **DCYF Higher Education Opportunity Incentive Fund**, which helps former foster children attend postsecondary educational institutions in Rhode Island.
- **Juvenile Justice**
 - Recommends **consolidating one module at the Rhode Island Training School** and eliminating 9.0 FTEs (\$900,000 general revenue savings) to bring the facility and staffing into alignment with the reduced population of youth at the Training School.
 - Recommends \$3.5 million, including \$1.0 million from general revenues, for a **Female Youth Facility** to offer psychiatric residential treatment facilities for female youth with complex mental and behavioral health needs currently being served in out-of-state facilities, the Training School, and hospitals.
 - Article 13 recommends statutory changes that would offer **eligibility for a parole** hearing after 10 years of incarceration to young adults who received lengthy sentences (not including life without parole) for crimes committed before age 22. These changes would result in \$17,268 in savings.