



State Fiscal Note for Bill Number: 2015-H-5399

Date of State Budget Office Approval:

Date Requested: Friday, April 10, 2015

Date Due: Monday, April 20, 2015

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2015	N/A	FY 2015	N/A
FY 2016	Indeterminate	FY 2016	N/A
FY 2017	Indeterminate	FY 2017	N/A

*Explanation by State
Budget Office:*

This bill proposes a modification to the statutory work participation requirements of the Rhode Island Works (RIW) program and to eligibility requirements of the low-income Child Care Assistance Program (CCAP).

Administered by the Department of Human Services (DHS), RIW provides time-limited cash assistance to qualifying families, provided that parental beneficiaries participate in minimum mandatory work and/or vocational training activities. The Child Care Assistance Program (CCAP) provides child care subsidies to recipients of cash assistance under Rhode Island Works and to low and moderate-income families.

Specifically, the bill adds subsection (7) to RIGL 40-5.2-12 (g), which waives work requirements for recipients of cash assistance pursuing a post-secondary degree in a full-time course of study. Under current law, post-secondary education can be counted towards the minimum work requirements under the statute for up to 12 months. Beyond the initial 12 months, post-secondary education may only be counted towards the non-core work hour requirements.

Further, the bill amends RIGL 40-5.2-20 (b) to waive work requirements for recipients of low-income child care assistance pursuing a post-secondary degree in a full-time course of study. Currently, child care assistance subsidies are available to low-income families only during hours of gainful employment. In addition, there is a time-limited pilot program, enacted with Article 15 of the FY 2014 Appropriations Act and expiring June 30, 2015, which extends child care assistance eligibility to low income families participating in various job preparation activities sponsored by the human resource investment council. This legislation could potentially open eligibility for child care assistance to an entirely new population of beneficiaries.

*Comments on
Sources of Funds:*

At this time, the Rhode Island Works program is funded entirely through appropriations of Rhode Island's State Family Assistance Grant (SFAG), more commonly known as the federal TANF block grant.

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.

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Friday, April 17, 2015

Page 1 of 2

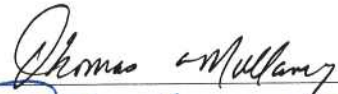
*Summary of Facts
and Assumptions:*

1. It is assumed that this bill will take effect as of July 1, 2015. Therefore, no fiscal impact in FY 2015 is presumed.
2. Under current law, post-secondary education can be counted towards the minimum work requirements under Rhode Island Works (RIW) for up to 12 months, consistent with federal law (Sec. 407 of 42 U.S.C. 607). Beyond the initial 12 months, post-secondary education may only be counted towards non-core work hour requirements. According to the Department, there are currently 30 individuals counting post-secondary education as their core or non-core work activity. The Department does not anticipate that this legislative change will have a discernable effect on caseload retention or program expenditures because parents receiving cash assistance and counting post-secondary education as a core work activity typically transition to another core work activity after the initial 12 months and are not removed from the caseload.
3. It is important to note that permitting recipients of cash assistance to count post-secondary education towards the minimum work requirements under RIW past the federal 12-month maximum will negatively affect Rhode Island's work participation rate because the federal government will not include these individuals as "working" for purposes of calculating the rate. Consequently, enactment of this bill may lead to work participation rate penalties.
4. By expanding eligibility for low-income child care to include parents pursuing a post-secondary degree in a full-time course of study, the Department anticipates a potentially significant but inestimable increase in program beneficiaries (and by extension expenditures) as current parents enrolled full time in post-secondary programs become induced into the program. However, there is no way to accurately estimate the size of this potential increase.
5. Because of the uncertainty regarding the magnitude of the potential uptick in child care caseloads that may result from enactment of this bill, the fiscal impact is reported as indeterminate in both FY 2016 and FY 2017.

*Summary of Fiscal
Impact:*

FY 2015: N/A
FY 2016: Indeterminate
FY 2017: Indeterminate

Budget Office Signature:



Fiscal Advisor Signature:

