

May 5, 2026

The Honorable Louis P. DiPalma
Chair, Senate Finance Committee
Rhode Island State House
Providence, RI 02903

Re: Testimony in **SUPPORT** of S-2834 (EI Extension: Bridge to Preschool)

Dear Chair DiPalma:

We write in strong support of S-2834 (EI Extension: Bridge to Preschool), which would give eligible families the opportunity to extend Early Intervention (EI) services until the September after a child's third birthday. This change would reduce gaps in services and promote smooth transitions into preschool special education.

RIPIN is statewide nonprofit that helps thousands of families annually navigate EI and special education. RIPIN is peer-led, meaning that most of our staff and board are parents or caregivers to a loved one with a disability. In 2024, RIPIN held more than twenty listening sessions, key informant interviews, and convenings engaging a total of more than a hundred families and key stakeholders to seek opportunities to strengthen Rhode Island's preschool special education system. This bill is RIPIN's highest priority recommendation surfaced by that process.

Problem: Under current law, Rhode Island's EI program ends abruptly on a child's third birthday, at which point school districts become responsible for providing special education services ("preschool special education") to eligible children under Part B (section 619) of the IDEA. This is challenging because school-based services are not always available immediately when a child turns three, especially if the child has a spring or summer birthday. We often see gaps in services for children transitioning from EI to school-based special education. These gaps can be caused by the simple bad luck of having a birthday in May or June, by delays in the transition process that result in the IEP not being prepared by the child's birthday, or by school districts not having capacity to provide the required services immediately after the child's birthday. These gaps could be avoided if families had the option to extend EI until the start of the next school year. The extension option also supports the fidelity of preschool special education classrooms by allowing more children to start at the same time in September.

Solution: Federal law allows states to extend EI services beyond a child's third birthday (up to age five) and provides some funding to help with the transition costs. Currently six states (CO, CT, IL, MD, MO, TN) and the District of Columbia are taking this option to extend EI beyond age three.

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Proposal: Under S-2834, Rhode Island will give parents the option to keep their child in Early Intervention until September after the child’s third birthday, if the child is eligible for preschool special education.

Under federal law, only children determined eligible for Part B services are allowed to extend EI. Once a child is deemed eligible for Part B, parents must be given a choice of whether they want their child to transition to preschool special education or receive extended EI services.

- Allow families to extend EI services until the September following the child’s third birthday.
- Only for children with birthdays between May 1 and August 31.
- Only for children who are found eligible for preschool special education services.
- Families will have a choice between preschool services or remaining in EI through the summer.

Because this policy requires federal approval in addition to new policies, systems, and training for EI and school personnel, the bill creates a two-year planning period. By May 2028, the state will begin allowing children who turn three years old between May 1, 2028 and August 31, 2028 to remain on EI until September 1, 2028.

Cost: Funding would be through the current EI funding framework – approximately 60% Medicaid (where general revenue is matched by federal funds) and 40% private insurance.

Preliminary modeling based on data from other EI expansion states indicates that such an expansion would require Rhode Island’s EI’s system to grow capacity by a total of about 5% to meet service needs after full implementation (FY29 and beyond).ⁱ

El Extension States	Adopted	Applies To Children with Birthdays:	Extension Thru School Year Following:	Cumulative Served Annually in EI Under 3	Cumulative Served Annually in EI Over 3	% of System Capacity for Over 3
Colorado	2022	After 5/1	3rd birthday	14,172	462	3%
Connecticut	2021	After 5/1	3rd birthday	10,646	619	6%
Maryland	2013	All children	4th birthday	13,464	3,525	26%
Missouri	2014	4/15 - 8/15	3rd birthday	13,508	721	5%
Tennessee	2022	All children	5th birthday	17,830	1,467	8%
Washington, DC	2014	All children	4th birthday	2,243	167	7%

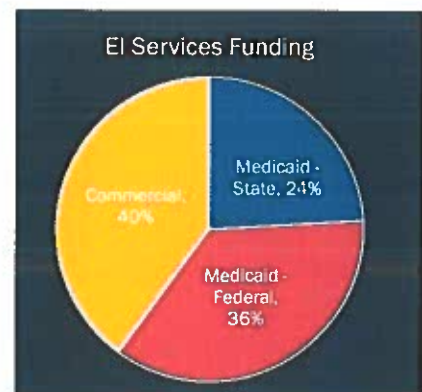
If FY25, there were 797 EI recipients in RI who were determined eligible for preschool special education when they turned three. Roughly one-third of these children likely have birthdays between May 1 and August 31, meaning that the highest number of children likely to be eligible for EI extension is roughly 250. Out of these 250, some will choose to stay in extended EI services and others will choose to transition to preschool special education services.

RIPIN estimates the state budget impact of EI extension would be as follows:

- 1) Rhode Island would become eligible for an **additional \$265,000 in federal funding** for EI program administration, accessing funds that are set aside for EI extension states.
- 2) One-time implementation costs for FY27 are estimated at \$190,918 all funds (\$47,730 general revenue)
- 3) FY28 is a partial implementation ramp-up year, during which the fiscal impact is estimated at \$200,000 to \$400,000 all-funds (or \$100,000 to \$200,000 general revenue)
- 4) **After full implementation** (in FY29 and beyond), additional annual Medicaid expenditures to provide extended EI services are estimated to be between **\$200,000 to \$1 million all-funds (or \$100,000 to \$400,000 GR)**.

Total impact on commercial insurance expenditures (across all markets and carriers) is estimated at \$150,000 to \$600,000 per year, creating an estimated premium impact of 0.006% and 0.025%.

This \$100,000 to \$400,000 annual general revenue investment in EI over the long term would bring roughly \$500,000 to \$1.5 mil in additional annual funding into the EI system, including \$100,000 to \$600,000 in federal Medicaid matching funds, an additional \$150,000 to \$600,000 in commercial insurance reimbursement, and \$265,000 for Rhode Island's share of federal funds earmarked for EI extension states.ⁱⁱⁱ



Please find enclosed a detailed fiscal analysis memo outlining these fiscal projections and methodologies in more detail.

Background on EI and Preschool Special Education:

Part C: Early Intervention (EI) is a federally required program for infants and toddlers with developmental delays. Part C of the federal Individuals with Disabilities Education Act (IDEA) requires states to provide services and supports to children under age 3 with delays and at risk of falling behind developmental milestones.

Rhode Island's EI program^{iv}, administered by EOHHS, is provided by nine non-profit agencies. Roughly 2,300 Rhode Island infants and toddlers receive EI services at any given point in time, and the EI system serves about 4,000 children cumulatively per year.^v

To receive EI, a child is referred to EI with parental consent and subsequently evaluated. If a



child has a developmental delay causing them to develop slower than their peers or a health condition that will affect development, they are found eligible to receive EI. Families and providers work together to create an Individualized Family Service Plan (IFSP), a written legal document that details the support and services a child will receive. Services can include, but are not limited to speech therapy, physical therapy, occupational therapy, nutrition, nursing, and social work services.

An essential function of Early Intervention is providing care in the natural environment. The program uses a family-focused coaching model that typically involves going into the home.

Providers are equally working with parents as they are the child, helping parents develop routines that support their child's development. These services are provided at no cost to the family. Rhode Island funds EI services through a mix of federal funding, Medicaid, and commercial health insurance.^{vii} Services for children insured through Medicaid are reimbursed by Medicaid on a fee-for-service basis, and services for children with commercial coverage are reimbursed by those commercial insurers.

Part B: Once a child turns 3, they may qualify for preschool special education support under Part B of the IDEA (section 619), which requires states to provide supports for children ages 3 to 5 years old. These Part B services are provided through the child's school district.

Compared to Part C services which are developmental, preschool special education services are educational. Services are intended to enable the child to make progress in the general education curriculum and/or meet academic and functional goals. The Rhode Island Department of Education (RIDE) is the lead agency responsible for overseeing Part B requirements, with Part B services and supports implemented by local school districts (also referred to as Local Education Agencies or "LEAs").

At the center of a child's Part B services is an Individualized Education Program (IEP). An IEP is a written education plan detailing the special instructional supports and related services each special education student is legally entitled to. IEPs must include a statement of the child's present level of academic achievement, functional and academic goals, and how the child's progress towards meeting the annual goals described in the IEP will be measured.

Since services are academically oriented, school districts are responsible for providing special education services to children. As such, Part B involves local funding, local educators, and local decision-making that Part C does not. The experiences of children receiving Part B services can vary widely depending on the district they receive services in. Each district conducts their own referrals, evaluations, eligibility determinations, and IEP meetings.

In June 2023, there were 3,368 children receiving preschool special education services in Rhode Island, comprising roughly 9% of all preschool children. That is up 7% over the pre-COVID preschool special education enrollment of 3,156, and up 30% from the 2021 low of 2,597 children. Some attribute the growth in demand for preschool special education services to EI services being missed or delayed during COVID.

Conclusion

Too many children with disabilities experience gaps in services when they turn three and



transition from EI to preschool special education. Luckily, there is a federally-supported solution that seven other jurisdictions have implemented successfully – allowing families to extend EI services until the September after their third birthday. Due to EI's unique funding structure – where every dollar in general revenue is matched by three dollars from other sources – this solution is also affordable.

Thank you very much for your careful consideration of this bill and our testimony.

Sincerely,

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ⁱ Notes regarding the chart below: Data drawn from each state's Part C Annual Performance Report for the 2022-23 school year, available at <https://data.ed.gov/dataset/idea-section-618-state-part-c-child-count-and-settings/resources>. Total served over age 3 drawn from <https://data.ed.gov/dataset/idea-section-618-state-part-c-exiting/resources>. Cumulative number of children served annually under age three estimated by subtracting the cumulative number served over age three from the total cumulative number of children served. Annual Performance Report point-in-time census data is drawn on Oct. 1 of each year, making it unsuitable for this analysis. This may be an undercount as some children are served both before and after their third birthday. Illinois implementation too recent for data to be available.

ⁱⁱ See U.S. Department of Education. (2023). *IDEA Section 618 state Part C child count and settings: Rhode Island data for 2022–23 school year*. *ED Data Express*. <https://data.ed.gov/dataset/idea-section-618-state-part-c-child-count-and-settings/resources> (indicating a cumulative total of 3,953 children served in EI at some point during the 2022-23 reporting period).

ⁱⁱⁱ Federal law requires that 15% of any federal EI appropriations exceeding \$460 million be split amongst EI extension states in proportion to the size of their infant and toddler population. 34 CFR § 303.734. In FFY2023, federal EI appropriations were \$540 mil. See Early Childhood Technical Assistance Center, Part C national program data. Retrieved from www.ectacenter.org/partc/partcdata.asp. Fifteen percent of \$80 mil is \$12 mil, and Rhode Island's share of that \$12 mil would have been \$265,642, based on the population of current expansion states if Rhode Island were included.

^{iv} R.I. Gen. Laws Chapters 23-13; 40-6; and 40-8; Title XIX of the Social Security Act; 34 CFR Part 303

^v Executive Office of Health and Human Services. (n.d.). *Early intervention data dashboard*. Rhode Island Executive Office of Health and Human Services. <https://eohhs.ri.gov/consumer/families-children/early-intervention-program/early-intervention-data-dashboard>

^{vi} RI KIDS COUNT. (2024). *2024 Factbook: Children enrolled in early intervention* (p. 115).

https://rikidscount.org/wp-content/uploads/2024/05/children-enrolled-in-early-intervention_2024fb.pdf

^{vii} Rhode Island Executive Office of Health and Human Services. (2021). *Rhode Island Early Intervention program: State fiscal year 2021 public reporting* (p. 17). <https://eohhs.ri.gov/sites/g/files/xkgbur226/files/2022->

EI Extension: Bridge to Preschool

H-7627 / S-2834

Detailed Fiscal Projections and Methodology

Executive Summary

Using two methods, this memo outlines the fiscal impact of allowing families to extend EI services until the September after their child's third birthday.

- The memo estimates that implementing this policy would bring in an **additional \$265,000 per year in federal revenue** to support administration of the EI program.
- One-time implementation costs for FY2027 are estimated at \$190,918 all funds (\$47,730 general revenue).
- After full implementation (in FY2029 and beyond), additional annual Medicaid expenditures to provide extended EI services are estimated using **two different methodologies**:
 - One methodology yields an estimate of increased **annual Medicaid spending** of up to \$1 million all funds (**\$400,000 general revenue**).
 - A second methodology yields an estimate of increased **Medicaid spending** of roughly \$200,000 all funds (roughly **\$100,000 general revenue**).
- FY2028 is a partial implementation ramp-up year, during which the general revenue fiscal impact is estimated at \$100,000 to \$200,000.
- Total impact on **commercial insurance expenditures** (across all markets and carriers) is estimated at \$150,000 to \$600,000 per year. Total impact on commercial insurance premiums is estimated at between 0.006% and 0.025%.

Introduction and Background

In the 2025 legislative session, Representative Tanzi and Senator Valverde introduced legislation ([H-5462/S-247](#)) that would have given families the option to extend Early Intervention (EI) services beyond a child's third birthday until the start of the following school year. Under a federally-supported framework,¹ at least six other states (CO, CT, IL, MD, MO, and TN) and Washington DC allow families to extend EI services beyond a child's third birthday.

RIPIN helped to develop this proposal after a year of research and community engagement about policy opportunities to help preschool age children (age 3-5) with disabilities get the support they need to thrive. RIPIN's detailed report summarizing that project, learnings, and recommendations is available at www.ripin.org/strengthening-preschool-special-education-in-rhode-island/.

RIPIN still hopes to advance this policy, which fills a critical gap in services for children with disabilities at a critical point in their development, builds on successful systems already in place, leverages \$3 in federal and private dollars for every \$1 of general revenue invested, and unlocks additional federal administrative funding.

During the 2026 legislative session, Representative Tanzi and Senator Valverde have introduced a

¹ [34 CFR § 303.211](#) (2025)





modified proposal ([H-7627](#) / [S-2834](#)) that allows EI extension only for qualifying children with birthdays between May 1 and August 31, to be implemented starting with children turning three on or after May 1, 2028. Under the federal framework, children only qualify for extended EI if they are eligible for Part B special education services after turning three. The purpose of this memo is to estimate the fiscal impact of this policy.

New Federal Revenue

Federal law stipulates that 15% of all federal appropriations exceeding \$460 million be set aside for EI extension states.² For the past several years, federal EI appropriations have totaled \$540 million, creating a fund of \$12 million (15% of the difference between \$540 million and \$460 million) for EI extension states to share.

Based on the current list and size of EI extension states, Rhode Island would be eligible to receive roughly \$265,000/year in additional federal funds if we implement EI extension.

For detailed calculations and citations, please see Appendix A to RIPIN's report: [Strengthening Preschool Special Education in Rhode Island](#).³

One-Time Implementation Costs

According to the fiscal note from last year's bill (S-247), EOHHS estimates that the cost of system upgrades would be approximately \$190,918, of which 75% (\$143,188) would be federal funds and 25% (\$47,730) would be general revenue. For the purposes of this memo, we assume that those costs are borne entirely in FY2027, though it's possible that some of those costs would be incurred in FY2028. The fiscal note also indicates that EOHHS "does not foresee additional staff costs."

We do not know the exact source or level of accuracy of these estimates of implementation costs from last year's fiscal note, and they should be reconfirmed.

State Fiscal Impact of Providing Extended Services

EI services are funded through a mixture of Medicaid and commercial insurance reimbursement, with roughly 60% of EI recipients on Medicaid and 40% on commercial coverage. Further, Medicaid is financed through a mixture of federal and state funds. This section focuses on the Medicaid portion of EI costs so as to identify the fiscal costs for the State.

This memo provides two different methods to estimate the State fiscal impact of providing extended EI services to children over three, both resulting in a similar cost estimate. Method #1 looks at enrollment data from other EI extension states to estimate the extent to which total service volume would have to grow to accommodate this new population. Method #2 looks at per-member-per-

² [34 CFR § 303.734](#) (2025).

³ RIPIN, [Strengthening Preschool Special Education in Rhode Island](#) (April 2025), available at: https://ripin.org/ripin/wp-content/uploads/2025/03/RIPIN_Strengthening-Preschool-Special-Education_Whitepaper-2025.pdf





month costs of providing EI services and makes reasonable assumptions about how many eligible children would extend services to create cost estimate.

Cost of Providing Extended Services – Method #1

According to OHIC data used for the most recent Social and Human Services Program Review, total Medicaid spending on EI services in the most recent 12-month period is roughly \$18 million (all funds).⁴

As drafted, this proposal makes no children eligible for extended services during FY2027, and only a partial year of services for some children in FY2028 (those services provided during May and June to children born during May and June). The first year of full implementation would be FY2029, so these calculations focus on that year.

Inflating this \$18 million all funds total services cost forward to FY2029 at a growth rate of 5% per year takes us to roughly \$21 million all funds for all EI services in FY2029 (even without an extension option in place).

Every state submits standardized EI federal reports, and we have analyzed the federal reports for EI extension states. These reports indicate the total cumulative number of children who were served by EI in the reporting year and also provides a breakdown by age. We used this breakdown to estimate the portion of system capacity absorbed by children over three.⁵

EI Extension States	Year Adopted	Applies to Children With Birthdays:	Extension Thru School Year Following:	Cumulative Served Annually in EI Under 3	Cumulative Served Annually in EI Over 3	% of System Capacity for Over 3
Colorado	2022	After 5/1	3rd Birthday	14,172	462	3%
Connecticut	2021	After 5/1	3rd Birthday	10,646	619	6%
Maryland	2013	All Children	4th Birthday	13,464	3,525	26%
Missouri	2014	4/15 - 8/15	3rd Birthday	13,508	721	5%
Tennessee	2022	All Children	5th Birthday	17,830	1,467	8%
Washington, DC	2014	All Children	4th Birthday	2,243	167	7%

Based on this data, we anticipate that extending EI in Rhode Island as we propose might require the state to increase EI service capacity by roughly 5%.

Assuming the FY2029 Medicaid EI service costs will be approximately \$21 million (all funds) without

⁶ <https://rikidscount.org/wp-content/uploads/2025/04/ChildrenEnrolledinEarlyIntervention.pdf>

⁷ Milliman, 2025 Social and Human Service Programs Review: Utilization Trends, Prepared for OHIC (Dec. 30, 2024), available at <https://ohic.ri.gov/sites/g/files/xkgbur736/files/2025-01/Report%203%20Version%202%2C%202025.pdf>.





extension in place, then the 5% growth in service volume would cost approximately \$1 million (all funds).

We have seen differing information about the federal match rate applied to these services. At worst, the standard federal FMAP of 57.5% federal / 42.5% state would apply. It is also possible that a blended CHIP match rate of 70% federal / 30% state may apply to some of these services. For the sake of conservatism, we use the lower standard FMAP match rate.

This method estimates the total state general revenue cost of providing EI extension services at roughly \$400,000 annually, starting in FY 2029.

Cost of Providing Extended Services - Method #2

According to the KidsCount 2025 Factbook, 1,286 EI recipients aged out (turned three while still receiving services) in SFY 2024.⁶ Of these, 797 attained eligibility for Part B special education services after turning three, which would be required in order to be eligible for extended EI services.

Of these roughly 800 children, about 60% (480 children) will be covered by Medicaid. It is reasonable to assume that about one-third of them would have birthdays in the four-month period between May 1 and August 31, meaning that about 160 children might be eligible for extended EI services.

It is also reasonable to assume that these 160 children have birthdays that are evenly distributed during that window. Some will have birthdays in early May and be eligible for four months of extended services, and others will have birthdays in late August and be eligible for very brief extended services. If the birthdays are relatively evenly distributed, then it is reasonable to assume that the average child will be eligible for approximately two months of extended services.

Therefore, if every eligible child extended EI, that would add roughly 320 member-months to the EI system (160 children each served for an average for two additional months). Below, we provide cost estimates based on different take-up assumptions.

To calculate the average monthly cost of providing EI services to a Medicaid recipient, we rely on OHIC's recent Social and Human Service Program Review report on utilization trends.⁷ This report provides five calendar years of utilization trends, both in terms of average number of monthly utilizers and total Medicaid costs, as follows:

⁶ <https://rikidscount.org/wp-content/uploads/2025/04/ChildrenEnrolledinEarlyIntervention.pdf>

⁷ Milliman, 2025 Social and Human Service Programs Review: Utilization Trends, Prepared for OHIC (Dec. 30, 2024), available at <https://ohic.ri.gov/sites/g/files/xkgbur736/files/2025-01/Report%203%20Version%202%2C%202025.pdf>.



Calendar Year	Average Monthly Unique Utilizers	Total Service Member Months	Total Annual Expenditures	Average Cost Per Service Month
2019	2,574	30,888	\$ 12,479,635	\$ 404
2020	2,310	27,720	\$ 9,894,757	\$ 357
2021	2,313	27,756	\$ 10,536,587	\$ 380
2022	1,797	21,564	\$ 11,341,485	\$ 526
2023	1,898	22,776	\$ 15,044,302	\$ 661

Trending that forward to FY2029, we use an average EI service cost of \$900 per month for Medicaid recipients.

This chart starts with our (rough) maximum of 320 service months at a cost of roughly \$900 per month. This would be the approximate cost if 100% of eligible children extended services. But not all families will choose to extend services (some will transition to school-based Part B services), so we provide an estimated all-funds and general revenue costs (using the standard 57.5/42.5 FMAP) below based on differing take-up assumptions:

Take Up	Member Service Months	Service Cost Per Month	Total Cost of Extension (All Funds)	Total Cost of Extension (GR)
100%	320	\$ 900	\$ 288,000	\$ 122,400
80%	256	\$ 900	\$ 230,400	\$ 97,920
60%	192	\$ 900	\$ 172,800	\$ 73,440
40%	128	\$ 900	\$ 115,200	\$ 48,960

It feels reasonable to assume a take-up rate in the 60% to 80% range, meaning that **this method yields a general revenue cost of extended EI services of roughly \$100,000 per year.**

FY2028

FY2028 is an intermediate ramp-up year. As proposed, there would be some extended services utilization during FY2028, for the services provided between May 1, 2028 (the proposed launch date for extended services) and June 30, 2028 (the end of FY2028) to qualifying children with birthdays after May 1, 2028. For simplicity's sake, we estimate the FY2028 costs at one-fourth to one-half of the FY2029 costs, i.e. roughly \$100,000 to \$200,000 in general revenue.

Commercial Insurance Impact

As mentioned above, roughly 40% of EI recipients have commercial insurance. Our understanding is that commercial insurance pays the same (or very similar) reimbursement rates for EI services. We





also have no reason to believe that utilization patterns would be very different for commercially-insured children. This means that the impact on commercial insurance expenditures should be roughly two-thirds of the all-funds impact on Medicaid spending. Thus the total commercial insurance fiscal impact to somewhere between \$150,000 and \$600,000 per year, across all market segments (including self- and fully-insured) and across all carriers.

Though this is a wide range, it is helpful in understanding the order of magnitude. In 2023, total medical expenditures for the commercially-insured population were \$2.41 billion,⁸ so the additional spending for EI extension might have an impact on premiums of between 0.006% and 0.025%.

We welcome the opportunity to collaborate with commercial insurers to estimate the cost impact more accurately for their population.

⁸ See OHIC's Annual Report on Health Care Spending and Quality in Rhode Island (2025), available at https://ohic.ri.gov/sites/g/files/xkgbur736/files/2025-05/OHIC%20Cost%20Trends%20Report_final%2005.12.2025.pdf (page 10).

