



Rhode Island KIDS COUNT Budget Analysis

Governor's Fiscal Year 2015 Budget Proposal

Items Affecting Children and Families

The Governor's proposed Fiscal Year 2015 budget includes many items that will affect the well-being of Rhode Island's children and families, including:

Early Learning

- Maintains current eligibility, family copayments, and reimbursement rates for the Child Care Assistance Program.
- Does not specifically include funding to make the cliff effect policy permanent as part of the Child Care Assistance Program. The cliff effect policy is being piloted now to allow already enrolled families to maintain access to the child care subsidy when their income exceeds 180% FPL but is below 225% FPL.
- Maintains \$1 million in state-directed funding to reduce waiting lists for Head Start.
- Fully funds the early learning/Pre-K categorical program that was adopted as part of the education funding formula, based on the expansion plan that is part of the funding formula (with an additional \$1 million).
- Provides \$250,000 for a second year of funding for the Full Day Kindergarten Incentive Fund to help pay one-time start up costs for districts moving from half-day to full-day kindergarten. The proposed FY 15 budget also includes \$1.4 million in funding formula aid to districts that are transitioning to full-day kindergarten because the formula reimburses districts at a higher amount for children in full-day programs.

Education

- Fully funds the fourth year of the education funding formula, giving \$38 million more over FY 2014.
- Includes \$12.3 million to fund the categorical programs that are part of the education funding formula, including high-cost special education, career and technical education, transportation and early learning (State Pre-K). Regionalization bonuses are excluded because existing regional districts have reached the three-year phase-out period, and no new regional districts have formed.
- Eliminates all general revenue funding for the School Breakfast Program (\$270,000) and the Textbook Expansion Program (\$240,000), and \$300,000 for a second year of three years of reductions to the RI Vision Education and Services Program (RIVESP), which provides children with low vision, blindness, and print disabilities with access to adaptive instructional materials.
- For the second year in a row, proposes no tuition increases at state higher education institutions (i.e., Community College of Rhode Island, Rhode Island College, and the University of Rhode Island) by providing an additional \$10 million in funding for the state's public higher education institutions.
- Recommends that the Board of Education membership be increased from 11 to 15 and include two councils, one responsible for elementary and secondary education and the other for higher education.
- Recommends replacing the Office of Higher Education with the Office of the Postsecondary Commissioner and funding the office at \$10.1 million (including \$5.1 million in general revenue), to pay for 12.8 FTE positions as well as building operations, technology, and grants.
- The school housing aid moratorium enacted by the General Assembly in 2011 ends June 30, 2014 and the Governor recommends \$67.7 million in general revenue be allocated for school construction projects for FY 2014 and \$67.9 million for FY 2015.

Economic Well-Being

- Recommends \$750,000 for rental assistance in FY 2015 to provide rental subsidies to low-income individuals and families, the same amount included in the FY 2014 budget.
- Eliminates the Supplemental Nutrition Assistance Program (SNAP) Outreach contract, which provides funds to identify individuals and families eligible for SNAP and assist them with the application process.
- Proposes a \$500,000 increase in funds for workforce training to help prepare unemployed workers for employment.

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Safety/DCYF

- Revises the FY 2014 budget for DCYF, increasing its budget by \$2.2 million from the enacted FY 2014 budget, for a total department budget of \$216.1 million. The Governor's budget then proposes to reduce DCYF's budget by \$6.9 million (to \$209.2 million) in FY 2015.
- Cuts \$850,000 from the Family Care and Community Partnerships (FCCP), Phase I of the System of Care.
- Appropriates \$70 million for the Phase II System of Care contracts in FY 2015, a \$4.2 million reduction from the \$74.2 million appropriated in the FY 2014 revised budget.
- Institutes a 5% reduction in non-System of Care contracts and changes to statewide medical contracts, for a savings of \$158,661.
- Anticipates a savings of \$1.2 million from closing one of the six units at the Training School and \$300,000 from reducing a contract with Lifespan for physician services at the Training School.
- Includes a \$1.1 million reduction in DCYF's budget, achieved through transferring eligible youth, ages 19 to 21 to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. An additional \$978,930 budget reduction is proposed due to the transfer of medically fragile children to the Executive Office of Health and Human Services medical assistance program.
- Anticipates a savings of \$259,241 by moving 10 girls with serious emotional disturbances currently in out-of-state facilities to facilities in the state of Rhode Island.

Health

- Provides \$3 million in federal and state revenue for the Rhode Island Affordable Health Care Coverage Assistance Program, which provides premium assistance for families with incomes between 133-175% FPL who obtain commercial coverage through HealthSource RI and have a child enrolled in Rite Care/Medicaid.
- Proposes a \$42.7 million general revenue reduction to Medicaid, primarily through changes to reimbursement rates for hospitals and nursing homes. Child-specific savings and reductions include:
 - Instituting a \$250 monthly premium for children with disabilities who receive Katie Beckett benefits whose families have incomes over 250% FPL (\$1.4 million in savings).
 - Interventions with "high Medicaid utilizers," including children with special health care needs enrolled in Rite Care, and children with annual medical expenses over \$5,000 (\$5.5 million).
 - Implementing a variety of program integrity measures and initiatives totaling \$5.6 million in savings. One proposal includes instituting Medicaid-financed subsidies for pregnant and postpartum women who are enrolled in commercial coverage through HealthSource RI and have household incomes between 133-250% FPL. The subsidies will support premium assistance and wrap-around services to their commercial coverage to support access to prenatal care.
 - Reduction in Rite Care and Rhode Health Partners capitation rates (i.e., monthly costs per member paid to managed care organizations) (\$10.8 million in savings).
- Carries over of \$23 million of federal funds to support HealthSource RI in FY 2015, including the funding of 10 FTE positions.
- Does not continue \$157,710 of state funding for the Department of Health's Healthy Homes and Childhood Lead Poisoning Prevention Program that was enacted by the General Assembly for the first time in FY 2014.
- Continues funding for the Unified Health Infrastructure Project (UHIP), the new fully integrated eligibility determination system that includes health coverage obtained through HealthSource RI and public benefits programs, including Medicaid. Funding for this \$209 million initiative (the largest scale information technology project ever undertaken by the State of Rhode Island), comes from a variety of state agencies and includes enhanced financial match from the federal government.