

Date of State Budget Office Approval: Tuesday, March 13, 2012

Date Requested: Tuesday, February 28, 2012

Date Due: Friday, March 09, 2012

Impact on Expenditures

FY 2012 N/A
 FY 2013 \$921,726
 FY 2014 \$921,726

Impact on Revenues

FY 2012
 FY 2013
 FY 2014

Explanation by State Budget Office:

This bill extends the provision of low-income child care assistance to adult members of working families while attending an educational or vocational training program. Currently, the low-income (i.e. non-RIW) beneficiaries of the Child Care Assistance Program (CCAP) are eligible for services only during hours of gainful employment.

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. Due to unexhausted federal allocations of CCDF matching funds, it is assumed that additional program financing required by this legislation would be borne by both general revenues and federal funds at the applicable FMAP (51.48 percent in FY 2013, assumed constant for FY 2014).

Summary of Facts and Assumptions:

- (1) It is assumed that the bill will take effect as of July 1, 2012. Therefore, no fiscal impact in FY 2012 is presumed.
- (2) The current population of low-income CCAP recipient families totals 3,553, with 1.6 children per family on average. Thus, the total low-income population is approximately 5,685 children.
- (3) The Department estimates the subscription rate for educational programs and job training to be 10 percent, or 569, of the current beneficiary population at any given time. This consists of pre-existing beneficiaries already engaged in such programs as well as those recipients induced to begin education/training as a result of newly available child care services.
- (4) It is assumed that the sub-population availing itself of child care services during educational/training time will shift from 3-quarter time to full-time child care, which entails an average incremental cost of \$41 per child per week (in DCYF-licensed child care centers).
- (4) Educational/Training programs run for a 9-month period (39 weeks).
- (5) Based upon the foregoing facts and assumptions, the fiscal impact is calculated as follows: 10% X 5685 children X \$41 per child per week X 39 weeks = \$909,000. Caseload growth of 1.4 percent as adopted by the November 2011 CEC is applied to

this figure to obtain the FY 2013 fiscal impact of \$921,726. Caseloads are assumed level between FY 2013 and FY 2014 due to the relative unpredictability of annual fluctuations in the CCAP beneficiary population.

*Summary of Fiscal
Impact:*

FY 2012: N/A

FY 2013 and FY 2014: All-Funds, \$921,726 consisting of \$447,221 (GR/48.52%) and \$474,505 (FF/51.48%).

Fiscal Advisor's Approval:

Signature:

Thomas A. Mullany