



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
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Memorandum

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee

The Honorable William J. Conley, Jr.
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: May 4, 2017

Subject: New Article Relating to Child Care Assistance FY 2018 Appropriation Act (17-H-5175)

The Governor requests that a new article entitled "Relating to Child Care Assistance" be added to the FY 2018 Appropriation Act. The new article deals with the Transitional Child Care Assistance program that is set to expire on September 30, 2017. The proposed article would eliminate the sunset date and make the transitional program permanent.

In June 2017, the Department of Human Services will be requesting an extension of the current waiver, which would allow a delay in implementation of certain Reauthorization requirements for the Child Care Development Block Grant by an additional year, from September 30, 2017 to September 30, 2018. One of the Reauthorization requirements is a graduated phase-out for families who, at redetermination, exceed the initial income threshold. The Transitional Child Care Program would provide compliance with the Graduated Phase Out requirement. Although the department has the option to request an additional delay to this federal requirement, in addition to others, it is believed that continuation of the state pilot program would be seen as a good faith effort to comply with the federal rules. The Governor's recommended budget included funding as determined at the November 2016 Caseload Estimating Conference to support the federal reauthorization requirements, which included a year of additional child care coverage upon determination that a family exceeded the established income limits. The State pilot program should be no more expensive than this federal requirement and thus it is believed that the FY 2018 budget as recommended contains sufficient funding to support the extension of this program.

If you have any questions regarding this amendment, please feel free to call me (222-6300).

TAM: 18-Amend-20
Attachment

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration
Jonathan Womer, Director, Office of Management and Budget
Lucas Dieter, Budget Analyst 1
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1 **New Article**

2 **RELATING TO CHILD CARE ASSISTANCE**

3 SECTION 1. Section 40-5.2-20 of the General Laws in Chapter 45-5.2 entitled “The Rhode Island
4 Works Program” is hereby amended to read as follows:

5 **40-5.2-20 Child-care assistance.** – Families or assistance units eligible for child-care assistance.

6 (a) The department shall provide appropriate child care to every participant who is eligible for cash
7 assistance and who requires child care in order to meet the work requirements in accordance with this
8 chapter.

9 (b) *Low-Income child care.* The department shall provide child care to all other working families
10 with incomes at or below one hundred eighty percent (180%) of the federal poverty level if, and to the
11 extent, such other families require child care in order to work at paid employment as defined in the
12 department's rules and regulations. Beginning October 1, 2013, the department shall also provide child care
13 to families with incomes below one hundred eighty percent (180%) of the federal poverty level if, and to
14 the extent, such families require child care to participate on a short-term basis, as defined in the department's
15 rules and regulations, in training, apprenticeship, internship, on-the-job training, work experience, work
16 immersion, or other job-readiness/job-attachment program sponsored or funded by the human resource
17 investment council (governor's workforce board) or state agencies that are part of the coordinated program
18 system pursuant to § 42-102-11.

19 (c) No family/assistance unit shall be eligible for child-care assistance under this chapter if the
20 combined value of its liquid resources exceeds ten thousand dollars (\$10,000). Liquid resources are defined
21 as any interest(s) in property in the form of cash or other financial instruments or accounts that are readily
22 convertible to cash or cash equivalents. These include, but are not limited to, cash, bank, credit union, or
23 other financial institution savings, checking, and money market accounts; certificates of deposit or other
24 time deposits; stocks; bonds; mutual funds; and other similar financial instruments or accounts. These do
25 not include educational savings accounts, plans, or programs; retirement accounts, plans, or programs; or

1 accounts held jointly with another adult, not including a spouse. The department is authorized to promulgate
2 rules and regulations to determine the ownership and source of the funds in the joint account.

3 (d) As a condition of eligibility for child-care assistance under this chapter, the parent or caretaker
4 relative of the family must consent to, and must cooperate with, the department in establishing paternity,
5 and in establishing and/or enforcing child support and medical support orders for all children in the family
6 in accordance with title 15, as amended, unless the parent or caretaker relative is found to have good cause
7 for refusing to comply with the requirements of this subsection.

8 (e) For purposes of this section, "appropriate child care" means child care, including infant, toddler,
9 pre-school, nursery school, school-age, that is provided by a person or organization qualified, approved,
10 and authorized to provide such care by the department of children, youth and families, or by the department
11 of elementary and secondary education, or such other lawful providers as determined by the department of
12 human services, in cooperation with the department of children, youth and families and the department of
13 elementary and secondary education.

14 (f)(1) Families with incomes below one hundred percent (100%) of the applicable federal poverty
15 level guidelines shall be provided with free child care. Families with incomes greater than one hundred
16 percent (100%) and less than one hundred eighty percent (180%) of the applicable federal poverty guideline
17 shall be required to pay for some portion of the child care they receive, according to a sliding-fee scale
18 adopted by the department in the department's rules.

19 (2) Families who are receiving child-care assistance and who become ineligible for child-care
20 assistance as a result of their incomes exceeding one hundred eighty percent (180%) of the applicable
21 federal poverty guidelines shall continue to be eligible for child-care assistance ~~from October 1, 2013, to~~
22 ~~September 30, 2017, or~~ until their incomes exceed two hundred twenty-five percent (225%) of the
23 applicable federal poverty guidelines, ~~whichever occurs first~~. To be eligible, such families must continue
24 to pay for some portion of the child care they receive, as indicated in a sliding-fee scale adopted in the
25 department's rules and in accordance with all other eligibility standards.

1 (g) In determining the type of child care to be provided to a family, the department shall take into
2 account the cost of available child-care options; the suitability of the type of care available for the child;
3 and the parent's preference as to the type of child care.

4 (h) For purposes of this section, "income" for families receiving cash assistance under § 40-5.2-11
5 means gross, earned income and unearned income, subject to the income exclusions in §§ 40-5.2-10(g)(2)
6 and 40-5.2-10(g)(3), and income for other families shall mean gross, earned and unearned income as
7 determined by departmental regulations.

8 (i) The caseload estimating conference established by chapter 17 of title 35 shall forecast the
9 expenditures for child care in accordance with the provisions of § 35-17-1.

10 (j) In determining eligibility for child-care assistance for children of members of reserve
11 components called to active duty during a time of conflict, the department shall freeze the family
12 composition and the family income of the reserve component member as it was in the month prior to the
13 month of leaving for active duty. This shall continue until the individual is officially discharged from active
14 duty.

15 SECTION 2. This article shall take effect on October 1, 2017.