



## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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## Memorandum

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

The Honorable Daniel DaPonte  
 Chairman, Senate Finance Committee

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

**Date:** May 12, 2016

**Subject:** New Article Relating to Child Care Assistance FY 2017 Appropriation Act (16-H-7454)

The Governor requests that a new article entitled "Relating to Child Care Assistance" be added to the FY 2017 Appropriation Act. The new article deals with the Transitional Child Care Assistance program that is set to expire on September 30, 2016. The proposed language would eliminate the expiration date and would implement a transitional program that provides child care assistance for a period of one year (12 months) after a family's income has surpassed 180 percent of the federal poverty level or until that family's income exceeds 225 percent of the federal poverty level, whichever occurs first.

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

TAM: 17-Amend-12  
 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  
 John Raymond, Supervising Budget Analyst  
 Gregory Stack, Supervising Budget Analyst

NEW ARTICLE

RELATING TO CHILD CARE ASSISTANCE

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

**40-5.2-20. Child care assistance.** -- Families or assistance units eligible for childcare assistance.

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

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

(c) No family/assistance unit shall be eligible for child care assistance under this chapter if the combined value of its liquid resources exceeds ten thousand dollars (\$10,000). Liquid resources are defined as any interest(s) in property in the form of cash or other financial instruments or accounts that are readily convertible to cash or cash equivalents. These include, but are not limited to, cash, bank, credit union, or other financial institution savings, checking, and money market accounts; certificates of deposit or other time deposits; stocks; bonds; mutual funds; and other similar financial instruments or accounts. These do not include educational savings accounts, plans, or programs; retirement accounts, plans, or programs; or accounts held jointly with another adult, not including a spouse. The department is authorized to promulgate rules and regulations to determine the ownership and source of the funds in the joint account.

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

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

(f) (1) Families with incomes below one hundred percent (100%) of the applicable federal poverty level guidelines shall be provided with free childcare. Families with incomes greater than

one hundred percent (100%) and less than one hundred eighty (180%) of the applicable federal poverty guideline shall be required to pay for some portion of the childcare they receive, according to a sliding-fee scale adopted by the department in the department's rules.

(2) ~~For a thirty-six (36) month period beginning October 1, 2013, the child care subsidy transition program shall function within the department of human services. Under this program,~~ Families who are already receiving childcare assistance and who become ineligible for childcare assistance as a result of their incomes exceeding one hundred eighty percent (180%) of the applicable federal poverty guidelines shall continue to be eligible for childcare assistance ~~from~~ October 1, 2013, to September 30, 2016, ~~or for a period of twelve (12) months, or until their incomes~~ exceed two hundred twenty-five percent (225%) of the applicable federal poverty guidelines, whichever occurs first. To be eligible, such families must continue to pay for some portion of the childcare they receive, as indicated in a sliding-fee scale adopted in the department's rules and in accordance with all other eligibility standards.

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

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

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

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

SECTION 2. This act shall take effect upon passage.