

## INVESTING IN WORKERS, BUSINESSES, & ECONOMIC DEVELOPMENT

The following three icons highlight some of the many issues addressed in the budget and legislative session. Absence of an icon generally indicates that work needs to be done on the issue or that the item simply provides information.

 One of the legislative priorities identified by EPI prior to this year's session.

 Significant progress.

 Mixed bag—some, yet inadequate, progress.

  **Minimum Wage:** Rhode Island is the 8th state in the nation to require a \$15 per hour minimum wage. Rhode Island workers will see a boost to their paychecks from 11.50/hour to \$12.25 on January 1, 2022, followed by annual increases to \$13.00 in 2023, \$14.00 in 2024, and finally \$15.00 on January 1, 2025. Rhode Island now joins Massachusetts and Connecticut and many other states on this path. Nevertheless, as EPI's 2020 Rhode Island Standard of Need demonstrates, an adult worker without children and working full-time needed to earn \$14.71 per hour to cover the most basic needs in 2020. Inflation will certainly increase this amount beyond \$15.00 per hour by 2025. And for workers with children, \$15.00 per hour remains inadequate today. The path to \$15.00 per hour is great news for many low-income workers yet does not necessarily provide a living wage.

**Tipped Minimum Wage:** Despite the documented sexism and racism of the tipped wage, now at \$3.89/hour in Rhode Island, and despite attempts to link it to the regular minimum wage, no action was taken this session on a number of bills seeking to increase or phase out altogether the tipped minimum wage.

 **Fair Pay:** Rhode Island's fair pay statute was updated to require a modern standard for equal pay—employers must pay workers equally for work that require comparable skill, effort, and responsibility. The law also eliminates the reliance on historical wages, provides wage range transparency for applicants and existing employees, and provides options for employees to recover back pay and damages if they have been unfairly paid.

  **Paid Family Leave:** Workers participating in the Temporarily Caregiver Insurance program will be able to take 5 weeks of partially paid leave in 2022 and 6 weeks beginning in 2023; the current limit is 4 weeks per year. Proposals to bring Rhode Island's program more in line with other state's paid leave programs, including increasing the amount of wages an employee receives while on leave, expanding the definition of who one can take leave to care for were not expanded and allowing gig workers and self-employed individuals to participate in the program did not advance.

**Partial Unemployment Insurance (UI):** After being unemployed, individuals will be able to transition back to work and continue receiving some unemployment benefits. Through June 2022, so long as the person is earning less than 150% of what they would have received from full UI benefits (and UI benefits pay considerably less than what a person earned while working). The Department of Labor and Training will consider such workers to be partially employed and pay UI benefits to cover the difference between employment wages and 150% of full UI benefits.

 **Minimum Staffing Levels in Nursing Homes:** Nursing facilities will be required to provide each resident each day 3.58 hours of direct care beginning in 2022 and 3.81 hours beginning in 2023; slightly over 2/3 of such care must be provided by certified nursing assistants. The same legislation will increase Medicaid base rates paid to such facilities and will require inflation-based wage increases for facility staff.

**Adult Education:** The budget includes \$9.1 million, including \$2.2 million from general revenue, \$2.1 million from the Workforce Innovation and Opportunity Act (WIOA), \$1.0 million from TANF, \$3.5 million from the Job Development Fund, and \$300,000 from other federal sources. No additional funds are provided for programs to provide foundational skills, including English Language services, digital skills and literacy to thousands of Rhode Islanders.

**Inmate Post-Release Employment Assistance:** The budget includes \$200,381 for the Department of Labor and Training to help connect incarcerated individuals being released with employers and employment opportunities.

**Cannabis Legalization:** The General Assembly delayed legalizing cannabis for adult recreational use but may continue the debate during a fall legislative session. The proposals on the table address not only the mechanics of legalization and regulation but also racial and ethnic equity issues, including the expungement and sealing of criminal records for cannabis possession, representation on advisory bodies, access to participation in the legal market, and the uses of revenue in communities harmed by the war on drugs.

**Real Jobs RI:** The FY2022 budget matches the FY2021 budget in appropriating \$5.4 million in general revenue to the Real Jobs RI program, rejecting the additional but lower \$3.0 million proposed by the Governor. In March 2021, the Governor's Workforce Board approved a \$2.0 million allocation for FY2021 from the Job Development Fund (JDF).

**Rebuild RI:** For FY2022, an additional \$30 million will be allocated to cover tax credits already approved through the Rebuild RI program; with this funding, there will be a total of \$97.2 million set aside to pay for \$192.2 million in approved credits, out of a \$210 million cap. The FY2021 supplemental budget restores \$15 million taken from the program in FY2020.

**Sunsetting of Economic Development Programs:** The end dates for Rebuild RI, the I-95 Redevelopment Fund, and 9 other economic development programs have been extended from June 30, 2021 to December 31, 2022. Sunset dates provide the General Assembly with the opportunity—and responsibility—to evaluate programs in order to make decisions about renewal or cancellation.