

Governor's FY 2021 Budget: Articles

Staff Presentation to the House Finance
Committee
March 5, 2020

Introduction

- Article 15 – By Department
 - Corrections
 - Geriatric Release - Section 1
 - Inmate Work Release - Section 11
 - Human Services
 - Rhode Island Works - Sections 7 & 8
 - Child Care Assistance- Sections 9 & 10
 - Behavioral Health, Developmental Disabilities and Hospitals
 - Substance Abuse Programs - Sections 2 - 6

Introduction

- Behavioral Health, Developmental Disabilities and Hospitals
 - Article 6 – Section 9
 - New fee to support substance abuse prevention programs
 - Article 3 – Section 5
 - Asset forfeiture funds
 - Section 22 of Article 1 of 2020-H 7170
 - Asset forfeiture funds transfers

Article 15 - 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”
 - Expense criteria determined by the Department

Article 15 - 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



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 15 - Medical Parole Background

- Department required to submit annual report to Assembly on medical parole
 - 2018 report identified 6 applications
 - Four were granted parole
 - Discharged to Eleanor Slater Hospital or private residences

Year	Applied	Granted
2016	1	1
2017	3	2
2018	6	4

Article 15 - Medical Parole

- Article 15 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

Article 15 - Geriatric Parole

- Inmates who suffer from functional impairment, infirmity or illness must be
 - Aged 65 years or older
 - Served the lesser of 10 years or 75% of sentence
 - Those sentenced to life without parole are not eligible

Article 15 - Geriatric Parole

- Increased costs associated with older population
 - Typically cost more to incarcerate than a younger person
 - More medication, cell modifications for wheelchairs, direct care needs

% 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

Article 15 - Geriatric Parole

Crime Committed	Age 60+, 10+ Years served	Age 65+, 10+ Years Served
Violent Offense	27	14
Sex Offense	20	9
Weapons Offense	2	1
Breaking & Entering	1	0
Non-Violent Offense	1	0
Total Eligible	51	24

- Proposal is age 65+, serving lesser of 10+ years or 75% of total sentence

Article 15 - Geriatric Parole

- Department estimates that 24 people will be eligible for consideration in FY 2021 with at least six likely receiving parole
 - Inmates on probation and parole are less costly than those in correctional facilities
 - Paroled individuals would likely need services from BHDDH and/or EOHHS
 - Savings of \$150,000 included in Corrections for six parolees
 - No offsetting expenses included in other budgets

Article 15 - Inmate Work Release

- Inmate work release allows for work at paid employment
 - To help prepare inmates for release by providing work experience
 - Examples: metal fabrication, auto body
 - DOC employee finds jobs for inmates
 - Earnings withheld for items such as room and board and court fines

Article 15 - Inmate Work Release

- Work release revenues and participation varies annually
 - Five-year high of \$142,035 in FY 2016

WR Revenue	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Women	\$5,786	\$6,130	\$10,028	\$4,219	\$16,365
Men	100,444	135,905	115,756	87,591	100,501
Total	\$106,230	\$142,035	\$125,784	\$91,810	\$116,866
Participants	50	61	62	50	38

Article 15 - 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
 - Nine additional inmates
 - Governor's budget suggests additional revenues of \$18,880
 - Inadvertently excluded

Article 15 - 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 15 - 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

DHS – RI Works & Child Care Assistance

- Rhode Island Works
 - Section 7 – Dependent child eligibility
 - Section 8 – Earned income disregard for limited time
- Child Care Assistance
 - Section 9 – Eligibility while enrolled in URI, CCRI or RIC
 - Section 10 – Provider rate increases

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	

Rhode Island Works

- RI Works provides financial & employment assistance to eligible low-income residents
 - Participants receive a monthly cash benefit
 - Limited to lifetime benefit of 48 months
 - Unless exempted, participants engage in 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

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 Enacted	\$21.0	9,334	3,267
2020 Nov. CEC/ Gov. Rev.	\$20.7	9,275	3,246
2021 Nov. CEC	\$20.7	9,275	3,246
2021 Governor	\$21.0	9,397	3,256

*\$ in millions *assumes 35%*

Rhode Island Works

- Participants must report all income:
 - Earned income
 - Wages, salary & commissions
 - Unearned income
 - Unemployment Insurance, TDI, Veterans' benefits
 - Retirement, Survivors, & Disability Insurance
 - Income from legally liable relatives, lump sum income
 - AmeriCorps (excluding VISTA)
 - Some child support

Rhode Island Works

- In determining eligibility, DHS excludes:
 - SSI
 - Food assistance, including SNAP
 - Home energy assistance
 - Public rent or housing subsidies
 - Other private assistance
 - Foster care payment
 - Child Support
 - Educational assistance grants & loans
 - Payments for AmeriCorps VISTA

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 an incapacitated adult
- Resulting total income deducted from maximum potential monthly benefit

Rhode Island Works

Example	Current Law	
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

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 15 - Rhode Island Works

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

Article 15 - 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
 - It appears the plan is to allow for existing income to be disregarded for first 6 months of implementation

Article 15 - Rhode Island Works

Example B	Current Law		Article 15	
	Earned Income	Job Change	6 mo. after job change	After 6 months
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	\$1,094	\$1,350

* Case closed when payment is \$0

Article 15 - Rhode Island Works

- Governor's budget includes \$250,000 from TANF for this change
 - Cost for 6 months beginning January 1, 2021
 - Annualized to \$0.5 million
- Reduces availability of TANF to support other state programs
 - Subsidized child care
 - Other Department uses

Article 15 - 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 15 - 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 15 - Subsidized Child Care

- Article 15 would expand eligibility to families enrolled at RI public higher education institutions
 - Effective July 1
 - Must meet current 180% income threshold
 - Budget includes \$200k from general revenues
- Similar to FY 2019 & FY 2020 proposals
 - Prior proposal limited to full-time students
 - FY 2019 proposal limited to appropriation

Article 15 - 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 and older (5 if in kindergarten)	School-aged	Flat Rate	Flat Rate

Article 15 – Child Care Rates

- Maximum weekly rates are set in statute
- Some families have income–based copay:
 - Families between 100% and 225% of FPL
 - Families receiving RI Works on behalf of a child
- Families that do not pay a share
 - 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 15 – Child Care Rates

Level	Federal Poverty Level	% of Gross Countable Income
0	Less than or equal 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 15 - Child Care Rates

- Section 10 increases rates for infants, toddlers & preschool age children in centers
 - 1 Star infant/toddler payments increased to 25th percentile of 2018 market rate survey
 - 5 Star preschool payments increased to 75th percentile of the survey
- Updates statute to reflect current school age rates of \$146.26/week
 - Technical change to remove old language

Article 15 - Child Care Rates

Infants & Toddlers	Current Law	Article 15	Difference
1 Star	\$198.48	\$222.38	\$23.90
2 Star	\$203.32	\$226.83	\$23.51
3 Star	\$218.81	\$240.17	\$21.36
4 Star	\$232.37	\$249.07	\$16.70
5 Star	\$257.54	\$257.54	\$-

- Weekly full-time rates
- Changes based on 2018 market rate survey

Article 15 - Child Care Rates

Preschool	Current Law	Section 10	Difference
1 Star	\$165.75	\$176.67	\$10.92
2 Star	\$169.80	\$180.53	\$10.73
3 Star	\$177.88	\$193.94	\$16.06
4 Star	\$182.73	\$201.99	\$19.26
5 Star	\$195.67	\$212.84	\$17.17

- Weekly full-time rates
- Changes based on 2018 market rate survey

Article 15 - Child Care Rates

- Governor adds \$3.9 million from general revenues for increased rates
 - \$1.8 million for infants and toddlers
 - \$2.1 million for preschool age
- Budget includes funding for DHS only
 - Does not account for increase to child care expenses for DCYF
 - Likely less than \$50,000

Issues

- New federal rule issued February 26, 2018
 - States must have base rates at 75th percentile of most recent market rate survey
- ACF subsequently told DHS increase would have to be to at least 25th percentile
 - Temporary compliance measure
 - State would need to keep increasing
 - No specific plan or timeline given
 - Market rate surveys updated every 3 years

Issues

- DHS notified in early 2019 that failure to comply with rule will result in penalty
 - 4% reduction to discretionary child care development block grant funds
 - \$0.5 million

BHDDH Substance Abuse & Prevention Programs

- Sections of Articles 3, 6 & 15
 - Change how the Department distributes funding for substance abuse & student assistance programs
 - Increases funding for programs
- Scoops balance in asset forfeiture account for FY 2020

Article 15 – BHDDH Programs

- Substance Abuse Prevention Programs
 - Current law - maximum grant is \$125,000
 - Increases if funding is more than \$1.6 million
 - Providence cannot get more than \$175,000
- In 1/1/2017, BHDDH entered into new agreements for 7 regional task forces
 - Funding to each city/town is consistent with current law
- Criteria for distribution not spelled out in statute

Article 15 – BHDDH Programs

- Article 15 requires BHDDH to identify
 - Criteria to distribute grants
 - What is an effective substance abuse program
- Article also requires a city/town to submit an annual report
 - Show funds supported substance abuse programs meeting the new criteria
 - Can use funds to pay for the report

Article 15 – BHDDH Programs

Regional Task Forces

Reg.	Provider	City/Town
1	TriCounty Community Action	Cranston, Johnston, North Providence Smithfield, Scituate, Foster & Gloucester
2	Woonsocket Prevention Coalition	Woonsocket, Pawtucket, Cumberland, Lincoln, North Smithfield, Burrillville & Central Falls
3	City of Providence	Providence
4	Coastline	Coventry, WW, East & West Greenwich, Exeter, Warwick

Article 15 – BHDDH Programs

Regional Task Forces

Region	Provider	City/Town
5	Town of Barrington	Barrington, East Providence, Bristol & Warren
6	Town of Tiverton	Tiverton, Portsmouth, Jamestown, Middletown, Newport & Little Compton
7	Coastline	NK, SK, Narragansett, Hopkinton, Richmond, Charlestown, Westerly and New Shoreham

Article 15 – BHDDH Programs

Regional Task Forces – FY 2021 Governor’s Recommendation				
Region	Substance Abuse (SA) Block Grant	Partnership for Success Grant	State Opioid Response	Total
1	\$337,202	\$217,815	\$87,481	\$642,498
2	304,225	290,240	101,429	695,894
3	150,000	-	77,040	227,040
4	279,403	145,210	101,429	526,042
5	136,800	217,815	102,191	456,806
6	117,789	217,815	94,095	429,699
7	171,186	363,025	101,429	635,640
Total	\$1,496,605	\$1,451,920	\$665,094	\$3,613,619

Article 15 – BHDDH Programs

Grant	Current Practice		Article 15	
	Award	Evaluation	Award	Evaluation
SA Block Grant	Based on census	URI	Identify funding criteria	Criteria for effective program
Partnership for Success	\$10,000 per city/town & per capita funding	URI and BHDDH staff		
Opioid Response	RFP	Done by BHDDH staff	N/A	N/A

BHDDH – Student Assistance Programs

- Article 15 adds “High School” to Junior High/Middle School Student Assistance Program
 - Currently funded by a \$30 fine assessed for moving vehicle violations, except speeding
 - FY 2020 and FY 2021 budgets include \$1,600 from restricted receipts

BHDDH Programs

- Article imposes a \$30 fine for all speeding violations
 - Intended as a technical correction
 - But this is not a current fine
 - Governor's budget does not include any additional revenue
- Not clear that the intent was to increase fines by \$30

BHDDH Student Assistance Programs

- Budget has included \$65,000 from general revenues
 - From a current \$400 fine that pays for drug education and treatment program
- Also \$2.0 million contract for student assistance programs in local schools
 - \$1.5 million - Substance Abuse Block Grant
 - \$0.4 million - State Opioid Response
 - 29 school districts /middle & high schools

BHDDH – Student Assistance Programs

- Article dedicates existing civil fines for marijuana possession to fund programs in BHDDH
 - \$150/\$300 fines for marijuana possession
 - Those collected from 17-18 year olds only
- FY 2021- \$249,653 from general revenues
 - Must be allocated using new distribution criteria proposed in article

Article 6/Section 9 – Substance Abuse Education Fee

- Article 6 proposes a new \$250 fee
 - Refusing to take a chemical test
 - Breath or blood test
- FY 2021 budget assumes \$220,016
 - Support prevention and treatment programs
 - Assumes about six months of collections available

Article 6/Section 9 – Substance Abuse Education Fee

- Under current law there is a \$200 refusal fee test & a \$500 highway assessment
 - \$250 new fee is added to that

Fee	Current Law	Art. 6/Sec. 9
Refusal to Submit	\$200	\$200
Highway Assessment	500	500
New Substance Abuse Education Fee	-	250
Total	\$700	\$950

Article 6/Section 9 – Substance Abuse Education Fee

- Substance use & student assistance programs – other funding sources

Other Program Funds	FY 2021 Gov.	Examples
State Opioid Response	\$11.9	Recovery Housing/RIPIN/The Providence Center/Coastline
Substance Abuse Block	6.5	Regional Task Forces
Partnership for Success Grant	2.1	Regional Task Forces/Community Action Agencies
Social Services Block Grant	1.1	Community Mental Health Centers/The Providence Center
Total	\$19.6	

\$ in millions

Article 3/Section 5 - Asset Forfeiture Funds

- Assets from illegal drug operations
 - Current distribution:
 - 70% - law enforcement agencies involved
 - 20% - Office of the Attorney General
 - 10% - DOH for substance abuse treatment
 - Article 3 replaces Health with BHDDH
 - Technical correction from when the Div. of Substance Abuse was transferred to BHDDH
 - Adds prevention programs as activity

Asset Forfeiture Funds

- Art 1 Section 22 of revised budget transfers \$500,000 from the balance
 - Department has recently requested funding did not spend it

	Restricted Receipts
FY 2021 Governor's Rec.	\$148,000
FY 2020 Governor's Revised	\$148,000
FY 2019 Spent	-
FY 2018 Spent	-

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