



# **Rhode Island KIDS COUNT Budget Analysis**

## **Governor's Fiscal Year 2014 Budget Proposal**

### **Items Affecting Children and Families**

The Governor's proposed Fiscal Year 2014 budget includes many items that will affect the well-being of Rhode Island's children and families, including:

#### **Education**

- Fully funds the third year of the education funding formula, providing an additional \$30.3 million over FY 2013.
- Includes \$10.2 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.
- Proposes \$14 million to support repairs at state vocational education facilities.
- Proposes no tuition increases at state higher education institutions (i.e., Community College of Rhode Island, Rhode Island College, and University of Rhode Island) by providing an additional \$6.0 million in funding for higher education, while also asking for savings and cost-efficiencies.

#### **Early Learning**

- Fully funds the early learning categorical program that was adopted as part of the education funding formula. Based on the expansion plan adopted as part of the funding formula, \$2.5 million will be used to support 14 State Pre-K classrooms.
- Maintains current eligibility, family copayments, and reimbursement rates for the Child Care Assistance Program serving over 7,000 children.
- Uses \$1.5 million in federal TANF funds to support "enhanced child care" for 400 families in the Rhode Island Works Program who participate in a new pilot work support program.
- Maintains \$1 million in state-directed funding to reduce waiting lists for Head Start.

#### **Economic Well-Being**

- Reallocates \$3 million in federal Temporary Assistance to Needy Families (TANF) funds to finance new and expanded programs to prepare Rhode Island Works (RI Works) recipients for work, including a subsidized job training program and expanded child care assistance.
- Invests \$3 million in new workforce development initiatives over two years, including developing a Statewide Work Immersion Program that will provide internships to students and unemployed adults and assist businesses in training workers for employment.

- Recommends spending one-half (\$12.5 million) of the \$25 million affordable housing bond funds available to build and rehabilitate affordable housing in FY 2014.
- Does not fund the Neighborhood Opportunities Program (NOP), which addresses the housing needs of low-income families and individuals by subsidizing their rents, but instead asks Rhode Island Housing to provide these funds from its own resources.

## Health

- Calls for full funding for the Unified Health Infrastructure Project (UHIP), which will build a fully integrated eligibility determination system for the Rhode Island Health Benefits Exchange and other income support programs such as RI Works, child care assistance, SNAP, and WIC starting in 2014.
- Per the federal *Affordable Care Act* (health reform), the Governor's budget calls for the expansion of Medicaid coverage to non-disabled, childless adults up to 138% FPL and increases both fee-for-service and managed care Medicaid payment rates for primary care physicians. There is no general revenue impact in FY 2013 or FY 2014 for the Medicaid expansion or the primary care payment enhancement because the federal government covers 100% of the cost.
- Maintains RIte Care eligibility requirements and affordability provisions for children, pregnant women, and parents.
- Recommends \$200,000 in general revenue to enhance the Medicaid Management Information System (MMIS), which will help EOHHS recoup and eventually prevent Medicaid overpayments to providers, resulting in savings of \$500,000 in general revenue.
- Recommends a reduction to all Medicaid managed care capitation rates (i.e., the monthly cost per member), for a savings totaling \$4.4 million in general revenue.

## Safety/DCYF

- Proposes a total budget of \$211.3 million for the Rhode Island Department of Children, Youth and Families for FY 2014, down from \$216.6 million for the enacted FY 2013 budget. DCYF's budget was cut by more than \$25 million in FY 2012, but was spared budget reductions during FY 2013.
- With the full implementation of the System of Care in July 2012, the Governor's FY 2014 budget anticipates the continued loss of federal funds as more services are delivered to children and families in their homes and communities.