

# BUDGET RHODE MAP

Presented by  The Poverty Institute  
at the Rhode Island College School of Social Work

## **Trends in State Spending on Work Support Programs & the Impact on Low-Income Rhode Islanders**

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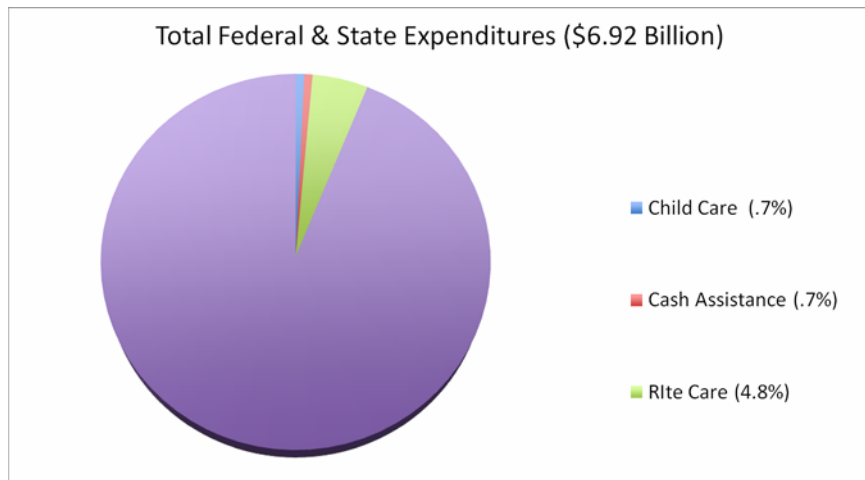
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## **Work Support Programs: Spending & Caseload Trends**

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- Child Care Assistance Program
- Cash Assistance (FIP/RI Works)
- Rlte Care/Rlte Share

## Work Supports Are a Small Percentage of Total Expenditures (FY2008)



## Child Care Assistance Program

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- 1996: Entitlement to child care assistance for working families with income up to 185% FPL
- 1997-98: Starting Rite Child Care Assistance Program
  - Eligibility expanded to 200% FPL with planned phase-in to 250% by 2000
  - Children age 13 – 15 eligible for subsidy
  - Increase provider rates to 75<sup>th</sup> percentile of market rate with biennial adjustments
- 1999: Eligibility expanded to 225% FPL

## Child Care Assistance Program

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- **2002:** Eligibility capped in law at 225% FPL
- **2006:** Child Support Cooperation required as condition of eligibility
  - Liquid asset test of \$10,000
  - Co-payments for families with income above 150% FPL increased
  - No provider rate adjustment
- **2007:** Eligibility reduced to 180% FPL
  - Children 13 – 15 ineligible
  - Co-payments for families with income above 100% FPL increased
- **2008:** Provider rate adjustment based on average of 2002 and 2004 market rate surveys

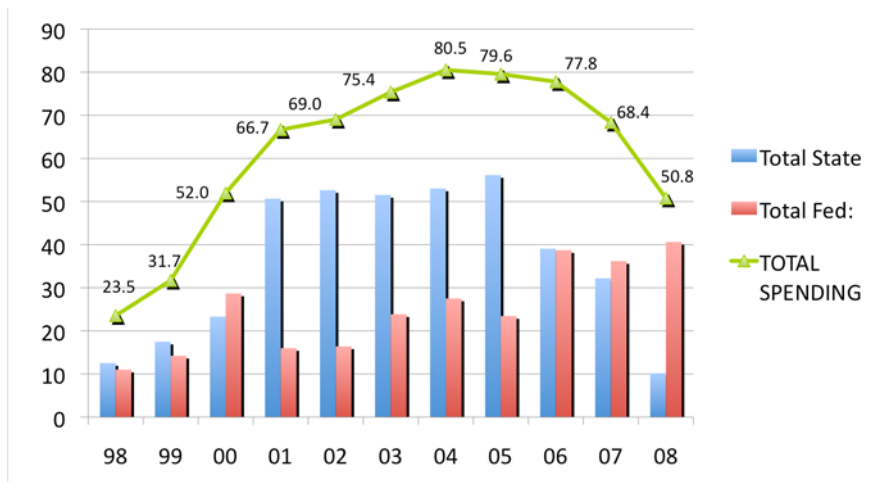
## Child Care Assistance Program

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- State spending for child care assistance has dropped by 80% since 2001.
  - \$50.7 million in 2001 to \$10.2 million in 2008.

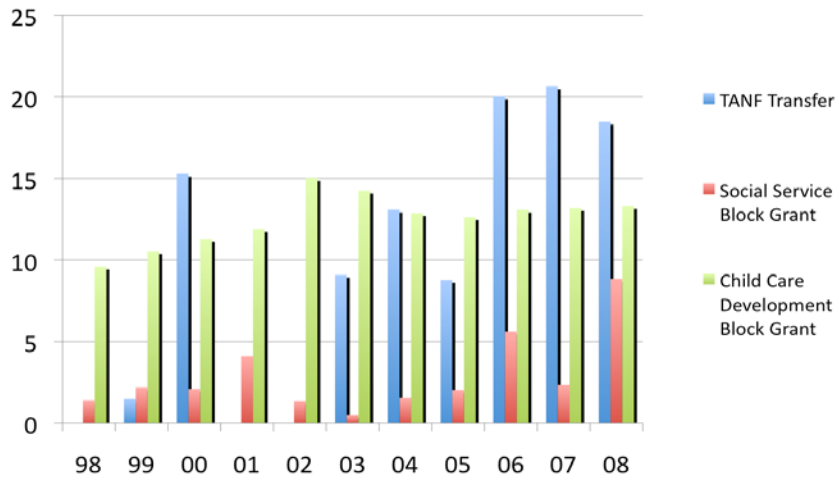
# Child Care Spending SFY 1998 – 2008

(in millions of dollars)



# Child Care Spending

Break down of Federal Funding by State Fiscal Year (in millions of dollars)



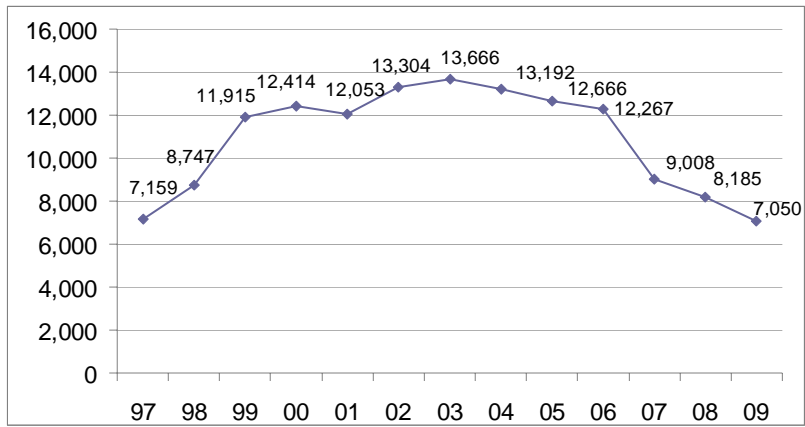
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## Child Care Assistance Program

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- Caseloads have declined rapidly since 2006 and are almost back to the level when the Starting Rlte Program was created in 1997.
  - 1997: 7,159 children receiving subsidies
  - 2006: 12,267 children receiving subsidies
  - 2009 (projected): 7,050 children receiving subsidies

# Child Care Assistance Caseloads SYF 1997 – 2009\*



\*Yearly data reflects cases on December 1 of each year, except for 2008 & 2009. 2008 data reflects FY2008 data from Nov. caseload estimating conference. 2009 data reflects projected caseloads for FY2009 from caseload conference.

## Cash Assistance Program

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- 1996: Family Independence Program replaces AFDC as RI's cash assistance/work readiness program
  - Sixty month life-time limit for parents
  - No time limit for children
  - Education and training allowed for parents as part of work-readiness plan
  - Benefit payment same as 1989 level (\$554 for family of 3) except:
    - Benefit reduced by \$50 for families living in subsidized housing.
  - Sanctions for non-compliance applied to parent, but not children

## Cash Assistance Program

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- **2004:** Sanctions increased – “Full family sanction” : case is closed if parent has total of 24 months of non-compliance
- **2005:** Sanctions increased – Full family sanction at 18 months
- **2006:** Benefits received in other states count towards parent’s lifetime limit
  - Sanctions increased – full family sanction at 6 months
  - Plan as condition of eligibility
- **2008:** FIP repealed and replaced with RI Works Program
  - Time limit for children
  - Lifetime limit of 48 months with periodic limit of 24/60 months
  - Opportunity for education/training before job search limited to parents with very low literacy and/or English language skills
  - Partnership with Dept. of Labor and Training/One Stop Centers
  - Sanction increased – full family sanction at 3 months

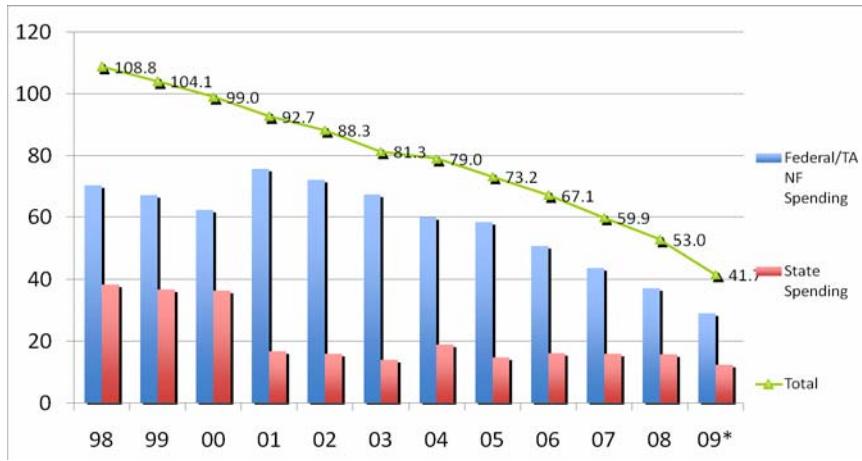
## Cash Assistance Program:

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- Total state spending on cash assistance was \$15.8 million in FY2008.
- State spending on cash assistance has dropped by 59% over past 10 years:
  - \$38.4 million in 1998 to \$15.8 million in 2008

# Cash Assistance Spending SFY1998 – 2009

(in millions of dollars)



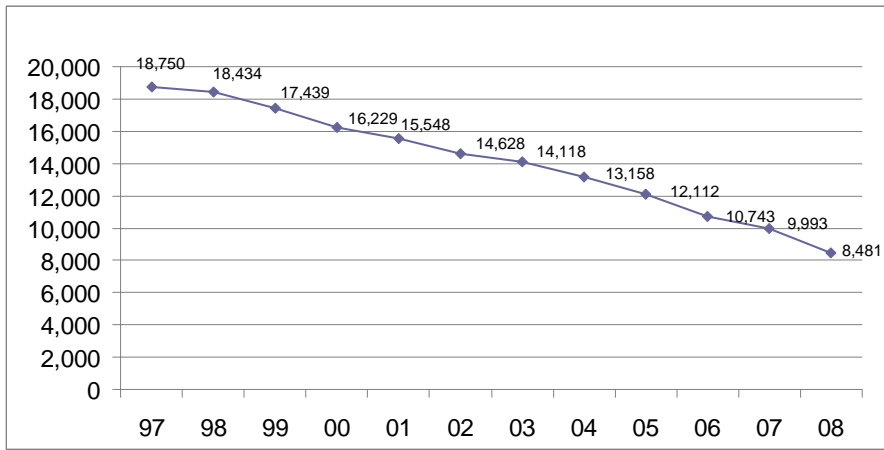
\* FY09 Recommended budget.

## Cash Assistance Program

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- Under the Family Independence Program, there was a consistent, steady caseload decline.
- Since the beginning of FIP, caseloads dropped by 55%
  - 18,750 cases in 1997 to 8,481 in 2008
- Under RI Works, 1,091 “child only” cases closed on October 1, 2008.

# Cash Assistance (FIP/RI Works) Caseload Totals 1997 – 2008\*



\*Yearly data reflects cases on December 1 of each year.

## Rlte Care/ Rlte Share Program

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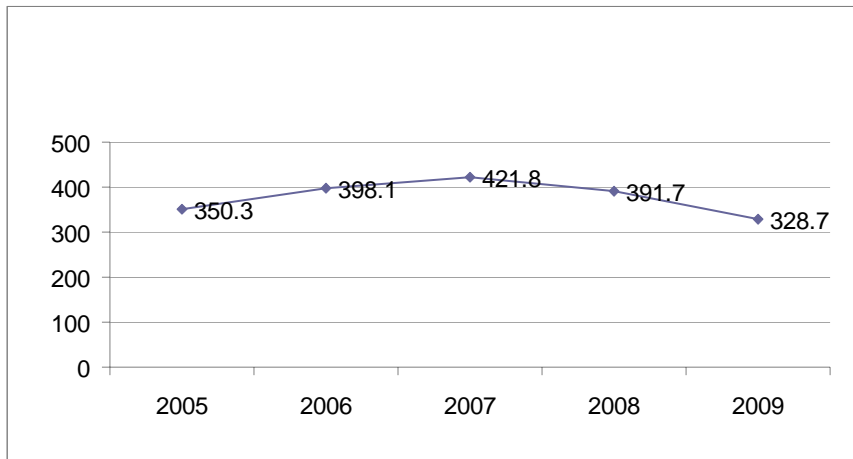
- 1994: Rlte Care program Implemented
  - Children under age 6 in families with income less than 250% FPL eligible
  - Pregnant women with income less than 250% FPL
  - Mandatory managed care
- 1997: Eligibility for all children up to age 18 in families with income less than 250% FPL
- 1998: Eligibility for parents/caretaker relatives with income up to 185% FPL
  - Streamlined application procedures

## Rlte Care/ Rlte Share Program

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- **2001:** Rlte Share premium assistance program begins
  - Monthly premiums for families with income above 150% FPL
- **2007:** Eligibility for non-citizen children (lawful permanent residents in status less than 5 years and undocumented) ends – currently enrolled are “grandfathered”.
  - New citizen documentation requirements
- **2008:** “Grandfathered” children eligibility ends – June
  - Eligibility for parents reduced to 175% FPL – October
  - Coverage for child care providers ends
  - Premiums increased for families with income above 150% FPL – October
  - Premiums required for families with income above 133% FPL - November

## Rlte Care & Rlte Share Spending SFY2005 – 2009 (in millions of dollars)

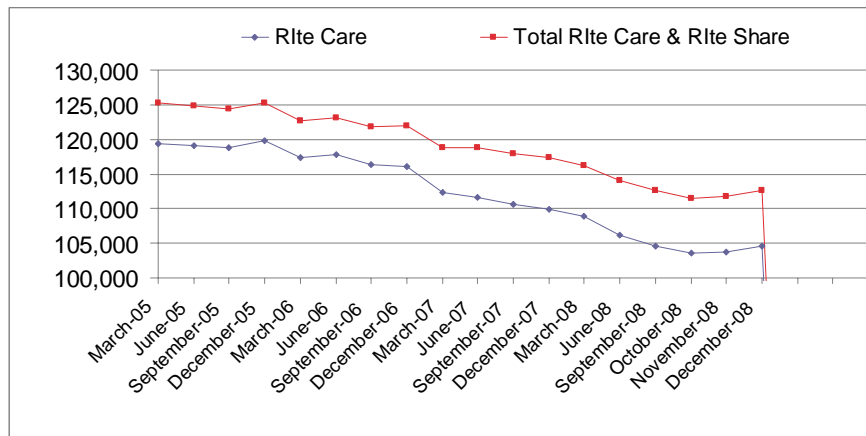


## Rlte Care/Rlte Share Program

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- Enrollment has been declining
  - Since March 2005, total enrollment declined by 10%, from 125,418 to 112,672 in December 2008.

## Rite Care & Rite Share Caseloads March 2005 – November 2008



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Rite Care/Rite Share's enrollment has exhibited a steady downward trend in recent years. Between March 2005 and November 2008, total enrollment in the program has declined by 14%, from 125,925 to 112,672.