

Governor's FY 2022 Budget: Articles

Staff Presentation to the House Finance
Committee
April 8, 2021

Introduction

- Article 4, Section 6
 - DCYF - RICHIST Replacement
- Article 13 – By Department
 - Corrections
 - Probation and Parole Reform - Section 1 – 3, 7
 - Geriatric/Medical Release - Section 4
 - Inmate Work Release - Section 7
 - Home Confinement Expansion – Section 7
 - Human Services
 - Rhode Island Works - Section 5
 - Child Care Assistance - Sections 5 & 6

Article 4 - Debt Management Act Joint Resolution

- Public Debt Management Act
 - Ensures that debt with a state tie was not issued without legislative review
 - Enacted in 1994
 - Subsequently amended to increase Assembly's approval role
 - Certain quasi-public agencies are exempt
 - Infrastructure Bank
 - RI Housing & Mortgage Finance Corporation
 - RI Health & Educational Building Corporation

Article 4 - Debt Management Act Joint Resolution

Debt Type/Project	Current Authority	Article 4	Change
Revenue Bonds			
URI Memorial Union	\$51.5	\$57.6	\$6.1
URI Health & Counseling Ctr.	26.9	29.0	2.1
Subtotal	\$78.4	\$86.6	\$8.2
Certificates of Participation			
Eleanor Slater - Regan Revised	\$22.0	\$10.7	\$(11.3)
Eleanor Slater - Zambarano	-	64.9	64.9
<i>Child Welfare IT System</i>	-	17.0	17.0
Subtotal	\$22.0	\$92.6	\$70.6
Total	\$100.4	\$179.2	\$78.8

\$ in millions

Funding Considerations

- Should a project be financed or pay-as-you-go?
 - More pay-go equals less future debt service
 - Rhode Island Capital Plan funds available as pay-go for all or part of certain projects
 - Limited to physical assets
 - IT fund created for technology projects

Project Considerations

- Does the project need to be done?
- Is the project ready to be done?
 - When will it start?
 - Is it well thought through and ready for funding/financing?
 - What will the operating budget impacts be?
 - Maintenance costs, staff savings?
 - When will it be complete?

Article 4, Section 6 - DCYF Child Welfare Info System

- Rhode Island Children's Information System (RICHIST) - 1997
 - Central registry system for children
 - Personal and familial characteristics
 - Legal status and court activity
 - Placement and living arrangements
 - Service plans and case assignments
 - Financial System
 - Federal funding including eligibility information
 - Tracks vendor payments

Article 4, Section 6- DCYF Child Welfare Info System

- Article identifies reasons for upgrades
 - Old system lacks:
 - Mobile access from field
 - Access to real-time info
 - Configurability
 - New System
 - Provides advanced analytics and data
 - Allows quicker responses to changes in policy
- Department just finished demonstrations of new systems by potential vendors

Article 4, Section 6 - DCYF Child Welfare Info System

- Authorizes borrowing \$17.0 million
 - Describes \$28.0 million project
 - Identifies \$11.0 million from federal funds
 - Funding assumed over FY 2022 – FY 2024
 - \$3.3 million, \$16.5 million, \$8.2 million respectively
 - Total cost of \$19.7 million from general revenues
 - Annual debt service of \$2.0 million
 - Assumes 10 years and 2.75% interest

Issues to Consider

- What are the best practices for these projects?
 - Custom IT project vs existing product?
 - Previous testimony off the shelf – w/ modifications
- How accurate are cost estimates?
 - Initial cost based on other states comparison
 - Process will require vendor to help with RFP and design

Issues to Consider

- Impact on maintenance costs?
 - Enacted budget includes \$2.2 million for system maintenance
 - \$0.8 million from general revenues
- Federal funding share
 - How will this work?
 - Risk to state?
- Same proposal as FY 2021 Budget

Article 13 - Corrections

- Several proposals to reform community corrections and work release

Proposal	Budget Impact
Probation Reform	\$(46,046)
Juvenile Offender Parole	(17,264)
Parole Reform	(49,886)
Medical & Geriatric Parole	(149,997)
Home Confinement Expansion	(17,260)
Inmate Work Release*	(18,800)
Total	\$(299,253)

*Revenue

Probation

- Probation terms are set by a judge
 - General conditions
 - Apply to all probationers
 - Reporting to Probation Officer as required
 - Not breaking any laws
 - Special conditions
 - Usually ordered for specific types of crimes – sex offense, domestic assault, drug crimes
 - No contact orders
 - Substance abuse treatment
- Any violation may result in incarceration
 - Some are technical vs new crimes

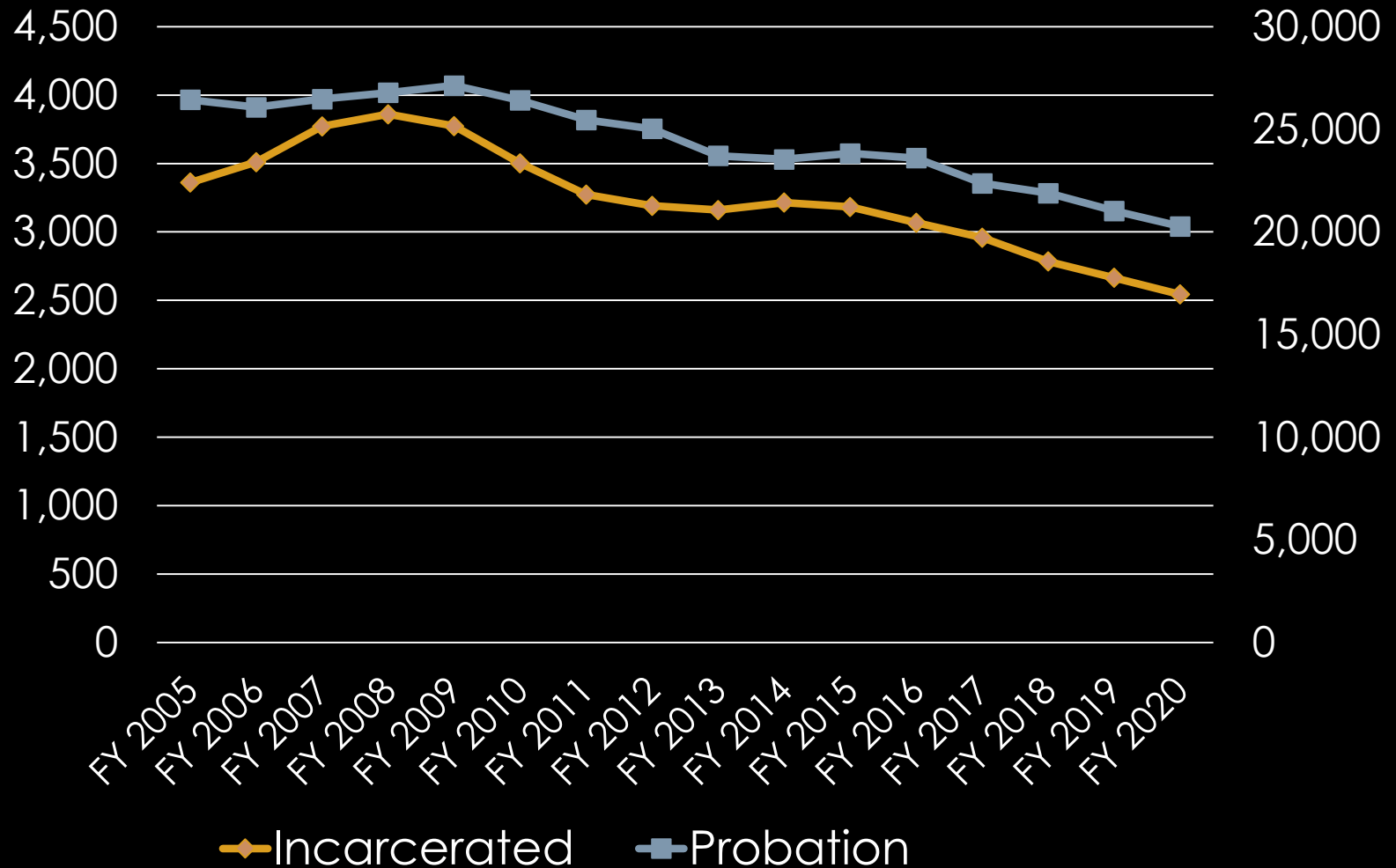
Article 13, Sec 1 - Probation

- Technical violations include failure to
 - Report to probation officer
 - Remain within the state
 - Notify for changes of address, phone, job
 - Pay restitution court costs and fines
- Section 1 limits use of re-incarceration for technical violations to only those who pose a clear public safety risk
 - As determined by DOC

Article 13, Section 7 - Probation

- Section 7 authorizes compliance credit for good behavior
 - 10 days off time on probation sentence each month if no probation violations occur
 - After serving 3 years of probation sentence
 - Compliance credits not applied retroactively
 - Department required to track probationer's sentence
 - Excludes people convicted of certain violent crimes

Population: Prison vs Probation



Population: Prison vs Parole



Parole Board

- The Parole Board has the sole authority to grant parole
 - 1 full-time Chairperson appointed by the Governor for a 2-yr term
 - 6 Part-time members, appointed by the Governor to serve a 3-yr term
- Director must submit monthly list of inmates eligible for parole to the Parole Board

Parole Board

- Responsibilities
 - Discretionary Parole Release
 - For those serving sentences > 6 months
 - Medical parole considerations
 - Determines Violations/Revocations
 - Establishes Sex Offender Community Notification Guidelines
 - Serves as Community Supervision Board
 - For child molestation convictions
 - Reviews & Issues Certificates of Recovery and Re-Entry

Discretionary Parole

- Board sits in panels of four
 - Majority vote required to parole
 - Unanimous vote for parole from life sentences
- Possible votes
 - Grant parole, set conditions for release
 - Deny parole without reconsideration
 - Deny parole with future reconsideration
- Limited discretion to respond to violations without re-incarceration
 - Current law requires issuing a warrant

Article 13, Section 3 - Parole

- Section 3 expands Board's discretion to respond to technical violations without requiring re-arrest
 - Allows parolee to waive right to a final parole revocation hearing only on technical violations
 - Does not include arrest/violations while on parole
- Budget assumes savings - \$49,886
 - Per diem savings for 9 people not being re-incarcerated

Article 13, Sections 2 & 3- Juvenile Offender Parole

- Sec. 2 requires Board to develop specific regulations for individuals who committed a crime under age 18
 - Must consider: education & court documents, participation in programs, age at the time of the offense, among others
- Sec. 3 requires parole review for anyone sentenced for an offense committed under age 22
 - After 10 years, unless eligible earlier

Article 13, Sections 2 & 3 – Juvenile Offender Parole

- 83 people currently incarcerated who qualify for this review
 - 60 serving life sentences
 - 23 serving between 30 and 90 years
 - Savings - \$17,264
 - Up to 32 could come up for consideration in FY 2022
 - Budget assumes 3 will be granted parole
 - Parole is still discretionary

Article 13, Section 3 - Parole

- Section 3 authorizes compliance credit for good behavior
 - 5 days off time on parole each month if no parole violations occur
- Department required to issue guidance on compliance credits
 - Required to calculate parole termination date at end of each calendar quarter and inform parolee

Medical Parole Background

- Allowed for inmates who are:
 - Terminally ill
 - Physically incapacitated permanently and irreversibly
 - From injury, disease, illness or cognitive impairment
 - Severely ill with physical or mental illness for which treatment causes the state to incur “exorbitant expenses”
- DOC must report annually to Assembly
 - 2020 report identified 3 applications

Medical Parole Background

Inmate or inmate family member applies

Within 3 days - Director sends application to health services unit for assessment – due within 10 days

If health services agrees inmate is eligible, assessment which includes medical report & discharge plan sent to Parole Board

Notification of parole consideration sent to victim; Parole Board hearing within 30 days of receiving assessment

Parole Board decision within 7 days of hearing

Parole Board may order return to custody if inmate's health status changes

Article 13, Section 4 - Medical Parole

- Article 13 expands eligibility for release
 - Eliminates “exorbitant expenses” requirement
 - Adds cognitive impairments
 - Condition which impairs activities necessary for independence such as feeding and bathing
 - Parole Board must determine incarceration is non-punitive and non-rehabilitative
 - Establishes separate geriatric parole option similar to current medical parole
 - Same application process
 - Victim notified of possible parole

Article 13, Section 4 - Geriatric Parole

- Inmates who suffer from functional impairment, infirmity or illness must be
 - Aged 65 years or older
 - 58 inmates currently fit this criteria at ACI
 - Served the lesser of 10 years or 75% of sentence
 - Those sentenced to life without parole are not eligible
- Increased costs associated with older population
 - Typically cost more than a younger person

Article 13, Section 4 - Geriatric Parole

% of Sentenced Inmates by Age	18-20	20-29	30-39	40-49	50-59	60+
FY 2011	1.8	32.6	27.2	23.7	10.9	3.5
FY 2015	1.5	32.1	28.5	20.2	13.7	4.0
FY 2019	0.9	29.2	28.9	19.4	14.3	7.3
FY 2020	0.8	27.0	30.8	19.2	14.4	7.8

- Department estimates 28 people will be eligible for consideration in FY 2022
 - At least 6 likely to receive parole

Article 13, Section 4 - Medical & Geriatric Parole

- Inmates on probation & parole less costly than those in correctional facilities
 - Paroled individuals would likely need services from BHDDH and/or EOHHS
- Budget assumes savings of \$150,000 for 13 parolees
 - Both Medical & Geriatric Parole
 - No offsetting expenses included in other budgets

Home Confinement

- Community placement for low-risk offenders, allows them to live at home
 - Sometimes begin at halfway house
 - Judge may split time between prison & home confinement
 - Director can grant home confinement to individuals
 - Depending on length of sentence and time served
 - Lack of discretion to release more inmates cited as a barrier to pandemic response options to

Home Confinement – Article 13, Sec 7

- An inmate becomes eligible for home confinement based on length of sentence & how much time has been served

SENTENCE LENGTH LESS THAN 6 MONTHS

	Current Law	Article 13
Portion of Sentence Served	3/4	1/2

SENTENCE LENGTH OVER 6 MONTHS

	Current Law	Article 13
Served 1/2 of Sentence within	6 months	1 year

Inmate Work Release

- Work release allows for paid employment
 - Prepares inmates for release with work experience – i.e. metal fabrication, auto body
 - DOC employee finds jobs for inmates
 - Earnings withheld for room/board, court fines
- Revenues & participation varies annually
 - Five-year high of \$142,035 in FY 2016

Work Release	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue	\$142,035	\$125,784	\$91,810	\$116,866	\$101,319
Participants	61	62	50	38	40

Article 13, Section 7- Inmate Work Release

- Current law requires 30% of gross income be withheld for room & board
 - Article changes withholding to 30% of net income
 - Increased participation expected
 - Would result in additional funding to offset costs
 - 9 additional inmates
- Governor's budget suggests additional revenues of \$18,880

Article 13, Section 7 - Inmate Work Release

Current Law	Inmate 1	Inmate 2	Inmate 3	Inmate 4
Gross Weekly Pay	\$750.00	\$549.10	\$384.00	\$300.00
Taxes (assumes 15%)	(112.50)	(82.37)	(57.60)	(45.00)
Net Pay (after taxes)	\$637.50	\$466.73	\$326.40	\$255.00
<i>30% of Gross Pay for Room and Board</i>	<i>(225.00)</i>	<i>(164.73)</i>	<i>(115.20)</i>	<i>(90.00)</i>
Court Fines -15%	(95.63)	(70.01)	(48.96)	(38.25)
25% Reserve	(159.38)	(116.68)	(81.60)	(63.75)
Funds Remaining	\$157.50	\$115.31	\$80.64	\$63.00

Article 13, Section 7 - Inmate Work Release

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Net Pay (after taxes)	\$637.50	\$466.73	\$326.40	\$255.00
<i>30% of Net Pay for Room and Board</i>	<i>(191.25)</i>	<i>(140.02)</i>	<i>(97.92)</i>	<i>(76.50)</i>
Court Fines -15%	(95.63)	(70.01)	(48.96)	(38.25)
25% Reserve	(159.38)	(116.68)	(81.60)	(63.75)
Funds Remaining	\$191.25	\$140.02	\$97.92	\$76.50
Chg. to Current Law	\$33.75	\$24.71	\$17.28	\$13.50

Article 13 - Corrections

- Several proposals to reform community corrections and work release

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Article 13 – Human Services

- Five distinct proposals to expand RI Works & Child Care Assistance programs
 - Funded in FY 2022 from federal funds

Proposal	FY 2022
RI Works - Income Disregard Increase	\$174,461
RI Works - Dependent Children Eligibility	\$40,000
RI Works - Clothing Allowance Expansion	\$116,300
Child Care for College Students - Pilot	\$200,000
Child Care Provider Rate Increase	\$6,003,574
Total	\$6,534,335

Article 13, Section 5 - Cash Assistance

Program	Funding Source
Rhode Island Works	<ul style="list-style-type: none"> • Temporary Assistance to Needy Families funds (TANF)
Child Care Assistance	<ul style="list-style-type: none"> • Child Care Development Block Grant • TANF • Social Services Block Grant • General Revenues
Supplemental Security Income (SSI)	<ul style="list-style-type: none"> • General Revenues
SSI Transition/Bridge	

Article 13, Section 5 - Rhode Island Works

- RI Works provides financial & employment assistance to eligible low-income residents
 - Monthly cash benefit
 - Limited to lifetime benefit of 48 months
 - Unless exempt, participants have a work plan
 - Includes training needed to acquire employment
 - About 35% of recipients are child-only cases
 - Parent does not get a payment
 - Timed off the program
 - Does not participate in work plan

Article 13, Section 5 - Rhode Island Works

Fiscal Year	RI Works Cash Payment Only	Persons per Month	Children-Only Individuals*
2016	\$23.6	11,031	3,861
2017	\$23.6	10,652	3,728
2018	\$22.8	9,831	3,441
2019	\$21.0	9,321	3,262
2020	\$20.4	9,050	3,167
2021 CEC/ Gov.	\$15.9	7,200	2,520
2022 Nov. CEC	\$16.5	7,500	2,625
2022 Governor	\$16.7	7,583	2,654

\$ in millions *assumes 35%

Article 13, Section 5 - Rhode Island Works

Income Eligibility Calculation:

<i>Includes</i>	<i>Excludes</i>
Wages, salary	SSI Foster care payments
Unemployment & TDI	Food assistance, incl. SNAP
Veterans' benefits	Public rent ;housing subsidies
Retirement, Survivors, & Disability Insurance	Other private assistance Educational grants & loans
Child support over 1 st \$50	1 st \$50/Mo. child support
AmeriCorps (not VISTA)	AmeriCorps VISTA

Article 13, Section 5 - Rhode Island Works

- Family income minus excluded sources
- Apply deductions/disregards:
 - Standard \$170 per month
 - 1/2 of remaining earned income
 - Expenses incurred for certain dependent children or incapacitated adults
 - Max \$200/month for child under 2
 - Max \$175/month for child over 2 or incapacitated adult
- Resulting total income deducted from maximum potential monthly benefit

Article 13, Section 5 - Rhode Island Works

Example	Current Law	
	(A) No Income	(B) Income
Family of 3	(A) No Income	(B) Income
Adjusted Family Income	-	\$910
Disregard \$170	-	(170)
<i>Subtotal</i>	-	\$740
Disregard ½ of remaining	-	(370)
<i>Remaining Income</i>	-	\$370
Max. Monthly Payment		\$554
<i>Actual Payment</i>	\$554	\$184
Family Income	\$554	\$1,094

Article 13, Section 5 - Rhode Island Works

Parents experience change in income

Notify DHS within 10 days of change

DHS initiates a case closure & issues 10-day notice

Family reports income, eligibility reassessed

If eligibility is lost, case is closed in 3-4 weeks

Do not notify DHS

DHS determines parent is working via database interface

DHS seeks overpaid funds through Collections, Claims & Recovery Unit

Article 13, Section 5 - Rhode Island Works

- Article would exempt earned income from employment while on a work plan
 - Income would be exempted from the families' monthly benefit calculation for
 - 6 months
 - Total gross household income exceeds 185% FPL
 - Lifetime limit is reached
 - Whichever is first

Article 13, Section 5 - Rhode Island Works

- Article refers to “the earned income of any adult family member who gains employment, in compliance with their work plan”
 - Apply to participants with new income only
 - Participants will have the option to receive disregard for first 6 months of implementation

Article 13, Section 5 - Rhode Island Works

Example B	Current Law		Article 13	
	<i>Earned Income</i>	<i>Job Change</i>	<i>6 mo. after job change</i>	<i>After 6 months</i>
Family of 3				
Adj. Family Income	\$910	\$1,350	\$910	\$1,350
Disregard \$170	(170)	(170)	-	(170)
<i>Subtotal</i>	\$740	\$1,180	\$910	\$1,180
Disregard 1/2	370	590	-	590
Max. Monthly Payment	\$554	\$554	\$554	\$554
Actual Payment *	\$184	\$0	\$554	\$0
Total Monthly Income	\$1,094	\$1,350	\$1,464	\$1,350

* Case closed when payment is \$0

Article 13, Section 5 - Rhode Island Works

- Governor's budget includes \$175,461 from TANF for this change
 - Cost for 6 months beginning January 1, 2022
 - Annualized to \$0.3 million
 - Estimated to impact 73 families
- TANF supports other state programs
 - Subsidized child care & other Department expenses
 - General revenues needed to cover when available TANF is less

Article 13, Section 5 - Rhode Island Works

- Currently “dependent children” are
 - Household members under 18
 - 18 graduating high school before turning 19
- Article expands to all in school until 19
 - Regardless of graduation date
 - If this is the last child in the family, the parent would remain eligible until the child is 19
- Budget includes \$40,000 from TANF
 - Estimated to impact 10 individuals

Article 13, Section 5 - Rhode Island Works

- Clothing allowance required for all school age children on RI Works
 - Increased from \$30 to \$100 in FY 2021
 - Amount currently set in rules & regs
- Article expands to all children
 - Including birth to age 3
 - Also codifies payment of at least \$100
- Budget includes \$116,300 from TANF
 - Estimated to impact 1,163 children

Article 13, Section 5 - Subsidized Child Care

- State provides subsidized child care
 - Rhode Island Works recipients
 - Low income families at or below 180% of poverty
 - Income can increase to 225% before ineligible for the program
 - Enrollment in college is not a separate qualifying condition
 - Does allow for those in approved career training if participating in RI Works

Article 13, Section 5 - Subsidized Child Care

- Section 5 expands eligibility to families enrolled at RI public higher education institutions
 - Effective for FY 2022 only
 - Limited to \$200,000 appropriation
 - Must meet current 180% income threshold
- Similar to prior year proposals
 - Prior proposal limited to full-time students
 - Not a requirement in current proposal

Article 13, Section 6 - Child Care Rates

- 2018 Assembly authorized tiered rates
 - Payments to centers for certain age groups based on state's quality rating system
 - Extended to family-based providers in 2019 for infants & toddlers only

Age	Age Group	Family Based	Center Based
0-3	Infant/Toddler	Tiered	Tiered
3-6	Preschool	Flat Rate	Tiered
6+ (5 if grade K)	School-aged	Flat Rate	Flat Rate

Article 13, Section 6 - Child Care Rates

- Maximum weekly rates set in statute
- Some families have copay
 - Families between 100% and 225% of FPL
 - Families receiving RI Works on behalf of a child
- Families that do not have co-pay
 - RI Works participants who receive child care as a supportive service
 - Homeless families applying for assistance
 - Families with income at or below 100% of FPL

Article 13, Section 6 - Child Care Rates

Level	Federal Poverty Level	% of Gross Countable Income
0	Up to 100 %	No Family Share
1	Above 100% up to 125%	2%
2	Above 125% up to 150%	5%
3	Above 150% up to 180%	8%
4	Above 180% up to 200%	10%
5	Above 200% up to 225%	14%

Article 13, Section 6 - Child Care Rates

- Section 6 increases rates paid for infants, toddlers & preschool age children in centers
 - 1 Star provider payments increased to 25th percentile of 2018 market rate survey
 - 5 Star provider payments increased to 75th percentile of the survey
- New market rate survey happening in 2021

Article 13, Section 6 - Child Care Rates

Infants & Toddlers	Current Law	Section 6	Difference
1 Star	\$198.48	\$222.38	\$23.90
2 Star	\$203.32	\$227.65	\$24.33
3 Star	\$218.81	\$239.96	\$21.15
4 Star	\$232.37	\$248.75	\$16.38
5 Star	\$257.54	\$257.54	\$ -

- Weekly full-time rates increase up to 12%

Article 13, Section 6 - Child Care Rates

Preschool	Current Law	Section 6	Difference
1 Star	\$165.75	\$187.50	\$21.75
2 Star	\$169.80	\$193.88	\$24.08
3 Star	\$177.88	\$208.76	\$30.88
4 Star	\$182.73	\$219.38	\$36.65
5 Star	\$195.67	\$230.00	\$34.33

- Weekly full-time rates increase between 13% and 20%

Article 13, Section 6 - Child Care Rates

School-Age	Current Law	Section 6	Difference
Flat Weekly Rate	\$146.26	\$148.50	\$2.24 – 1.5%

- Payments for family-based providers would be based on union contract
 - 2019 Assembly action reflected most recent contact
 - Tiered reimbursement for infants, toddlers & preschool
 - Base prevailing wage or “step” + % increase for quality rating
 - Contract being renegotiated in 2021

Article 13, Section 6 - Child Care Rates

- Governor's budget includes \$6.0 million from federal funds for rate increases
 - Does not account for increased expenses at DCYF ~ \$0.6 million

Age Group	FY 2022 Gov. Rec.	Est. DCYF	Total Impact
Infant/Toddler	\$1,750,859	\$178,814	\$1,929,673
Preschool	4,035,394	412,133	4,447,527
School Age	217,321	22,195	239,516
Total	\$6,003,574	\$613,142	\$6,616,716

Issues

- Federal rule issued February 26, 2018
 - States must have base rates at 75th percentile of most recent market rate survey
 - Interim agreement for at least 25th percentile
 - Temporary compliance measure
 - State would need to keep increasing
 - Temporary COVID-19 rates meet compliance
 - No specific plan or timeline given
 - Market rate surveys updated every 3 years
 - Penalty is 4% cut to child care block grant
 - \$0.5 million of annual award

Other Proposed Legislation

Bill	Program	Proposal
5672	Child Care	Rate increase, more expansive than Article 13
5932		Non-custodial parent can apply for assistance
5683	RI Works	<ul style="list-style-type: none">• Income disregard and clothing allowance expansion same as Article 13• Benefit rate increase• Eligible work activity expansion

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Staff Presentation to the House Finance
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April 8, 2021
