

Stimulus Could Create 4,500 Private Jobs In R.I.

By Randal Edgar
Journal State House Bureau

PROVIDENCE — State officials say a Department of Human Services plan to use federal stimulus money to create jobs could help private employers put some 4,500 low-income Rhode Islanders to work, but only if the state can work out the details and start spending the money before Sept. 30.

At a hearing of the House Finance Committee on Tuesday, human services officials said the state is eligible to receive \$44.7 million through the stimulus program, which would come in the form of emergency Temporary Assistance to Needy Families.

The money can be used to pay 100 percent of a new employee's pay, but state officials are trying to determine whether employers would have to pay benefits or if the state could cover those costs with Temporary Assistance to Needy Families money.

With time running out to use the money, Committee Chairman Steven M. Costantino told human services officials he wants them to work with his staff during the next couple of days to contact other states to see what they are doing.

"Obviously, we're very interested in getting this program started," he said. "We have [\$44.7 million] that has to be spent by Sept. 30."

The money has been available for several months, Costantino and Donalda Carlson, associate director of economic support programs for the Department of Human Services, said after the hearing. But Carlson said the federal government recently loosened the rules so that a required 20-percent "maintenance of effort" contribution toward the wages could be counted simply through employer training and supervision of the new employees.

Without that change, the state would have had to spend some \$9 million that it does not have, said Carlson and David J. Burnett, an associate director of public and government affairs at the Department of Health and Human Services.

Committee members said requiring employers to pay the fringe benefits might lower participation in the program, but Carlson said the state is also working on a backup plan to spend the money if it appears the jobs plan will not use all the money before the deadline.

State officials are hoping the deadline for spending the money will be extended and that more money will be made available, Burnett said. They also hope that employers who take advantage of the program will keep the new hires employed after the program ends, he said. The jobs can be full- or part-time and are expected to pay \$15 an hour, on average.

The state's application is being reviewed by the Administration for Children and Families, part of the federal Department of Health and Human Services, Burnett said.

"We expect approval to be imminent," he said.