



Rhode Island KIDS COUNT Budget Analysis

Governor's Fiscal Year 2023 Budget Proposal

Items Affecting Children and Families

Governor Dan McKee's proposed Fiscal Year 2023 (FY 2023) \$12.8 billion budget includes many items that will affect the well-being of Rhode Island's children and families, including:

Early Learning and Development

- **Child Care:**
 - The Governor's proposed FY 2022 supplemental and proposed FY 2023 budgets includes \$2.8 million in federal resources to continue the practice of paying child care providers based on enrollment rather than attendance, which would help meet the federal requirement to adopt payment practices comparable to those in the private-pay child care market. Federal resources in the FY 2022 supplemental budget (\$600K) would also continue to waive family copayments through June 30, 2022.
 - Article 13 of the Governor's proposed FY 2023 budget maintains current state general revenue funding level and adds \$7.8 million in new federal funding to improve access to high-quality child care through the Child Care Assistance Program by increasing the income limit for eligible families from 180% FPL to 200% FPL, making access permanent for income-eligible students at Rhode Island public higher education institutions, and increasing rates for children under age 6 enrolled in high-quality child care centers (4 and 5 star) so they would meet or exceed the federal equal access benchmark. Article 13 also states that rates for children enrolled in licensed family child care homes will be determined through collective bargaining.
- Article 1 of the Governor's proposed FY 2023 budget includes \$21.3 million in federal *American Rescue Plan Act (ARPA)* funding to help stabilize statewide access to licensed child care with skilled educators through retention bonuses of \$1,500 every six months for early educators, \$300,000 to help open new family child care homes, \$1 million to support the recruitment, advancement, and retention of skilled early educators, and \$2 million to sustain and expand Rhode Island's T.E.A.C.H. Early Childhood workforce development program help individuals working in the child care and early learning field earn credentials and college degrees in child development and early education.
- **Head Start:** Maintains state funding to provide 130 Rhode Island 3- and 4-year-olds with access to Head Start.
- **RI Pre-K:** The proposed FY 2023 budget maintains \$14.9 million in state general revenues to support operation of existing RI Pre-K classrooms. No funds are included in the budget to expand RI Pre-K for 2022-2023. The state will need to identify \$7.6 million in FY 2024, when some key federal grants expire, to maintain existing RI Pre-K classrooms and additional funding for further expansion.
- **Early Intervention:** The proposed FY 2023 budget does not include funds to support a Medicaid rate increase for Early Intervention. Instead, the Governor proposes to provide a second year of federal *ARPA* funding (\$5.5 million) to help cover Early Intervention staff salaries and retention bonuses, technology for outreach, safety supplies, and professional development. Performance bonuses will be available for providers who hit certain targets, such as recovering referral numbers and achieving reduced staff turnover.
- **Family Home Visiting:** The proposed FY 2023 budget does not include funds to increase Medicaid rates for the First Connections home visiting program (which acts as the state's Child Find for Early Intervention) or for evidence-based Family Home Visiting Programs (Healthy Families, Nurse-Family Partnership, and Parents as Teachers) that provide comprehensive, long-term services to pregnant and parenting families with infants and young children.

- **Early Learning Facilities Bond:** The Governor’s capital budget includes \$3.0 million for FY 2022, \$5.2 million for FY 2023 and \$6.8 million for FY 2024 for physical improvements to early learning facilities, including child care and other early childhood education programs. In March 2021, voters approved \$15.0 million from new general obligation bonds for this fund.

Economic Well-Being

- **Housing and Homelessness Assistance:** Recommends \$250 million of federal *ARPA* funds for housing and homelessness assistance, including \$170 million for the production and preservation of affordable homes, \$50 million for down payment assistance for first-time and/or first generation homebuyers, \$26.5 million for housing stability supports and increased shelter capacity for people experiencing homelessness, and \$3.5 million to increase the capacity the Office of Housing and Community Development and develop a statewide housing plan. Funding is for FY 2022 through 2026, with \$29.0 million recommended for FY 2022, \$82.0 million for FY 2023, \$83.0 million for FY 2024, \$53.5 million for FY 2025, and \$2.5 million for FY 2026.
- **Affordable Housing Bonds:** The Governor’s recommended budget includes \$105.5 million from general obligation bonds for affordable housing for FY 2022 through FY 2026, including \$65 million approved by voters in March 2021 and \$40.0 million approved in November 2016.
- **Rhode Island Works (RI Works),** the state’s cash assistance or TANF program:
 - Article 13 recommends \$150,000 in federal funding to increase the earnings disregard from \$170 to \$300/month.
 - Article 13 recommends \$100,000 in federal funding to increase the RI Works **asset limit** from \$1,000 to \$5,000 so families can have savings and build a financial safety net.
- **Food Security:** Recommends \$450,000, an increase of \$100,000 over FY 2022, for the Rhode Island Community Food Bank to combat hunger and food insecurity.
- **Data & Technology:** \$6.7 million in federal *ARPA* funds in FY 2023 through 2027 to make improvements to the RI Bridges/Child Care Tracking mobile application, HealthyRhode.

Education

- **Education Funding:** Fully funds the education funding formula, with an additional \$23.0 million over FY 2022.
 - Includes \$49.7 million to **Transition Fund** to ensure school districts do not experience a reduction in funding formula aid due to the impacts of the COVID-19 pandemic on student enrollment.
 - 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 \$1.0 million for **school choice density aid** for traditional public schools in which 5% or more resident students are enrolled in charter schools.
 - Includes \$48.7 million in funding for the **Central Falls School District**, an increase of \$1.0 million compared to FY 2022.
 - Recommends an additional \$10.2 million for the Central Falls Stabilization Fund, an increase of \$1.0 million from FY 2022.
- **Rhode Island Promise Scholarship (RI Promise Scholarship):** Recommends \$7.7 million from general revenues, based on current CCRI enrollment projections, to **support the RI Promise Scholarship program** which provides qualified graduating high school students 2 years of free tuition at CCRI.
- **Higher Education Academies:** Recommends a total of \$22.5 million in federal *ARPA* funds from FY 2023 to FY 2027 to establish 3 Higher Education Academies that will support students ages 16 and older in enrolling in higher education or workforce training programs, provide college readiness coursework, and provide wraparound services.

- Includes **tuition increases** of 2.5% at CCRI, RIC, and URI for both in-state and out-of-state students.
- Article 9 recommends \$2.4 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, includes \$800,000 to expand the program to include health care professionals, and extends the sunset of the program to December 31, 2023.
- 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 no general revenue for the **School Resource Officer Categorical Aid** in accordance with the sunset provision in FY 2021.
- Recommends level funding for **Rhode Island’s recovery high school**, designed to serve students recovering from a substance abuse disorder at \$500,000.
- Recommends approximately \$300,000 for two new positions at RIDE to develop and train educators in model practices for teaching **Multilingual Learners and to support persistently low achieving schools**.
- Recommends \$395,000 from general revenues, \$50,000 more than FY 2022, to support **Child Opportunity Zones** to strengthen education, health, and social services for students and their families and improve student achievement.
- **School Housing Aid**
 - Recommends \$88.5 million in **school housing aid** to districts, an increase of \$8.5 million from FY 2022, and no general revenue is recommended for the School Building Authority Capital Fund.
 - Article 5 submits ballot referenda to the Rhode Island voters for their approval, including Question 2 which provides \$250 million in public obligation bonds for the construction, renovation, and rehabilitation of Rhode Island public schools including \$200 million in direct funding for school construction and renovation projects and \$50 million to the School Building Authority to address high-priority projects including upgrades to **lighting, heating, and ventilation systems**.
- **Municipal Learning Centers**: Recommends a total \$15.0 million in federal *ARPA* funds from FY 2023 through 2027 to establish 11 centers operated by municipalities to provide early education and out-of-school time programming year-round. Programs would be available to students for free or through a fee-for-service rate structure.

Health

- **Postpartum Expansion for Medicaid**: Recommends an increase of \$4.3 million in general revenue (\$6.6 million from all funding sources) to extend full Medicaid coverage to women from the current 60 days postpartum to 12 months, regardless of immigration status and to make necessary system changes.
- **Cover All Kids**: Recommends an increase of \$1.9 million in general revenue to extend full benefit medical assistance to children who would otherwise be eligible for Medicaid except for their immigration status and to make the necessary system changes.
- **Community Behavioral Health Clinics**: Recommends \$28.1 million in federal *ARPA* funding for Certified Community Behavioral Health Clinics to provide the behavioral health supports, medical screening, and social services needed to respond to a rise in mental health needs during the pandemic.
- **Behavioral Health Hotline**: Recommends \$1.9 million in federal *ARPA* funding to implement a universal mental health crisis and support hotline (9-8-8), to make sure there is a consistent level of service for those experiencing mental health crises.
- **Psychiatric Residential Treatment Facility**: Provides \$6.0 million in federal *ARPA* funds in FY 2023 to support at least one psychiatric residential treatment facility for female youth with complex mental and behavioral health needs that are currently being treated out-of-state, in a hospital, or at the Rhode Island Training

School. The Administration has currently identified two potential sites for at least one and potentially more facilities.

- **Pediatric Health Care Recovery:** Recommends a second year of *ARPA* funding of \$7.5 million in FY 2023 for a relief program for pediatric providers due to a decline in visits caused by the pandemic and to promote developmental and behavioral health screenings.
- **Funding for Problem Marijuana Use Prevention and Treatment:** Article 11 legalizes adult use (over age 21) of marijuana. The FY 2023 budget includes \$381,679 in funding to support the development of programs and prevention of underage marijuana use and treatment for marijuana use disorders at all ages.

Safety

- **Budget and Staffing:**
 - Recommends a total budget for the Department of Children, Youth and Families (DCYF) of \$295.5 million (including \$200.4 million from general revenues), which is an increase of \$7.1 million over the FY 2022 enacted budget.
 - Recommends 702.5 total FTEs for DCYF, the same number of FTEs authorized in FY 2022.
 - Recommends a total budget of \$1.2 million (which includes a net increase of \$32,893 in general revenue) 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.
 - Recommends level staffing of 10.0 FTEs for the OCA.
- **Child Welfare**
 - Recommends \$28 million (\$16.8 million from Information Technology Fund and \$11.2 million from federal funds over 4 years) to **replace the child welfare information system, RICHIST**, that was authorized by the 2021 General Assembly.
 - Article 1 recommends \$500,000 in Rhode Island Capital Plan funds for a feasibility study on the development of 4 emergency **transitional housing projects** to serve young adults ages 18 to 26 experiencing unstable housing, parents who need temporary safe and stable housing to prevent their case from being open to DCYF, and parents with open cases for whom housing is the last barrier to reunification with their children.
 - Recommends \$9.2 million for **continued support of DCYF's accreditation plan** by providing funding consistent with the FY 2022 enacted budget which authorized and funded 91.0 FTE positions that were identified as needed in the Council on Accreditation report on the agency.
 - Article 1 recommends \$1.5 million in federal *ARPA* funds in FY 2023 and an additional \$375,000 in FY 2024 for **lead abatement and fire safety upgrades in foster homes**.
- **Juvenile Justice**
 - Recommends \$6.0 million of federal *ARPA* funds to establish at least one **psychiatric residential treatment facility for female youth** with behavioral health needs currently being served at out-of-state facilities, hospitals, or the Rhode Island Training School.