Governor McKee’s FY 23 Budget Proposals

In his FY23 Budget Proposal (H-7123), Governor McKee provides funding and proposes significant policy improvements that align with key RIght from the Start Campaign priorities. The Campaign urges passage of these proposals and/or aligned bills sponsored by members of the General Assembly.

**Child Care:**

**H-7123, Article 1, Section 16** would:

- Allocate $18.7 million in American Rescue Plan Act state fiscal recover funds to provide a second year of $3,000/year retention bonuses for over 6,000 educators and direct care staff at licensed child care centers and family child care homes (approximately $18.7 million).
- Allocate $2 million to expand the Rhode Island’s T.E.A.C.H. Early Childhood workforce development model. Since 2010, the T.E.A.C.H. Early Childhood program has been helping child care educators in Rhode Island earn credentials and complete college degrees at the Community College of Rhode Island, Rhode Island College, and the University of Rhode Island. T.E.A.C.H. is a nationally recognized, evidence-based model for supporting early educators in accessing higher education and reducing staff turnover in child care.
- Include $1 million to develop an early educator workforce registry, a critical piece of data infrastructure needed to share information and opportunities directly with early educators, understand and address the needs of this essential workforce, and track improvements in staff recruitment, retention, and turnover over time. There are at least 37 states that have a statewide early educator registry.
- Allocate $1 million for quality improvement grants to help child care and early learning programs increase their BrightStars quality rating.
- Provide a second year of funding ($300,000) for family child care startup grants and technical assistance to recruit and open up to 100 additional family child care homes in the state.

**Note:** The Rhode Island Early Educator Investment Act ([Casimiro H-7283, Cano S-2235](https://wwwGENERALASSEMBLY.ri.gov/)) would require the state to set goals to improve the compensation of early educators by establishing a cross-departmental target wage scale for early educators working in child care, Early Intervention, Family Home Visiting, and RI Pre-K. The legislation also requires the state to develop and implement an early educator workforce registry and invest $5 million to implement a wage supplement program like the national Child Care WAGE$ model, a research-based model designed to improve compensation and reduce turnover of qualified and skilled early educators working in child care settings. The Child Care WAGE$ model is the next step for many states that have implemented the T.E.A.C.H. Early Childhood model.

**H-7123, Article 13** would:

- Provide rate increases for child care programs serving children in the Child Care Assistance Program, bringing rates up to the federal equal access standard for children under age 6 in child care centers that have achieved a high-quality (4 or 5 stars) in BrightStars.
- Lift the family income limit to qualify for the Child Care Assistance Program from 180% to 200% of the federal poverty line (from $41,454 to $46,060 for a family of 3), the first proposal from a governor to expand family income limits for the program in at least 20 years.
• Remove the sunset provision for the pilot programs which makes low-income colleges students eligible for the Child Care Assistance Program.

**Note:** The Rhode Island Child Care is Essential Act (Diaz H-7177, Cano S-2681) would provide more significant rate increases for child care programs serving children in the Child Care Assistance Program, **bringing rates up to the federal equal access standard for children of all ages and enrolled in all child care settings**, with incremental rate increases for each quality level in BrightStars. The bill also **significantly expands the number of families that would qualify** for a child care subsidy by lifting family income limits at both the entrance (from $41,454 to $61,260) and the exit (from $51,818 to $91,120 for a family of 3) of the Child Care Assistance Program. This bill would also **remove the requirement that families must cooperate with the child support enforcement office** by establishing paternity/parentage and pursuing a child support order, something that most states do not require for child care assistance and is not required by any other early learning program in Rhode Island. The bill would also make access to child care assistance permanent for low-income college students.

**Early Intervention**

**H-7123, Article 1, Section 16** would allocate $5.5 million of ARPA funds for stabilization grants to help cover staff salaries and provide staff retention bonuses. The funds would also be directed to performance bonuses for Early Intervention providers who hit certain targets, such as recovering referral numbers and achieving reduced staff turnover.

**Note:** The Early Intervention & First Connections Act (Giraldo H-7628, Valverde, S-2546) would require the state to **permanently and significantly increase Medicaid rates for the Early Intervention program and for the First Connections program** and provide for an annual adjustment in rates to keep up with increasing costs. Both programs provide essential services for infants and toddlers with developmental challenges and have not received a rate increase in 20 years. Inadequate state funding has led to a statewide waiting list for infants and toddlers who qualify under Part C of the Individuals with Disabilities Education Act.

**Maternal & Child Health**

**H-7123, Article 12, Section 7** would **restore RIte Care/Medicaid coverage to children, regardless of immigration status** and would **extend Medicaid coverage through 12 months postpartum for women, regardless of immigration status**. Currently, comprehensive health insurance coverage only extends through 60 days postpartum.

**Note:** The Cover All Kids Act (Morales H-7484, Cano S-2187) makes the same changes as the Governor’s budget proposal to provide RIte Care/Medicaid coverage to otherwise eligible children, regardless of immigration status. **The Postpartum Medicaid Extension Act (Williams H-7290, Goodwin, S-2202)** makes the same changes as the Governor’s budget proposal to extend Medicaid coverage through 12 months postpartum for people who give birth with Medicaid coverage. In order to make progress toward health equity, it is essential to ensure new moms, babies and children have consistent access to health care.