State of Rhode Island
Department of Administration
Office of Management and Budget

Fiscal Note for Proposed Administrative Rules (R.I.G.L. § 22-12-1.1)

Name of Administrative Rule: Rhode Island Works Program Rules and Regulations (218-RICR-20-00-2)

FISCAL IMPACT					
State Revenues (GR Only)		***State Expenditures (GR Only)***		***City/Town Expenditures***	
FY 2027	$ (167,389)	FY 2027	$ 0	FY 2027	$ 0
FY 2028	$ (167,033)	FY 2028	$ 0	FY 2028	$ 0
FY 2029	$ (167,033)	FY 2029	$ 0	FY 2029	$ 0

Summary of Policy Change: Child Support Pass Through
Amendments to R.I. Gen. Law § 40-5.2-35 will increase the amount of child support that is passed through to families. The monthly maximum was up to $50 of child support passed through to RI Works families, regardless of family size. The change increases the monthly maximum to $100 for families with one child and to $200 for families with more than one child. Child support is currently collected by the Office of Child Support Services and is distributed in several ways. A percentage of child support is collected to support the federal share of Child Support Enforcement (CSE) operations, before being passed through to RI Works families. With excess child support, the state may retain some amount to recover the costs of public assistance provided to the family.

Summary of State Fiscal Impact:
Child support is collected by the Office of Child Support Services (OCSS) and revenues are distributed in a multi-step process:

Each custodial parent receives a $50 pass through of paid support.

The remainder is split by the Federal Medicaid Assistance Percentage (57.73% in FY 2027 and 57.82% in FY 2028). The lesser half of this amount (42.27% in FY 2027 and 42.18% in FY 2028) is deposited into the General Fund as a departmental receipt. The greater half of the remaining support payments represents a reduction in the federal expense credit applied to OCSS operations.

The amount reduced from the credit will shift to standard Title IV-D 66% federal matching funds. The federal funding is not lost because the increased pass through matches the maximum threshold allowed under 42 U.S.C. § 657(a)(6)(B)(II).

Currently, 384 families are recipients of child support pass through aid, collecting an estimated total of $19,200 monthly, or $230,400 annually. If enacted, 246 families would receive $100 monthly, and 138 families would receive $200 monthly. Annually, the 384 families receive a combined $626,400 in child support pass through payments under the provisions of law change, an increase of $396,000 relative to current policy.

The lesser half of this amount ($167,389 in FY 2027 and $167,033 in FY 2028) represents a loss of revenue to the General Fund. The greater half of the remaining support payments ($228,611 in FY 2027 and $228,967 in FY 2028) represents a reduction in the federal expense credit applied to OCSS operations.

The Department assumes child support payments are not indexed to inflation.

FY 2027 All Funds Revenue Impact: $(167,389)
General Revenues: $(167,389) of departmental receipts revenue lost to the General Fund.

FY 2027 All Funds Expenditure Impact: $228,611
Federal Funds: $228,611 in federal funds to reduce the OCSS federal expenditure credit.

FY 2028 All Funds Revenue Impact: $(167,033)
General Revenues: $(167,033) of departmental receipts revenue lost to the General Fund.

FY 2028 All Funds Expenditure Impact: $228,967
Federal Funds: $228,967 in federal funds to reduce the OCSS federal expenditure credit.

FY 2029 All Funds Revenue Impact: $(167,033) **
General Revenues: $(167,033) of departmental receipts revenue lost to the General Fund.

FY 2029 All Funds Expenditure Impact: $228,967 **
Federal Funds: $228,967 in federal funds to reduce the OCSS federal expenditure credit.

**The Department assumes the FY 2028 FMAP for FY 2029

City or Town Impact: There is no city or town impact for this policy change.

FISCAL IMPACT					
State Revenues (GR Only)		***State Expenditures (GR Only)***		***City/Town Expenditures***	
FY 2027	$ 0	FY 2027	$0	FY 2027	$ 0
FY 2028	$ 0	FY 2028	$0	FY 2028	$ 0
FY 2029	$ 0	FY 2029	$0	FY 2029	$ 0

Summary of Policy Change: Post Employment Benefit (PEB)
The PEB will provide $200 to RI Works participants who become employed. The benefit will be available for a maximum of 12 months if the family maintains employment at least 30 hours per week. It is estimated that approximately 50 families will receive this benefit beginning July 1, 2026, per month.

Summary of State Fiscal Impact: The annual cost is estimated at $120,000 and is fully funded by the federal TANF block grant.

City or Town Impact: N/A

Approved: Libby Kimzey, CFO on 9/11/26