

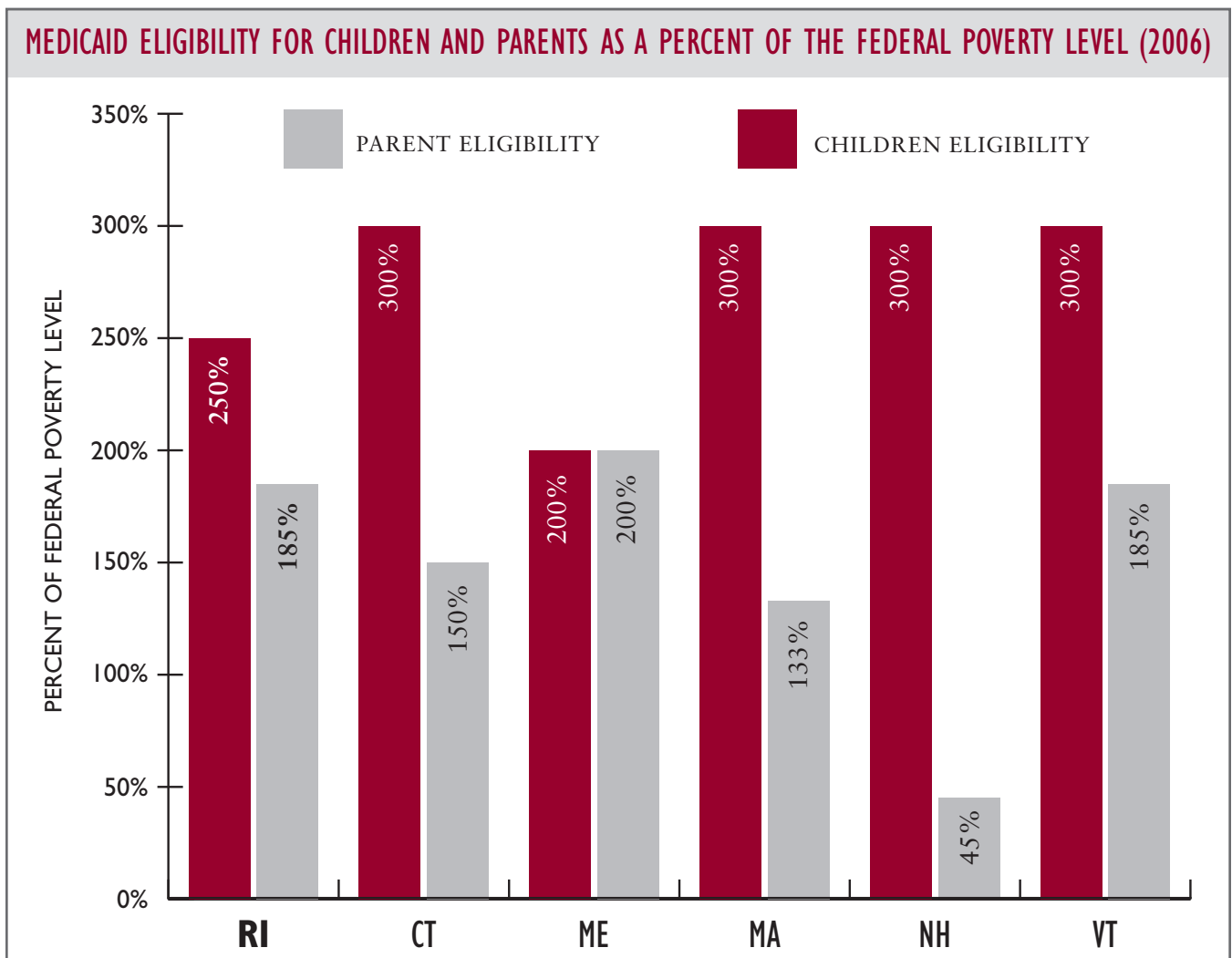
The Poverty Institute

at the Rhode Island College School of Social Work

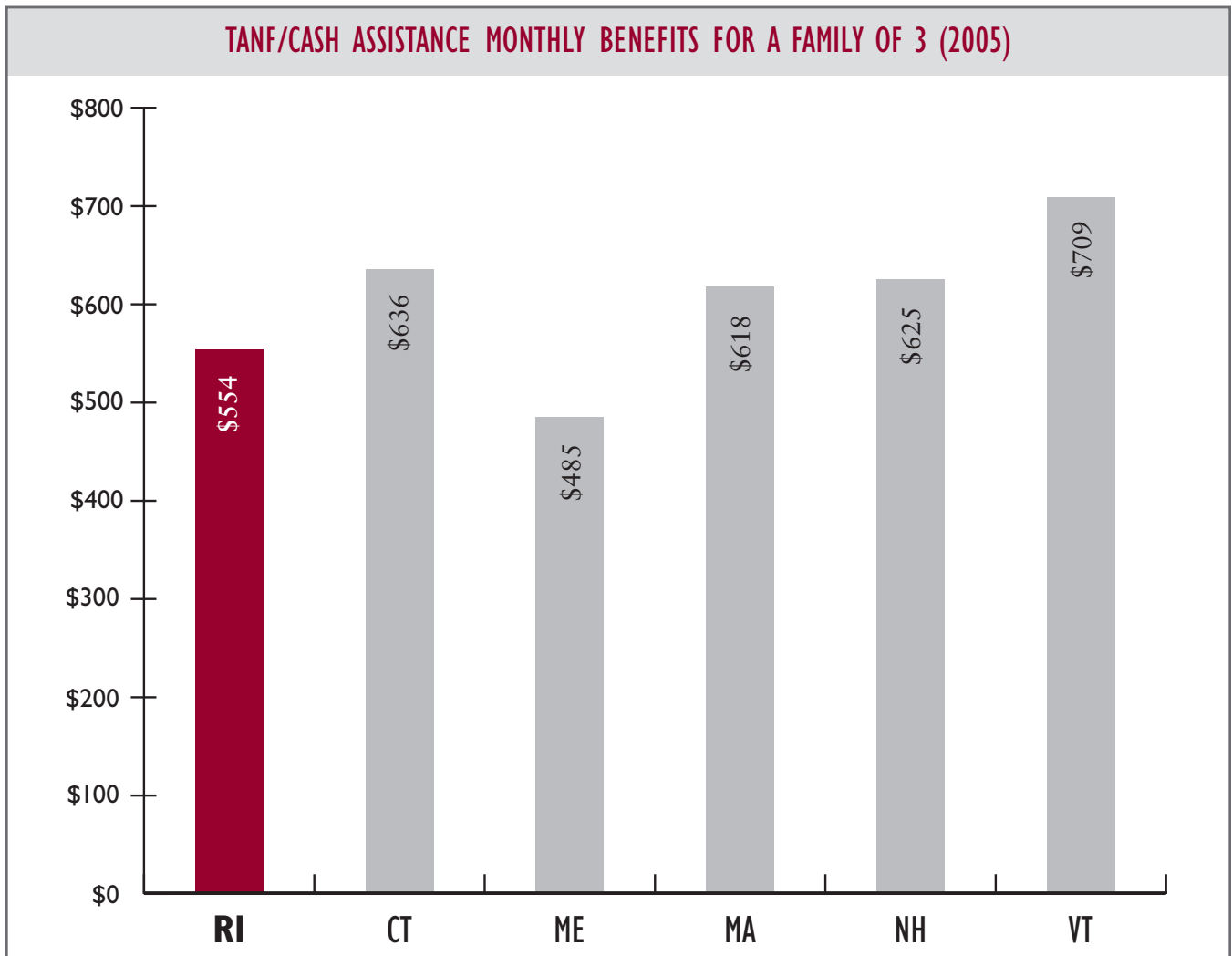
Health Insurance. States can provide health insurance coverage to pregnant women, children and parents through the federal-state Medicaid Program and coverage for children through the State Children's Health Insurance Program (SCHIP). Federal Medicaid law mandates coverage for some populations (e.g., for infants in families with income less than 185% FPL), but states can set higher income limits. Under SCHIP, states can cover children ineligible for Medicaid in families with income below 250% FPL or higher with federal approval. Rhode Island has a blended Medicaid/SCHIP program called RItE Care/RItE Share. Rhode Island was a leader in providing comprehensive health insurance to children and their parents, but in recent years the other New England states have forged ahead of Rhode Island.

Cash Assistance. Under The Temporary Assistance to Needy Families (TANF) block grant states are funded to provide cash assistance and work-readiness services to families with children under age 18. States can set income, resource and other eligibility rules as well as work requirements and exemptions. States are required to spend a certain amount of their own funds each year to qualify for the federal funds. Because program rules can vary widely and data reported to the federal Administration for Children and Families do not show the full scope of families assisted, it is hard to make comparisons of states' TANF programs.

Rhode Island's TANF program is called the Family Independence Program (FIP) and provides assistance to just under 10,000 families. Rhode Island's monthly



COMPARISON OF WORK SUPPORTS IN RHODE ISLAND AND OTHER NEW ENGLAND STATES



TANF benefit for a family of three is second lowest in the region at \$554 a month. Only Maine's benefit for a family of three is less at \$485. Rhode Island's benefit amount has not increased in 18 years. Payments in the other states range from \$618 (Massachusetts) to \$709 (Vermont).

To support families earning low wages and as an incentive for cash assistance recipients to start working, states continue to provide assistance to families once a parent starts a job. As wages increase, the cash payment decreases. This "earned income limit" is the maximum a parent can earn and qualify for a supplemental payment. Rhode Island's income limit for working families to qualify for a small cash supplement (at 89% of the federal poverty level or

\$1,279/month) is comparable to Connecticut and New Hampshire, (85% and 84% respectively). A Rhode Island parent with 2 children working full time at minimum wage is eligible for a cash supplement of \$78/month. Combined with the earned income tax credit, this supplemental payment brings the family's income just above the poverty level.

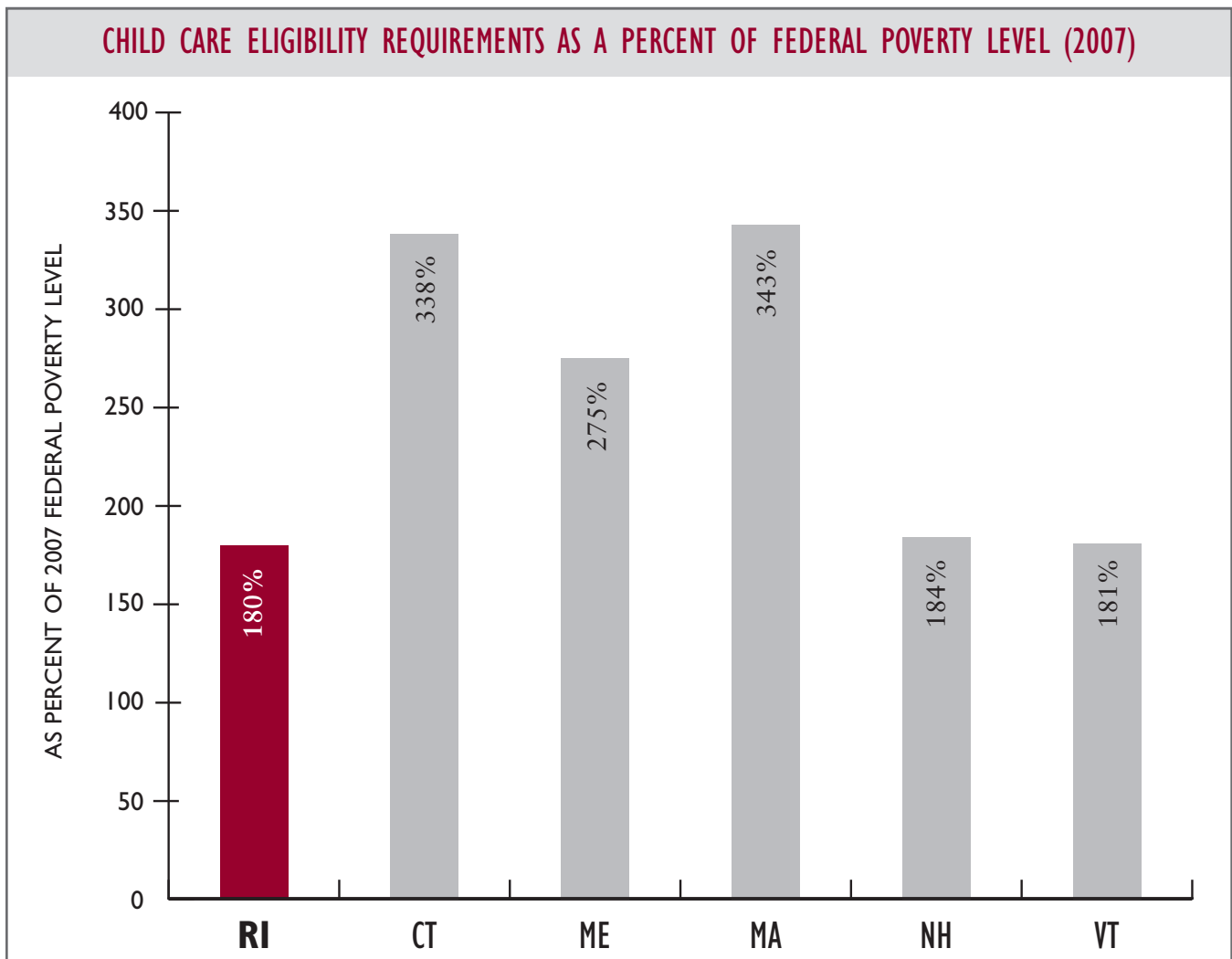
Child Care Assistance. The federal government provides funds to states for child care through the Child Care Development Block grant. States can set financial eligibility as well as other program requirements. States can also spend TANF and/or their own funds on child care and can count those state funds in meeting the spending requirement under the federal TANF program.

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When Rhode Island's Starting RIte child care program was enacted in 1997, child care eligibility was set at 185% and scheduled to rise to 250% by 2000. The increase was not realized. Rather, income eligibility was capped at 225% FPL by the Rhode Island General Assembly in 2002 and was rolled back to 180% FPL in 2007. Rhode Island now has the lowest income limit of all New England states. Rhode Island only covers families earning up to 180% FPL, while Massachusetts serves families with income up to 343% FPL and Connecticut up to 338% FPL.

Since its inception, Starting RIte has been a critical support for workers with young children. In 2006, a Rhode Island parent with two children earning 185% of the Federal Poverty Level (or \$30,710 a year) paid \$179 a month for child care. Because of the eligibility rollback to 180% of the FPL, this family is now required to pay \$1,283 a month in child care expenses – approximately 50% of monthly earnings. In 2006, the program served 12,704 children. In 2008, the number of children receiving subsidized care is expected to fall by 38% to 7,928.^v



ⁱ Health insurance includes coverage through the Medicaid or SCHIP programs for a family size of 3. Data regarding health care eligibility is from Kaiser Family Foundation, statehealthfacts.org.

ⁱⁱ Data on TANF benefit amounts is from CRS report "The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions" Updated December 12, 2006, (RL32760) reflecting 2005 benefit amounts.

ⁱⁱⁱ Data on TANF monthly eligibility limit is from Administration for Children and Families Seventh Annual Report to Congress on TANF, Chapter 12.

See <http://www.acf.hhs.gov/programs/ofa/annualreport7/ar7index.htm>. The data reflects 2003 policies, but they haven't changed since that time. Note that the higher the earnings, the lower the TANF supplemental benefit. For instance, in Rhode Island, a parent working full time at minimum wage could receive a monthly supplement of \$78.

^{iv} Data from National Women's Law Center's report "State Child Care Assistance Policies 2007: Some Steps Forward, More Progress Needed".

See <http://www.nwlc.org/pdf/StateChildCareAssistancePoliciesReport07Web.pdf>

^v Revenue Estimating Conference, November 2007