



DESPITE WORKING FULL TIME, A GROWING NUMBER OF RHODE ISLANDERS HAVE TROUBLE MAKING ENDS MEET. ALL OUR NEIGHBORS DESERVE A WARM PLACE TO LIVE, FOOD ON THE TABLE AND AFFORDABLE HEALTH CARE.

**ONE RHODE ISLAND FY 2006 LEGISLATIVE PLATFORM**

**A RESPONSIBLE INVESTMENT FOR  
SUCCESSFUL FAMILIES AND A STRONG ECONOMY**

**FEBRUARY 2005**

# ONE RHODE ISLAND FY 2006 LEGISLATIVE PLATFORM

## BASIC NEEDS ISSUES IN RHODE ISLAND

## ONE RHODE ISLAND PROPOSAL AND HOW IT HELPS

## COST, SPONSOR & BILL NUMBER

**Adequate Income and The Family Independence Program.** Around 24,000 RI children live in families receiving benefits that are only 43% of the Federal Poverty Level. Benefits have not been increased since 1989: a family of 3 receives just \$554/month. For these families who live in extreme poverty, one-time payments are critical supplements to a woefully inadequate income. Currently, children aged 4 and over are eligible for a clothing allowance of just \$30 per year.

**Adequate Income.** The federal Earned Income Tax Credit has been called the most effective poverty reducing program in the nation. A state EITC supplements the federal credit and increases the program's efficacy. While every other state with a refundable EITC provides a credit of least 5% of the federal EITC, Rhode Island refunds just 1.5% - providing a maximum benefit of just \$50 per year.

**Food Security.** Approximately 1 in 10 Rhode Islanders is food insecure - they cannot afford adequate and nutritious food. More than 50,000 people, nearly half of whom are children, receive food through the RI Community Food Bank and food pantries every month. An estimated 30,000 Rhode Islanders are eligible for, but not participating, in the federal Food Stamp Program.

**Extend the eligibility for a once a year clothing allowance to all children and increase the allowance to \$150.** Nearly 24,000 extremely poor children will have increased access to adequate clothing.

\$3,071,250

Pichardo (S0463)  
Coderre (H5487)

**Increase the refundable EITC to 5% of the federal credit.** 44,000 low-income Rhode Islanders can receive a refund of up to \$210. These funds can help families and individuals to pay heating bills, auto repairs and rent deposits they might not otherwise be able to afford; refunds are likely to be spent on goods and services in Rhode Island.

\$4,063,988

Metts (S0464)  
Slater (H5290)

**Provide state funding for a food stamp outreach effort.** This investment leverages matching federal funds of \$250,000. The USDA estimates that every dollar spent in Food Stamps has a multiplier effect of 1.84. If Rhode Island experiences just a 10% increase in food stamp participation, an additional \$16,524,359 would flow into the state's economy.

\$250,000

Perry (S0670)  
Naughton (H5607)

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**Education and Training.** Education and training helps lift families out of poverty and stay off welfare. A 2003 study showed RI parents receiving education/training had higher paying jobs when leaving FIP (\$11.37/hr) than those who did not (\$8.66/hr). Currently, FIP recipients may count participation in education and training as work only during the first 24 months of their enrollment in FIP. FIP recipients live in extreme poverty – they cannot afford to buy professional clothing or uniforms when they start a new job or training program.

**Affordable, quality child care.** Child care costs can consume the largest part of a family's earnings – for a family with a toddler and a school aged child, the full cost of child care exceeds \$1200 per month. The Rhode Island Standard of Need documents that moderate-income families that are not eligible for the state's childcare subsidies do not have sufficient earnings to make ends meet.

**Affordable health care.** Because of RItE Care/RItE Share, the state has the second lowest number of uninsured children in the nation. But since the monthly premiums were increased in 2002, an average of 175 families, including 255 children, lose their coverage each month because they cannot afford the payment.

Allow FIP recipients after the 24th month to combine work with up to 10 hours of education or training to fulfill the 30 hour work requirement. For recipients who have worked for at least 12 months, allow participation in a short term, full time training program to improve job skills. Provide a one-time clothing allowance of \$150 to FIP recipients starting a job or training program. FIP recipients will have increased access to the programs that will help them to secure better wages – a critical component to establishing increased economic security for their families and to leaving FIP. The clothing allowance supports a successful transition from welfare to work and training opportunities.

**Fulfill the promise of the Starting Right child care assistance program: increase the income eligibility from 225% to 250% of the FPL.** A 2002 Bryant University study shows that every \$1 invested in the state's subsidized child care program leverages \$1.75 in economic activity. Access to affordable, quality child care keeps parents working and helps to stabilize the child care industry.

**Roll back the RItE Care premium to 2% of family income.** More families will be able to maintain continuous enrollment in RItE Care, assuring uninterrupted access to health care for children. Every \$1 spent by the state on RItE Care/RItE Share leverages federal funds – these investments help support the state's health care industry, which employs over 9% of the RI workforce.

Flexible work :  
\$135,600  
Clothing Allowance:  
\$376,000

Gibbs (S0525)  
Dennigan (H5806)

\$1,300,000

Roberts (S0539)  
Dennigan (H5365)

\$600,000

Lanzi (S0321)  
Handy (H5521)

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Affordable health care. Between 70,000 and 80,000 Rhode Islanders are uninsured and cannot afford health care or the high cost of prescription drugs. Additionally, tens of thousands more Rhode Islanders are underinsured and cannot afford to purchase prescribed medication.

Expand eligibility for the pharmacy assistance program enacted in 2004 by **lifting the income cap**. More Rhode Islanders will be able to afford prescribed medication, decreasing health problems and the risks associated with reduced ability to take medications as prescribed.

\$0

Paiva-Weed (S0787)  
Moura (H5788)

Affordable housing. Shelter use is at an all time high and has increased by 36% since 2001. There are more families and children using the state's shelter system. Average rent for an available 2-bedroom apartment in Rhode Island was \$1,032/month in 2004, requiring over \$41,000 in annual income to be affordable. More than 40% of RI renter households pay more than 30% of their income on rent. There is a 3-5 year wait for subsidized housing in RI – and many housing authorities have closed their waiting lists. Currently, the state invests \$5 million per year in the Neighborhood Opportunities Program.

**Provide a 50% increase in funding for the Neighborhood Opportunities Program.** Over the last three years, NOP has produced nearly 500 units of affordable housing. Every \$5 million invested by the state generates \$30 million in economic activity.

\$2,500,000

Felag (S0651)  
Fox (H5175)

**Total Cost of One Rhode Island Proposals:**

\$12,296,838

(0.4% of state budget)

**One Rhode Island promotes economic security for all Rhode Islanders. The One Rhode Island Coalition advocates for public policies, resources and programs that insure Rhode Islanders can meet their basic needs.**





# DO NO HARM

## ONE RI OPPOSES THE FOLLOWING PROPOSALS IN THE GOVERNOR'S FY 06 BUDGET

### FAMILY INDEPENDENCE PROGRAM

**Apply the full family sanction after twelve months.**

**Impact: 390 FIP families, including over 800 children will lose cash assistance.**

When a parent fails to comply with the employment plan, the family's benefits are immediately reduced by the parent's portion (close to 20% of the benefit). After 24 months of non-compliance, a full family sanction is imposed and the cash benefit to the children is also stopped. The 24-month full family sanction was implemented in September, 2005 and was a radical change from a system of graduated reductions in the benefit. The purpose of the sanction is to encourage the parent's participation, not to punish the children. On average, sanctioned parents have lower levels of education and more barriers to employment. A pending study evaluating RI's sanction process should be completed before another major change is implemented. \$1,117,049

**Require applicants to sign an employment plan before cash assistance is provided.**

**Impact: 80 applicant families, including over 160 children, will receive delayed payments or be denied assistance.**

Under current rules, eligibility for assistance is determined within 30 days of application so that families in desperate need are provided with help. The employment plan is developed within 45 days of the eligibility determination so that social workers have time to conduct an assessment of the parent's employment-readiness and develop an appropriate plan. Social workers have over 300 cases and are already hard-pressed to meet timelines and provide appropriate services. Combining the employment plan process with eligibility will lead to delays in receipt of much-needed cash assistance and employment plans that fail to meet the parent's needs. It is questionable whether the anticipated savings will be realized since parents will sign a plan to get the benefits they need to support their children. \$1,017,092

### CHILD CARE ASSISTANCE PROGRAM

**Increase co-pays for child care assistance for families whose income exceeds 150% FPL.**

**Impact: If implemented, monthly child care expenses for 4600 children would increase by \$30-\$60 depending on family income.**

For example, a mom and dad with 2 children with combined gross earnings of \$2,356/month would have an increase in monthly childcare co-payments from \$141 to \$188. Because of the high cost of rent and other necessities this seemingly modest increase may be unaffordable for many families. Families with income above 150% FPL are also required to pay a monthly premium for RIte Care. Each month an average of 175 families (including 255 children) lose coverage because they can't afford the premium. Additional child care costs can jeopardize the family's ability to continue health insurance coverage. \$1,440,987

**Defer the bi-annual rate increase for child care providers from January to July.**

**Impact: This proposal would affect 1200 child care providers throughout Rhode Island.**

In order to assure their continued ability to provide high quality care, the state authorized a bi-annual increase in reimbursement rates to providers based on a market rate survey. Providers depend on the increase to meet the rising cost of providing care. \$738,000



# DO NO HARM

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## CHILD CARE ASSISTANCE PROGRAM

**Restructure Rite Care coverage for family home child care providers.**

**Impact: 74 currently eligible home care providers will not be able to obtain Rite Care coverage, leaving them without access to preventative health care and affordable medical treatment when they become ill.**

\$1,232,122

## RITE CARE AND MEDICAL ASSISTANCE

**Require families with children receiving medical assistance through the Katie Beckett program to pay \$100/month if family income is above 250% FPL.**

**Impact: The families of 1300 disabled children would need to pay for health insurance.**

Children covered through the Katie Beckett program have severe disabilities. The program allows families to keep their children at home instead of living in an institution. Families with children with disabilities have higher costs and imposing a monthly premium will cause many families economic hardship.

\$325,000

**TOTAL COST TO DO NO HARM IN FY 06:**

**\$5,870,250**