

**Date of State Budget Office Approval:**

**Date Requested:**

**Date Due:**

**Impact on Expenditures**

**Impact on Revenues**

FY 2014	N/A	FY 2014	\$0
FY 2015	Indeterminate	FY 2015	\$0
FY 2016	Indeterminate	FY 2016	\$0

*Explanation by State Budget Office:*

This bill eliminates the statutory liquid resource limit utilized to determine a families' eligibility for the low-income segment of the Child Care Assistance Program (CCAP). Under current law (RIGL 40-5.2-20(c)), a family is rendered ineligible for subsidized child care if the combined value of its liquid assets (i.e. resources that are cash or easily convertible into cash) exceeds \$10,000.

*Comments on Sources of Funds:*

The Child Care Assistance Program (CCAP) is financed through appropriations of general revenues, as well as a series of federal grants derived from several sources: (1) Rhode Island's standard TANF block grant; (2) the Child Care and Development Block Grant; (3) Matching Funds provided under the Child Care Development Fund (CCDF) according to the prevailing FMAP; and (4) A partial allocation of the Social Services Block Grant (SSBG), commonly referred to as Title XX.

*Summary of Facts and Assumptions:*

(1) It is assumed that this bill will take effect as of July 1, 2014. Therefore, no fiscal impact in FY 2014 is presumed.

(2) Clearly, the provision set forth by this legislation may expose the Child Care Assistance Program to heightened expenditure requirements, which are determined biannually at the Caseload Estimating Conference (CEC). In order to formulate a fiscal impact, historical data regarding the (periodic) volume of initial CCAP applications denied and the number of active CCAP cases discontinued due the liquid resource cap is required. In querying recent InRhodes data, the Department of Human Services reported that there were no such cases either denied or closed during November or December of 2013. However, further data analysis is pending to determine whether this finding is typical of other months, or represents an anomalous pattern.

(3) A second factor affecting this bill's impact is the potential inducement of newly eligible CCAP beneficiaries who were previously deterred from applying because of the liquid resource limit. This caseload effect is inestimable with available data.

(4) At this time, therefore, the Budget Office does not possess the necessary program statistics to estimate the attendant cost of this bill's enactment. As such, the fiscal impact is reported as indeterminate for both FY 2015 and FY 2016.

*Summary of Fiscal Impact:*

FY 2014: N/A  
 FY 2015: Indeterminate  
 FY 2016: Indeterminate

*Prepared by:*

Charles Plungis / 4012228151 / charles.plungis@budget.ri.gov

Budget Office Signature:

*Thomas A. Millaney*

Fiscal Advisor Signature:

*Robert J. King*