



## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration

BUDGET OFFICE

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**Memorandum**

**To:** The Honorable Helio Melo  
Chairman, House Finance Committee

The Honorable Daniel DaPonte  
Chairman, Senate Finance Committee

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

**Date:** April 8, 2013

**Subject:** Amendments to FY 2014 Appropriations Act (13-H-5127)

The Governor requests that the attached new article relating to the Temporary Assistance for Needy Families (TANF) program be included in the FY 2014 Appropriations Act. This article formalizes the proposal included in the Governor's recommended budget to utilize available federal TANF funding for an expansion of the current Child Care Assistance Program (CCAP). Specifically, the article establishes the Child Care Subsidy Transition Program to provide the continuation of child care assistance benefits for families who, due to their incomes exceeding 180 percent of the federal poverty guidelines, would otherwise become ineligible to continue receiving assistance. These families will remain eligible for transitional child care assistance for the period of October 1, 2013 to September 30, 2014 or until their incomes exceed 225 percent of the federal poverty guidelines. The Department of Human Services will be responsible for providing a report to the Governor and the General Assembly no later than April 1, 2014 regarding the findings of this pilot initiative and recommendations for possible statutory changes going forward.

If you have any questions regarding this new article, please feel free to call me or my staff at 222-6300.

TAM:13-Amend02

Attachments

cc: ✓ Sharon Reynolds Ferland, House Fiscal Advisor  
Eugene Gessow, Senate Fiscal Advisor  
Kelly Mahoney, Director of Policy  
Richard Licht, Director of Administration  
Peter Marino, Director, Office of Management and Budget

## NEW ARTICLE 25

### RELATING TO HUMAN SERVICES – TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

#### SECTION 1. *Temporary Assistance for Needy Families Pilot Initiative.*

WHEREAS, The Governor is focused on providing opportunities to low-income people to increase their skills and training, find employment and support their families; and

WHEREAS, The Department of Human Services (the “Department”) provides numerous programs to assist low-income families to not only find employment but also retain employment and increase career path opportunities; and

WHEREAS, The Rhode Island Works (“RI Works”) and Child Care Assistance Programs administered by Department offer the assistance necessary to ensure low-income Rhode Islanders have every chance to succeed in the workplace; and

WHEREAS, The RI Works program offers a number of opportunities for participants including but not limited to on the job training, subsidized employment, unpaid work experience, community service, job readiness training and vocational education training; and

WHEREAS, The Governor has targeted \$3,000,000 in Temporary Assistance for Needy Families (“TANF”) surplus funds in his proposed FY 2014 budget to establish a pilot initiative that promotes innovation in TANF supported programs and test new ways of delivering services to low-income individuals and families; and

WHEREAS, There are a number of challenges that need to be addressed in these programs to increase the success rate of participants including but not limited to the work participation rates in RI Works and the ability of parents to increase their work hours and/or salaries without immediately losing access to important childcare assistance; and

WHEREAS, Opportunities exist as part of the pilot initiative to identify innovations for how the RI Works and Child Care Assistance Programs deliver services to those families and individuals that benefit from the programs; now therefore be it

RESOLVED, That the Department shall draft an innovative proposal to test new approaches and to award a contract on a competitive basis with a job development vendor(s) to increase the work participation rates of the RI Works Program; and be it further

RESOLVED, That the Department shall include performance benchmarks in the innovative proposal to track the performance of the Department and the successful vendor(s) to implement the pilot initiative and to document innovations that lead to higher work participation rates; and be it further

RESOLVED, That the Department may increase its case management of RI Works participants in order to ensure greater levels of success and quality employment and training opportunities for participants; and be it further

RESOLVED, That the statutory limitations for income levels eligible for the Child Care Assistance Program will be temporarily adjusted to provide a transition for parents that increase income levels between one hundred eighty percent (180%) and two hundred twenty-five percent (225%) of Federal Poverty Level ("FPL") without immediately losing access to the program; and be it further

RESOLVED, That the Department shall provide the Governor with monthly written reports regarding the implementation of the pilot initiative including, but not limited to, performance measures and progress made to increase work participation rates for the RI Works programs; and be it further

RESOLVED, That the Department shall report to the Governor and General Assembly no later than April 1, 2014 regarding the findings of the pilot initiative including program changes that were tested, vendor performance and benchmarks achieved, recommendations for statutory amendments to continue any successes of the pilot, and the number of individuals and families that participated in the pilot and their success; and be it further

RESOLVED, That any and all information in the Department's report regarding participants shall be in the aggregate and shall not include personally identifying information that may be highlighted as models for the pilot initiative's success without the prior consent of any participants.

SECTION 2. 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.

(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 which 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 of the general laws, 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 oddler, pre-school, nursery school, school-age, which 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)(i) 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.

(ii) For a twelve (12) 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 child care assistance and who become ineligible for childcare assistance as a result of their incomes exceeding 180% of the applicable federal poverty guidelines shall continue to be eligible for child care assistance from October 1, 2013 to September 30, 2014 or until their incomes exceed 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 3. This article shall take effect upon passage.

### **Article Explanation**

This article would establish the Child Care Subsidy Transition Program to provide families who are already receiving child care assistance, but become ineligible to continue this assistance when their incomes exceed 180 percent of the federal poverty guidelines, continuation of this assistance for the period of October 1, 2013 to September 30, 2014 or until their incomes exceed 225 percent of the federal poverty guidelines. The Department of Human Services will be responsible for providing a report to the Governor and the General Assembly no later than April 1, 2014 regarding the findings of this pilot initiative and recommendations for possible statutory changes going forward.